PageGroup

2020 ANNUAL REPORT AND ACCOUNTS

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We are one of the world's best known and most respected specialist recruitment consultancies. We deliver recruitment services to clients through a network of **139 offices across 37 countries**. Our Vision is to increase the scale and diversification of PageGroup by organically growing existing and new teams, offices, disciplines and markets.

OUR STRATEGY

LARGE, HIGH POTENTIAL

Typically under-developed markets, but where we have a successful track record and confidence in our ability to scale our operations substantially.

LARGE, PROVEN

These are large markets where we are already proven with a strong track record and a significant presence.

SMALL AND MEDIUM, HIGH MARGIN

Markets which are, or could be, significant profit contributors with attractive conversion margins, but each are unlikely (or not yet proven) to be able to grow to more than 300 fee earners.

OUR BRANDS

WHERE WE OPERATE

COUNTRIES ACROSS THE WORLD **37**

OFFICES **139**

HEADCOUNT **6,694**

HIGHLIGHTS

GROSS PROFIT **£610.2m** **-28.1%*** 2019: £855.5m	OPERATING PROFIT **£17.0m** **-90.1%*** 2019: £146.7m	BASIC EARNINGS PER SHARE **-1.8p** **-105.6%*** 2019: 32.2p
CONVERSION RATE** **2.8%** 2019: 17.1%	ORDINARY AND SPECIAL DIVIDEND **-** 2019: 26.43p	% NON-UK GROSS PROFIT **86.7%** 2019: 84.2%

* in constant currency at prior year rates ** Operating Profit as a percentage of Gross Profit

CHAIRMAN'S INTRODUCTION

2020 PERFORMANCE

We entered 2020 with the emergence of COVID-19 in Mainland China. By the end of the first quarter, it was apparent that we had entered unprecedented times and were in the midst of a global pandemic. The safety of our people was our highest priority and, following the example we set in China, we swiftly moved our employees to home working as the pandemic spread through Asia Pacific, Europe, the UK and finally the Americas.

Our experienced Executive leadership team reacted quickly to the exceptionally tough trading conditions and successfully steered the Company through a challenging year, demonstrating the flexibility and resilience at the core of our business model.

Our strategic priority has been to protect our platform and ensure we are well positioned to gain market share as we recover. We took advantage of government schemes where possible and actively reduced our cost base. The furlough income received in 2020 of £3.4m will be repaid to the UK Government. During the second quarter, our Directors voluntarily agreed to a 20% reduction in salary, with most other employees working reduced hours. We also cancelled the 2019 final dividend, suspending our dividend policy. As a result of the ongoing uncertainties, the Board also do not believe it appropriate to propose a final dividend for 2020, but will look to reinstate our dividend policy at the earliest opportunity once we have more visibility on trading in 2021.

As lockdowns were eased, we gradually re-opened our offices and brought our staff back from furlough to full time working. We continued to invest in areas where we saw the greatest opportunity for growth, including our Large, High Potential Markets and other areas that were more resilient throughout the pandemic, such as Contracting, Technology and Health Care & Life Sciences.

Additionally, to ensure we provide a market leading service to our clients and candidates, we continued to innovate and embrace new technologies. Our new Customer Connect operating system was successfully rolled out to a third of our fee earners during 2020.

All regions were impacted by the pandemic and overall Group gross profit was down 28.1% in constant currencies to £610.2m, with operating profit down 90.1% to £17.0m.

Gross Profit in EMEA, our largest and best performing region, was down 24%. France and Southern Europe were severely impacted as a result of government restrictions and local lockdowns. However, Germany proved resilient and declined just 11%, driven by its contracting business, Michael Page Interim. Asia Pacific was down 25%. However, Mainland China and Japan showed strong signs of a recovery, with a return to growth by the end of December. The Americas was badly impacted by the pandemic, with North America and Latin America down 30% and 33% respectively. The UK, our most challenging region, declined 40%, with regional lockdowns and Brexit-related uncertainty impacting trading conditions.

BOARD

The correct balance of the Board is fundamental to successfully delivering the Group's objectives. In the current unprecedented economic climate, it is imperative the Board possesses a wide range of experience to drive us confidently through this difficult period and emerge well placed to take advantage of new opportunities.

One of my main priorities is to ensure a well-balanced, diverse Board, offering broader perspectives that encourage new innovative strategies that are necessary to stay ahead. Over the past few years, we have exceeded the target in the Hampton-Alexander review for FTSE 350 Boards to have 33% female representation. Due to organic growth and our policy of promoting from within, it will take some time for the balance of our Executive Board to reach this target. However, following recent promotions to our Executive Board, with effect from

1 January 2021, our female representation has increased to 10%.

I monitor the success of the various programmes in place to accelerate the promotion of women to leadership positions. Our Women@Page global network is aimed at engaging and empowering women across the Group and we have a coaching programme for women returning from maternity leave. Additionally, our senior management have diversity targets linked to their remuneration.

We have a strong focus on succession planning to ensure potential future leaders are trained and can reach their full potential. We have talent development programmes available, including coaching and mentoring to our senior leaders in addition to our Executive leadership programme.

I am also pleased to announce the appointment of Ben Stevens who joined the Board as an independent Non-Executive Director with effect from 1 January 2021. Ben Stevens will be a member of the Audit, Nomination and Remuneration Committees and Audit Committee Chair Designate and brings extensive experience across different sectors and roles to the Group.

CULTURE, PURPOSE AND STAKEHOLDER ENGAGEMENT

Our Purpose is to change lives for people through creating opportunity to reach potential. We are committed to providing professional success for our clients, candidates and staff and this is underpinned by our values of passion, determination, working as a team while enjoying what we do and making a difference.

The Board work closely with our culture & engagement team, reviewing all aspects of our culture such as talent development, diversity & inclusion, internal communications and operations. During the year, a Centre of Excellence was setup to provide a global forum to help drive the adoption of and engagement with our various campaigns and initiatives.

In accordance with the requirements of the Corporate Governance Code, all members of the Board effectively engage with employees. This is done using a variety of channels, including attendance at employee meetings, live virtual events and surveys. The health and wellbeing of our staff is our key priority and the impact of the pandemic meant that it has never been so important for the employee voice to be heard. As a result of our remote working survey we introduced the staying connected campaign to provide help and support to employees with the sudden shift to homeworking, social interaction and mental wellbeing. Our Senior Leadership team demonstrated their approachability via Live Events held on Microsoft Teams.

We also carried out two pulse surveys in the year to assess the needs of our staff, with positive results. 90% of our people found our communication tools were effective in providing information and 84% of people felt proud to work at PageGroup. The results of the pulse surveys and other assessments from employee engagement initiatives are also discussed during Board meetings and as part of our twice-yearly culture and engagement review, where future actions are agreed to ensure our culture is aligned globally, in line with our business objectives and our Purpose and values.

The success of the Board's Diversity and Inclusion agenda is demonstrated by the attainment of several awards, including the Times Top 50 Employers for Women 2020 and FT Diversity Leaders 2021 Top 100. During the year, a shadow board was also set up in the UK with a diverse membership to provide greater representation.

Customer centricity is vital to ensure that we retain our position as a global market leader. Our recent technological innovations meant we were well placed at the start of the pandemic to seamlessly move our customers over to online tools, including video interviews and online webinars. We were able to continue to provide our customers with a first-class service, providing the support and information necessary to assist them with the additional challenges they faced. As a Board, we continue to monitor and assess the views of both candidates and clients so that procedures and system innovations can be made to ensure we continue to provide a high-quality service.

SUSTAINABILITY

Despite COVID-19's dominance this year, 2020 has given us the opportunity to reflect on our approach to sustainability. The review allowed us to broaden the meaning of sustainability and take a deep dive into each element of ESG (Environment, Social and Governance). We reflected on our hard work and achievements to date, as well as looked towards improving our future.

I am proud to announce that PageGroup has now joined the UN Global Compact. The UN Global Compact provides a framework for developing a more sustainable and responsible business. We are excited to be joining the largest corporate sustainability initiative in the world. Whilst this is an important step, it is the first in a series of exciting sustainability initiatives to be released over the course of 2021.

LOOKING AHEAD

As we enter 2021, recent news on the efficacy of vaccines for COVID-19 is positive, and in the UK we are encouraged that the Brexit deal has provided a degree of clarity. However, COVID-19 remains a significant issue and is likely to remain so for at least the medium term. Prior to the pandemic, there were also a number challenges in some of the Group's markets as a result of political instability, driving further macro-economic uncertainty.

However, we remain committed to investing in our Large, High Potential Markets, as well as other countries, brands and disciplines where we see the greatest potential for growth, such as Contracting, Technology and Health Care & Life Sciences.

We have a core of engaged, motivated and experienced employees and we will continue to support them and look to add expertise. We know the future remains unpredictable, but we believe now is the right time to continue to invest in our flexible and highly diversified business model. We will maintain our focus on the long-term vision of the Group to drive progress towards our strategic goals.

Finally, this year has been exceptionally challenging and our staff and Executive Leadership team have exceeded expectations. We recognise the significant sacrifices that have been made during the year, including staff who volunteered to take salary reductions or those who worked reduced hours. Our success is reliant upon their loyalty, contribution and continued support. On behalf of the Board, I would like to say thank you to all of our people for their high levels of dedication and resilience throughout the year.

David Lowden

Chairman

OVERVIEW

PAGE 5 BUSINESS MODEL

FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
Highly profitable Maintain a strong balance sheet Highly cash generative	Sustainable organic growth Diversification to mitigate cyclicality by geography, brand and discipline Focus on operational efficiency	Team-based service delivery Talent and skills development/ retention	Strong brands Effective use of technology

PAGE 11 STRATEGY

FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
Long-term investment into core markets • Large, High Potential • Large, Proven • Small and Medium, High Margin	To be the leading specialist recruiter in each of the markets in which we operate	Career development structure Training Global mobility	Assurance of a quality service Effective recruitment process

PAGE 41 RISKS

FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
Macro-economic exposure Foreign exchange translation risk	Shift in business model Delivery of operational efficiencies	People development Attraction and retention	Technology; systems transformation and change; data security; brand reputation; financial management and control; fiscal and legal compliance

PAGE 21 KPIs

FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
Gross profit growth Gross profit diversification Perm:Temp ratio Cash Earnings per share	Fee earner headcount growth Gross profit per fee earner Fee earner:operational support staff ratio Conversion rate	Employee satisfaction survey Management experience	Measurement performed at a granular level D&I review ratings

PAGE 81 REMUNERATION

FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
EPS growth: three year cumulative PBT performance Comparator gross profit growth	Strategic targets Systems and innovation	Leadership and people development Retention/succession	Cost and financial management Risk management and internal controls IT strategic development

PAGE 18 DIVIDEND POLICY

FINANCIAL	STRATEGIC	PEOPLE	OPERATIONAL
Maintain a strong balance sheet Maintain core ordinary dividend	Return surplus cash to shareholders by special dividends and/or share buybacks	Ensure dividends are paid at sustainable levels such that investment in the business and its people is maintained	First use of cash is to satisfy operational and investment needs, as well as to hedge liabilities under the Group's share plans

A MESSAGE FROM STEVE

I would like to welcome you to our Strategic Report, where I will outline our Business Model and Strategic Framework. I will then take you through our Strategic Review outlining the source of our competitive advantage and our strategic response to the global COVID-19 pandemic. Following on from this, I will take you through how we approach investment in our markets and the relationship to our strategic plan. I will then outline how we see current market dynamics and our capital allocation policy.

We continue this year to relate how we measure performance, through our KPIs – both financial and non financial – with associated risks. These risks then link directly to the four elements (financial, strategic, people and operational) of the performance criteria in our current executive share plans.

Steve Ingham
CEO PageGroup

BUSINESS MODEL

OUR MODEL AT WORK

OUR PEOPLE
An experienced senior management team and high-quality consultants. Expertise in premium candidate sourcing and advocating for client and candidate.

OUR CULTURE
Diverse and inclusive culture with ingrained values of how to do business ethically. We have created an environment where developing our people and achieving results for the customer is paramount.

OUR RELATIONSHIPS
We work closely with our clients and candidates. Our customer centric ethos upholds our reputation, maintains our competitive edge and enables our business to thrive.

OUR BRAND AND SCALE
Global reach, with deep local knowledge. Specialist industry and market knowledge. High levels of operational efficiency.

TECHNOLOGY AND INNOVATION
Focussed on how best to acquire, engage and nurture customers to build long-term relationships. The use of technology allows us to leverage growth and improve our conversion rate.

FINANCIAL CAPABILITY
Our business is supported by a strong balance sheet and significant cash flow generation.

OUR PURPOSE

PAGEGROUP CHANGES LIVE
through creating **OPPORTUNITY** *to r*

Our Value Proposition Model

CLIENTS
- Sector expertise
- Appropriate candidate shortlist
- Professional high-quality service

CONSULTANTS
- Team-based structure and compensation
- Access to jobs across entire Group
- Consistent process

CANDIDATES
- Professional high-quality service
- Market understanding and client profiling
- Career advice

UNDERPINNED BY OUR VALUES

WE MAKE A **DIFFERENCE** | WE **ENJOY** WHAT WE DO | WE WORK AS A **TEAM**

ES *for* PEOPLE
each POTENTIAL

LEADS TO...
- Repeat business
- Greater exclusivity
- Future candidates

LEADS TO...
- Rapid career promotion
- Career opportunities
- Reward and recognition

LEADS TO...
- Career-long relationships
- Peer recommendations
- Future clients

Delivering our strategic objectives

ORGANIC, HIGH-MARGIN, DIVERSIFIED GROWTH:

With a core focus on organic growth our broad-based capabilities enable us to capitalise on market opportunities around the globe, avoiding over-reliance on one geography or discipline.

SCALABLE & FLEXIBLE CAPACITY:

Our brand and scale enable us to build an unrivalled skillset, together with the ability to respond quickly to changing market conditions.

TALENT AND SKILLS DEVELOPMENT:

The recruitment, retention and development of talent is fundamental to driving our meritocratic growth model.

Our strategic framework is outlined on page 7.

Sustainable growth for the benefit of our stakeholders

EMPLOYEES
Supportive, inclusive culture where they experience real opportunities for development and a long and rewarding career.

INVESTORS
Look for investment growth and seek confidence their investment is under sound stewardship.

CLIENTS & CANDIDATES
Rely on us to provide world-class specialist recruitment services and solutions to help drive their business and careers forward.

COMMUNITIES & GOVERNMENT
Need businesses that have a positive impact.

SUPPLIERS
Seek strong and enduring partnerships based on fair terms.

Stakeholder engagement is outlined on page 51.

WE VALUE **DETERMINATION** | WE ARE **PASSIONATE**

BUSINESS MODEL

STRATEGIC FRAMEWORK

PageGroup is focused on delivering against three key objectives to achieve its Strategic Vision and deliver sustainable financial returns. These are to:

1 LOOK FOR ORGANIC, HIGH MARGIN AND DIVERSIFIED GROWTH

Our strategy is to expand and diversify the Group by industry sectors, professional disciplines, geography and brand. As recruitment is a cyclical business, impacted significantly by the strength of economies, diversification is an important element of our strategy as it reduces our dependency on individual businesses or markets, thereby increasing the resilience of the Group. This strategy is pursued entirely through the organic growth of existing and new teams, offices, disciplines and countries, maintaining a consistent team and meritocratic culture as we grow.

Our business model proved resilient during the COVID-19 pandemic, demonstrating the success of our diversification strategy. With less reliance on any one individual country, brand or discipline, the business was better positioned to face the adverse market conditions.

PageGroup's historical success in each of our markets has helped identify which geographies will likely produce high-margin growth, with the greatest potential for long-term success.

Our background is in permanent recruitment, but 28% of the business is now in the temporary market, with this being dependent on local culture and market conditions.

Our presence in major global economies provides the greatest potential for long-term growth in gross profit at attractive conversion rates. We are now less dependent on our Large, Proven markets, such as the UK and have greater opportunities in the large economies, such as Greater China and South East Asia, where we have been highly profitable in the past. In 2007 our Large, High Potential markets, with then just under 700 fee earners, represented 17% of Group Gross profit. We have invested heavily in this category, and today it has over 2,000 fee earners, representing 36% of Group gross profit, highlighting the success of our diversification strategy.

We have also increased our discipline diversification away from Accountancy and Financial Services. In 2007, our Accountancy and Financial Services discipline represented 54% of our Gross Profit, compared to just 35% in 2020.

2 POSITION THE BUSINESS TO BE EFFICIENTLY SCALABLE AND HIGHLY FLEXIBLE TO REACT TO MARKET CONDITIONS

Our ability to respond quickly to changes in market conditions is critical to managing the business efficiently through economic cycles. We ensure that we always have the ability to flex our capacity up and down, while maintaining a core presence in each market to service clients with excellence and retain management experience.

Our team-based structure and profit share business model is highly scalable. The small size of our specialist teams also means that we can increase our headcount rapidly to achieve growth. When market conditions tighten, these teams then reduce in size largely through natural attrition. Consequently, our cost base will be reduced in a slowdown.

Having invested years in training and developing our highly capable management teams, our objective is to ensure we retain this expertise within the Group. By following this course of action, we typically gain market share during downturns and position our businesses for market-leading growth when economic conditions improve.

Our global footprint requires high levels of operational efficiency in order to achieve this strategic objective. Our focus on Shared Service Centres has delivered greater economies of scale and greater efficiencies. It has driven consistency, increased flexibility and improved the quality of service provided to our operational business. Collectively these Shared Service Centres allow us to be more agile, reduce our fixed costs and remove constraints on how fast we can react to changing market conditions.

3 NURTURE AND DEVELOP OUR PEOPLE, DRIVING OUR MERITOCRATIC GROWTH MODEL

We recognise that it is our people who are at the heart of everything we do and the recruitment, retention and development of talent is fundamental in our ability to achieve long-term sustainable organic growth.

Diversity and inclusion are key to our culture and the success of our business. Understanding the values and cultural differences of our employees helps them reach their potential as we build a stronger, more successful business. A business which reflects society and the clients and candidates whose lives we change.

We seek to find the highest calibre staff from a diverse range of backgrounds and then do our very best to retain them through offering a fulfilling career and an attractive working environment.

This includes a team-based structure, a profit share business model and continuous training and career development, often internationally. Our strong track record of internal career moves and promotion from within means that people who join us know that they could be our future senior managers and Executive Board members.

During the year, we developed our continuous listening strategy, giving us the ability to listen to our employees and act on their feedback, so we could give them the best possible support and improve performance.

OUR STRATEGY

The Group's strategy aims to expand and diversify the business organically by professional disciplines, brands and geographies, with the objective of being the leading specialist recruitment consultancy in each of our chosen markets.

A FOCUS ON ORGANIC GROWTH

PageGroup's business model has proved itself both through economic cycles and as the business has expanded into a global enterprise. At its core is a focus on organic growth.

GLOBAL MANAGEMENT MOBILITY

We regularly **move experienced directors** into markets where they can **add the most value** and guide the business through the challenges of a market cycle, while allowing us to retain and motivate key senior talent.

CAREER DEVELOPMENT STRUCTURE

PageGroup offers its consultants a **well-defined and varied career** in recruitment. This includes a clear development structure with significant opportunities for the most talented.

AGILE AND RESPONSIVE

Recruitment is a **fast-paced and dynamic** business. Our agility gives us the confidence to respond quickly to opportunities and challenges as they appear.

PRODUCTIVITY-LED EXPANSION

Our operational metrics **focus on productivity,** by team, discipline and geography. This bottom-up approach aligns expansion criteria throughout the Group, focusing and optimising investment on key priorities.

EXPERIENCED MANAGEMENT POOL

Experience through economic cycles and across geographies and disciplines reduces our learning curve, **maximises scalability** and is crucial for placing resources where they will add the most value.

TEAM PROFIT-LED COMPENSATION

A focus on team-based performance rather than the individual promotes positive corporate behaviour and consistent quality of service for both clients and candidates.

BUSINESS MODEL

OUR VISION

HEADCOUNT	GROSS PROFIT	OPERATING PROFIT
10,000	£1bn	£200m-£250m

Despite 2020 being an extremely challenging year, our Vision remains consistent – to increase the scale and diversification of PageGroup by organically growing existing and new teams, offices, disciplines and markets. In numbers, our Vision is to deliver Group gross profit of one billion pounds, which, depending on how fast we get to that figure, will generate operating profit of between £200m - £250m. To deliver these results, at 2018 productivity, when we first published this Vision, we will require a total Group headcount of 10,000. We believe that with our focus on operational support, we are now better placed to improve our fee earner to operational support staff ratio. The work we have done to standardise and simplify our support functions will enable us to grow our fee earner headcount without a corresponding increase in our support headcount and consequently, we believe that we can achieve a ratio of 82:18.

WHAT WE DO

PageGroup is a worldwide leader in specialised recruitment. We have over 40 years recruitment experience and deliver recruitment services to clients across 37 countries through our network of 139 offices.

DISCIPLINE EXPERTISE

We've developed PageGroup's reputation as a global recruitment leader through our focus on specialist areas of the market, replicated across our international network. Within our four broad discipline categories, we operate across 14 specialist discipline teams. We then specialise further within these (e.g. digital marketing within marketing) to ensure we provide expert recruitment services to our clients.

PERM AND TEMP MIX

PageGroup is the international market leader for permanent recruitment in the majority of the countries in which we operate. We also have a substantial and growing temporary recruitment business in markets where temporary placements for professionally qualified candidates are culturally accepted.

GEOGRAPHIC REACH

Our substantial and well-balanced business reaches across all regions, including Latin America and Asia. Our global model allows us to source candidates from domestic and international markets and provide a comprehensive service to both local and multinational clients.

OUR BRANDS

PAGE EXECUTIVE

With typical margins above those of Michael Page and Page Personnel, our executive search division of PageGroup provides a range of search, selection and talent management solutions for organisations on a permanent and interim basis. Recognised for our powerful in-house research function, speed and flexibility of response, and assignment completion rates, organisations worldwide use Page Executive to secure their senior talent. The roles on which we focus typically sit at the sub-board and Board levels.

MICHAEL PAGE

The original PageGroup brand is normally established as the first business in each new country that we enter. Michael Page is comprised of 25 specialisms, each providing a service to a specialist area of the market, recruiting permanent, temporary, contract and interim opportunities, typically at qualified professional and management level. The businesses we work with range from SMEs to global blue-chip organisations.

PAGE PERSONNEL

Page Personnel offers specialist recruitment services to clients requiring permanent employees, temporary or contract staff. Mirroring the geographical and sector coverage of Michael Page, it provides specialist services to organisations requiring talent at professional clerical and support levels.

PAGE OUTSOURCING

Our newest brand, Page Outsourcing, harnesses the power of the other PageGroup brands. Our flexible recruitment outsourcing solution allows our clients to focus on their core business. We manage a range of recruitment activity from high volume needs to specialist support for HR departments across all levels of the recruitment market. Page Outsourcing represents an opportunity for the Group to accelerate growth across all segments of the market.

STRATEGIC REVIEW

OUR STRATEGIC RESPONSE TO THE GLOBAL COVID-19 PANDEMIC

Above all else, the health and safety or our employees, candidates and clients was and remains our first priority. Early in the pandemic we were able to move our consultants swiftly to homeworking, with full system access, minimising service disruption to our clients and candidates, while ensuring the safety of our employees.

The Group's overarching strategy has been to protect our operating platform, securing as many roles as possible through the crisis. Our aim was to protect the shape of the business, retaining our experienced employees and continuing to support our clients and candidates. We have maintained our network of offices and broad and diverse platform of brands, disciplines and geographies.

Our flexible and highly diversified business model proved resilient, enabling us to react quickly to changes in market conditions and demonstrating the success of our diversification strategy. With less reliance on any one individual country, brand or discipline, the business was better positioned to face the adverse market conditions.

Our aim was to balance tight cost management, while ensuring we positioned the Group to take full advantage of all opportunities as conditions improved. We actively reduced our cost base and took advantage of government schemes where possible. During the second quarter, our Directors voluntarily agreed to a 20% reduction in salary, with most other employees working reduced hours. We also cancelled the 2019 final dividend and suspended our dividend policy.

Now the Group is trading profitably each month and with £166m of net cash, the Board has decided to repay the furlough income to HMRC.

To ensure we are best placed to take advantage of market opportunities as we recover, we have been hiring experienced fee earners from the competition. During the year, following an unprecedented level of interest, this selective investment has enabled us to add around 400 experienced fee earners with an average tenure per fee earner of 4.1 years.

These hires have been focused in our targeted areas of investment which have also proved more resilient in the pandemic. In our Technology discipline, we are investing in growth disciplines, including IT and other STEM disciplines. There is also an increased focus on our Healthcare & Life Sciences discipline, where we have hired from the competition to expand in growth areas. We are also replicating our successful German Interim business model in other markets.

Another area of strategic investment has been in Page Outsourcing. This is our newest brand and was created to meet the growing demands of our clients. It leverages our internal capabilities in offering a customised solution for high-volume hiring and specific project recruitment needs across all levels of the market. We have a growing track record in this area and significant infrastructure already in place. During the year, we also made a senior appointment into our Page Outsourcing brand to drive our offering within MSP, RPO and project recruitment.

To achieve our strategic goals, it was and remains critical to keep our people informed and engaged. The key to our success during the pandemic was the global communications and technology infrastructure that we have put in place over the last five years. Despite the challenging conditions, we continued with the roll out of Customer Connect, our new operating system and PageInsights, our data intelligence tool. Additionally, our move to the cloud gave us greater flexibility in the remote working environment.

We were able to utilise a range of tools to ensure our people remained informed and updated, including Yammer, our internal social network and we rolled out Microsoft Teams. This meant consultants could continue talking to their candidates, clients and most importantly, each other. We also used Boost our blended learning platform to provide training for people in what has been an uncertain and unusual environment. These two tools enabled global communication and ongoing team level collaboration, preserving our team-based culture.

Our continuous listening strategy, implemented this year, gave a great opportunity for us to listen to our employees and act on their feedback, so we could give them the best possible support and improve performance. During the year, we carried out two pulse surveys that specifically focussed on the unique needs of our employees during the pandemic. We also carried out global on-boarding surveys to help understand the needs of new joiners, how engaged they were feeling and help us to reduce attrition.

We have strong coverage across both permanent and temporary markets and are ideally positioned to deliver these solutions to our clients, given our geographical spread and broad discipline and salary level offerings, being able to match the needs of our largest multi-national clients. Our business model has proved resilient, despite the unprecedented conditions and we remain confident in our strategy of maintaining our platform. We will continue to carefully invest in headcount, as well as continuing to roll-out new technology and innovation. We are the clear leader in many of our markets, with a highly experienced senior management team, which, we believe, gives us the ability to react quickest as market conditions around the world recover and capitalise on market share opportunities.

TECHNICAL DISCIPLINES

Increase exposure to technical disciplines including IT and other STEM specialisms

PAGE OUTSOURCING

Our recent senior appointment provides an opportunity to expand our Page Outsourcing business

INTERIM AND CONTRACTING

Replicate our highly successful German Interim business model in other markets

HEALTHCARE AND LIFE SCIENCES

Increased focus on Healthcare and Life Sciences

STRATEGIC REVIEW

OUR COMPETITIVE ADVANTAGE

Our true competitive advantage is the combination of these four factors and the balance we have achieved in the business for over 40 years. We generate funds through fees earned for placing candidates in permanent, temporary and contract roles.

SCALE

Our scale enables PageGroup to commit to markets through economic cycles, which combined with our strong financial standing has given clients the confidence to build lasting relationships with us. Temporary staff also derive comfort from our financial strength that their services will be paid for.

The breadth of our client base, even in our new markets, gives us the ability to offer diverse expertise across a wide range of complementary specialisms and geographies, enhancing our offering to the market and the candidate pools we can access.

Our scale has facilitated us building an unrivalled skillset with high levels of experience, which is available to clients of any size and across all sectors in which we operate.

BRAND

We deliver specialised sector experience operated via four key brands: Page Executive, Michael Page, Page Personnel and Page Outsourcing, supported by supplementary brands throughout our international locations.

The first class reputation of our brands gives high-quality candidates assurance to place key decisions on their future in our hands. Our superior level of expertise and the knowledge of our consultants inspire trust and assurance of quality service, for both clients and candidates, enabling our brands to outperform other recruitment businesses.

CULTURE

PageGroup's culture is unique in the sector and sets us apart from the competition. Our global culture delivers a consistent approach, both internally and externally, whilst remaining accepting of each of our market's local characteristics.

A diverse team brings different perspectives and insight to our business and our promotion of diversity and inclusion ensures we add value to the markets we recruit into on behalf of our clients. We work closely with our clients to source and recruit from a diverse talent pool to provide them with the best possible candidate.

We have ingrained values of how to do business ethically and to make long-term decisions. Our Purpose and our values that are the key to our success are set out on page 27.

INNOVATION

The digital revolution has transformed the recruitment market. The impact of technology on behaviours and expectations of both clients and candidates continues to grow at pace. Our innovation approach is focused on how best to acquire, engage and nurture customers to build long-term relationships. We have an innovation team that ensures we have a good understanding of the different recruitment trends and form partnerships with the most advanced technology providers who can help us create an innovative experience for our customers.

Our internal Business Technology function focuses on designing, implementing and exploiting scalable global systems. By improving our processes and tools, we empower consultants to be more productive. In our operational business we are utilising technologies such as Salesforce and Thunderhead to engage with customers throughout their journey.

The use of technology allows us to leverage growth in the business and improve our conversion rate.

STRATEGIC REVIEW

HOW WE CATEGORISE OUR MARKETS

INVESTMENT APPROACH

Investment in the business has been focused on developing the long-term sustainability of the business and is supported by significant balance sheet strength and cash flow generation. This market categorisation provides an investment framework for the business. Investment comes in a range of forms including headcount, new offices and infrastructure, marketing spend and minimum levels of market presence through the economic cycle.

	CATEGORISATION	EXAMPLES
LARGE, HIGH POTENTIAL	**SUBSTANTIAL, HIGH-POTENTIAL MARKETS FOR RECRUITMENT.** Typically under-developed, but where PageGroup has a successful track record and confidence in its ability to successfully scale operations. Each satisfied key criteria including: • Positive PageGroup track record; • Ability to adapt PageGroup culture to local culture; • Ability to hire and retain local consultants; • Ability to roll-out disciplines and open offices; • Attractive conversion rate potential; and • Large-scale economies.	GERMANY GREATER CHINA LATIN AMERICA SOUTH EAST ASIA THE US
LARGE, PROVEN	**LARGE MARKETS** in which PageGroup is already proven with a strong track record and a significant presence.	UK FRANCE AUSTRALIA THE NETHERLANDS ITALY SPAIN
SMALL AND MEDIUM, HIGH MARGIN	Have been, or could be, **SIGNIFICANT PROFIT CONTRIBUTORS** for PageGroup, but each not likely to be in excess of 300 fee earners.	JAPAN INDIA MIDDLE EAST AFRICA CANADA TURKEY OTHER EUROPEAN COUNTRIES

INVESTMENT APPROACH	STRATEGIC VISION	2020 RESULTS	2021 STRATEGY
Sustained investment through cycle – adding headcount/ offices/disciplines.	Create a market leading network of offices, management and headcount. c. 40% of Group gross profit/fee earners; 20% conversion rates.	Gross profit decline of -24.8% for the year, with Germany the most resilient declining just -11%. Elsewhere, Greater China -27%, South East Asia -23%, the US -30% and Latin America -33%. In South East Asia, we opened our first office in the Philippines. This category represents 36% of Group gross profit (2019: 35%).	Continue investment in new headcount and management team, whilst improving conversion rates and productivity.
Investment reflects gross profit growth and market conditions.	Collectively return to 2007 peak levels of operating profit and conversion rates; equivalent to c. 45% of Group gross profit/ fee earners.	Gross profit decline of -32.5% for the year. Trading conditions in the UK were badly impacted by both Brexit related uncertainty and COVID-19, with a decline -40%. Elsewhere, trading conditions in our Australian and European businesses were also badly impacted by the pandemic, with Australia -35%, France -28%, Italy -28%, the Netherlands -28% and Spain -29%.	Continue to drive future growth through existing capacity, as well as improving conversion rates and productivity.
Respond to market conditions, focus on high margin opportunities.	Investment responsive to market conditions. Expected to represent c.15% of Group gross profit/fee earners; 30% conversion rates.	Gross profit decline of 21.7% for the year. Japan was the best performing, declining -9%. Belgium and India were also resilient, -16% and -14%, respectively. Elsewhere, other countries were badly impacted by the pandemic, with the Middle East -30% and Switzerland -26%.	Continued focus on growth and improving our conversion rates and productivity.

STRATEGIC REVIEW

MARKET DYNAMICS

The professional recruitment sector has always been highly sensitive to fluctuating economic conditions and is strongly influenced by client and candidate confidence. Market liquidity can change rapidly, whether in terms of availability of jobs or candidate confidence in taking the next step in their career.

It can also be localised, by geography or discipline, and differ between temporary and permanent placements in the same market.

In a number of geographic regions, such as Latin America or Greater China, our potential markets are very large, yet relatively immature. This provides not only significant market share opportunities, but also business development challenges. New markets can take time to crack, but the advantages of being an early participant and building scale can be considerable.

As well as the influence of the general macro-economic environment on business activity, there are a number of market-based drivers that can materially impact PageGroup's financial performance. These are split into elements which affect market liquidity and those which influence gross profit and consultant productivity. It is the nature of the professional recruitment market that strong market conditions will see drivers in both elements align and this can have a dramatic impact on PageGroup's overall performance and conversion margins.

MARKET LIQUIDITY

IMPACT

CANDIDATE AVAILABILITY
Often highly discipline/geography-specific, especially at midpoints in the cycle as client confidence grows. This is a key driver of most other elements, as the quality of a recruiter is most clearly demonstrated through their ability to source difficult-to-find candidates.

CANDIDATE CONFIDENCE
A major influence on market liquidity where the macro-environment is sufficiently stable, candidates will look to progress their careers, which helps to drive job liquidity.

FINANCIAL IMPACT

Mainly visible through improvement in gross profit, a buoyant market helps to drive consultant productivity.

GROSS PROFIT AND PRODUCTIVITY

IMPACT

FEES/RATES
Group average typically moves within a 10% range over the cycle (19.5%-22%).

WAGE INFLATION
Reflects level of candidate shortage and liquidity within a particular discipline or geography, plus macro-economic conditions.

TIME TO HIRE
As candidates become scarcer, companies reduce the number of interviews and shorten the decision making process in order not to lose preferred candidates.

FINANCIAL IMPACT

Notable influence on both gross profit and also conversion rate. Productivity, especially in permanent recruitment, is significantly enhanced as these market drivers align positively.

CAPITAL ALLOCATION POLICY

The Group's strategy is to operate a policy of financing the activities and development of the Group from our retained earnings and to maintain a strong balance sheet position. We first use our cash to satisfy our operational and investment requirements and to hedge our liabilities under the Group's share plans.

We then review our liquidity over and above this requirement to make returns to shareholders, firstly by way of ordinary dividends. Our policy is to grow the ordinary dividend over the course of the economic cycle, in line with our long-term growth rate. We believe this will enable us to sustain the level of ordinary dividend payments during a downturn, as well as increasing it during more prosperous times.

Cash generated in excess of these first two priorities will be returned to shareholders through supplementary returns, using special dividends or share buybacks.

Due to the COVID-19 pandemic in 2020, we suspended our dividend policy to preserve liquidity. We will continue to review this position in 2021 and plan to resume allocating capital to shareholders as market conditions improve.

CUSTOMER CONNECT

Our new operating system, Customer Connect, is a single instance, cloud-based front-office technology platform that ensures we drive growth and support innovation. The data-driven platform delivers a modern user experience making it easy to engage with our customers at every opportunity to drive productivity.

Customer Connect is based on the Salesforce platform, allowing us to fully integrate our CRM, digital and customer engagement programmes, which have been tested and refined over the last five years. The scale of the technology manages high volumes and acts as a filter to drive quality, allowing our marketing programme to do more of the heavy lifting, so our consultants can focus on creating meaningful conversations and relationships with our customers.

The integration gives our consultants full visibility of marketing activity and gives our management the detail on how this is being followed up. For our customers, we are improving their experience by managing their engagement across all touch points. This delivers personalised and relevant interactions, ensuring we are measuring our effectiveness for them.

We have tested and refined campaigns set up for both candidates and clients across their lifecycle with us. Automated and triggered by customer activity, they allow us to keep prospects engaged. The native integration displays what customer activity has taken place, enabling meaningful discussions with our teams.

For clients, we run reactivation campaigns and are now able to trace client contact activity and revenue generation. Candidate campaigns start from application and are delivered based on where they are in the lifecycle. Talent pools are targeted to re-engage with passive candidates, to ensure we have an engaged database for our consultants to work with. By personalising these campaigns we are able to drive conversion rates.

During the year, we successfully rolled out Customer Connect to over a third of our fee earners, with further roll outs planned to the remainder of the Group in 2021 and 2022.

customer connect

BETTER VISIBILITY
of activity delivered and followed up…

BETTER ALIGNMENT
enabling consultants to do what they do best…

BETTER CUSTOMER EXPERIENCE
by managing engagement across all touch points…

PAGEINSIGHTS

One of our core areas of focus is the development of our data programme and ensuring that it provides both operational and strategic advantage for the Group. PageInsights is a business intelligence tool that combines our internal data with global external data sources, such as Government information and millions of online adverts, in an accessible format to present insight to our customers. Unique to PageGroup, it provides us with a competitive advantage when engaging and delivering value-add services to our existing and new customers.

Our clients want data and insights on recruitment trends to benchmark externally, understand competitive roles and identify future skills and experience evolving in their industries. Our consultants have this data at their fingertips, giving them the confidence to consult on what is needed to secure the best talent and enabling them to develop high-trust and long-term relationships.

The tool also has the potential to evolve, as additional external data sources become available and Customer Connect provides further internal data alignment opportunities.

PageInsights

COMBINES INTERNAL AND EXTERNAL DATA SOURCES

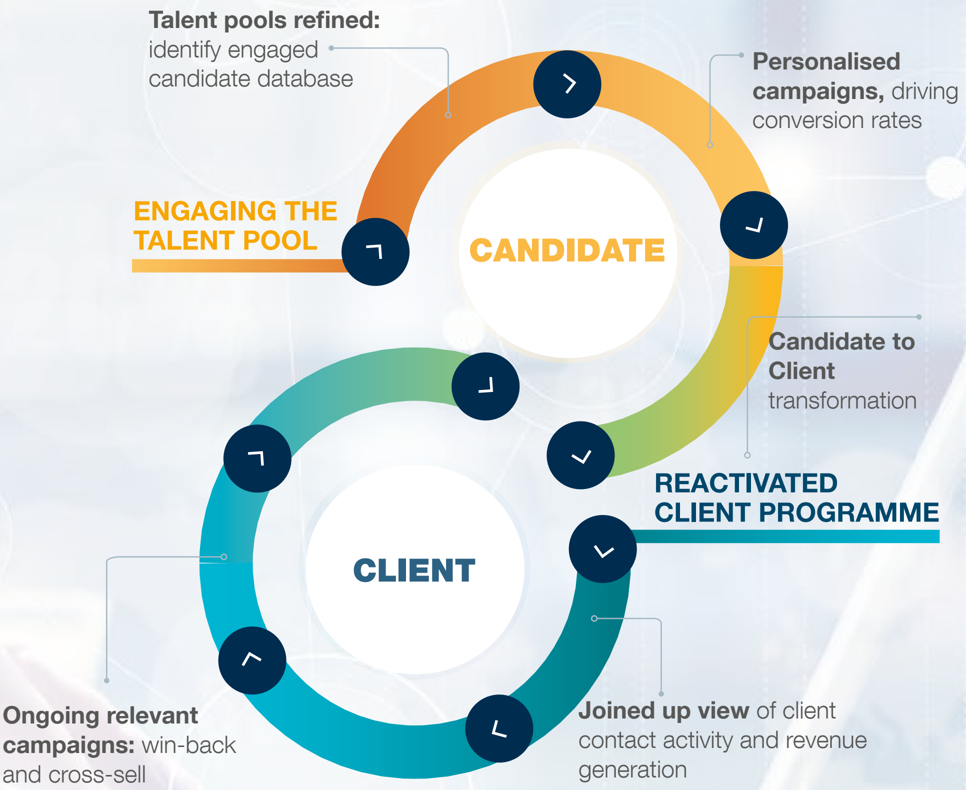
GOVERNMENT LABOUR STATISTICS

GLOBAL DATA FROM HUNDREDS OF MILLIONS OF JOB POSTINGS

INTERNAL APPLICATION DATA

ONE INTEGRATED PLATFORM

Intelligent automation engaging customers throughout lifecycle

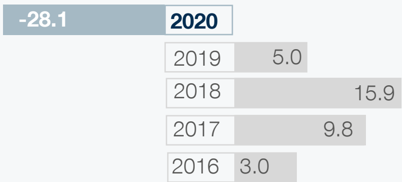


KEY PERFORMANCE INDICATORS

We measure our progress against our strategic objectives using the following key performance indicators:

FINANCIAL

GROSS PROFIT GROWTH (%)*



* Increase in gross profit in constant currency over the prior year

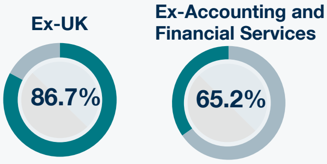
How measured: Gross profit growth represents revenue less cost of sales expressed as the percentage change over the prior year. It consists principally of placement fees for permanent candidates and the margin earned on the placement of temporary candidates.

Why it's important: This metric indicates the degree of income growth in the business. It can be impacted significantly by foreign exchange movements in our international markets. Consequently, we look at both reported and constant currency metrics.

How we performed in 2020: Gross profit decreased -28.1% in constant currencies and -28.7% in reported rates (2019: +5.0% in both constant currencies and reported rates). This was due to macro-economic uncertainty as well as rolling lockdowns due to the COVID-19 pandemic.

Relevant strategic objective: Organic growth.

GROSS PROFIT DIVERSIFICATION (%)



	Ex-UK	Ex-Finance
2020	**86.7**	**65.2**
2019	84.2	65.1
2018	83.0	65.2
2017	80.2	63.3
2016	76.4	61.6

How measured: Total gross profit from: a) geographic regions outside the UK; and b) disciplines outside of Accounting & Financial Services, each expressed as a percentage of total gross profit.

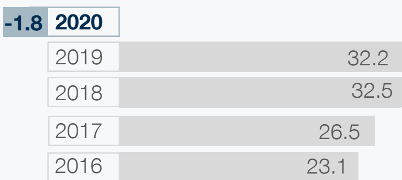
Why it's important: These percentages give an indication of how the business has diversified its revenue streams away from its historic concentrations in the UK and from the Accounting & Financial Services disciplines.

How we performed in 2020:
Geographies: the percentage increased to 86.7% from 84.2% in 2019, largely as a result of the UK being impacted more severely by the COVID-19 pandemic.

Disciplines: the percentage was broadly flat at 65.2% (2019: 65.1%), with the COVID-19 pandemic affecting the Group's operations in all disciplines.

Relevant strategic objective: Diversification.

BASIC EARNINGS PER SHARE (P)



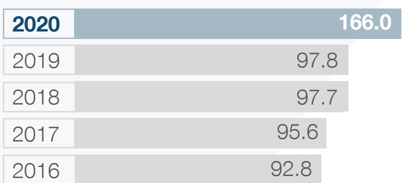
How measured: Profit for the year attributable to the Group's equity shareholders, divided by the weighted average number of shares in issue during the year.

Why it's important: This measures the underlying profitability of the Group and the progress made against the prior year.

How we performed in 2020: The Group saw a 105.6% fall in Basic EPS to -1.8p, due to COVID-19 and an increase in the effective tax rate.

Relevant strategic objective: Sustainable growth.

CASH (£M)



How measured: Cash and short-term deposits.

Why it's important: The level of cash reflects our cash generation and conversion capabilities and our success in managing our working capital. It determines our ability to reinvest in the business, to return cash to shareholders and to ensure we remain financially robust through cycles.

How we performed in 2020: Cash increased to £166.0m (2019: £97.8m). The significant increase in the cash balance compared to 2019 was primarily due to the unwind of working capital of £84.6m, deferral of c. £11m of tax payments and a strong focus on cash collection.

Relevant strategic objective: Sustainable growth.

RATIO OF PERMANENT VS TEMPORARY PLACEMENTS

Gross profit	Permanent	Temporary
2020	**72**	**28**
2019	75	25
2018	76	24
2017	75	25
2016	76	24

How measured: Gross profit from each type of placement expressed as a percentage of total gross profit.

Why it's important: This ratio reflects both the current stage of the economic cycle and our geographic spread, as a number of countries culturally have minimal temporary placements. It gives a guide as to the operational gearing potential in the business, which is significantly greater for permanent recruitment.

How we performed in 2020: The ratio decreased slightly to 72:28 (2019: 75:25). As is usually the case in downturns, permanent recruitment is hit harder when trading conditions deteriorate. Temporary and contracting recruitment was more resilient to the tougher trading conditions, particularly in disciplines such as Technology.

Relevant strategic objective: Diversification.

STRATEGIC

FEE EARNER HEADCOUNT GROWTH (%)

Year	%
2020	-14.6
2019	-1.5
2018	11.3
2017	16.7
2016	5.1

How measured: Number of fee earners and directors involved in revenue-generating activities at the year end, expressed as the percentage change compared to the prior year.

Why it's important: Growth in fee earners is a guide to our confidence in the business and macro-economic outlook, as it reflects our expectations as to the level of future demand for our services above the existing capacity currently within the business.

How we performed in 2020: Net fee earner headcount declined by 882, or -14.6% in the year, resulting in 5,145 fee earners at the end of the year. We have continued to invest in certain areas of the Group such as Technology, Contracting, Healthcare & Life Sciences and Digital, adding nearly 400 experienced fee earners to the Group in the year.

Relevant strategic objective: Sustainable growth.

GROSS PROFIT PER FEE EARNER (£'000)

Year	£'000
2020	113.3
2019	140.4
2018	138.3
2017	139.9
2016	135.2

How measured: Gross profit divided by the average number of fee-generating staff, calculated on a rolling monthly average basis.

Why it's important: This is our indicator of productivity, which is affected by levels of activity in the market, capacity within the business and the number of recently hired fee earners who are not yet at full productivity. Currency movements can also impact this figure.

How we performed in 2020: Productivity decreased 19.3% to £113.3k (2019: £140.4k). During the lockdowns, our fee earners saw a significant reduction in activity. This, together with our strategy of maintaining our operating platform of experienced consultants to take market share when markets recover, resulted in a short-term drop in productivity.

Relevant strategic objective: Organic growth.

FEE EARNER:OPERATIONAL SUPPORT STAFF RATIO

	Fee earner	Support
2020	**77**	**23**
2019	78	22
2018	79	21
2017	78	22
2016	77	23

How measured: The percentage of fee earners compared to operational support staff at the year end, expressed as a ratio.

Why it's important: This reflects the operational efficiency in the business in terms of our ability to grow the revenue-generating platform at a faster rate than the staff needed to support this growth.

How we performed in 2020: The ratio decreased to 77:23 from 78:22 in 2019. This was driven by a decline in our fee earner headcount of 882, in response to the more challenging trading conditions in many of our markets. Our operational support staff headcount decreased by 122.

Relevant strategic objective: Sustainable growth.

CONVERSION RATE (%)

Year	%
2020	2.8
2019	17.1
2018	17.5
2017	16.6
2016	16.3

How measured: Operating profit (EBIT) expressed as a percentage of gross profit.

Why it's important: This reflects the level of fee-earner productivity and the Group's effectiveness at controlling costs in the business, together with the degree of investment being made for future growth.

How we performed in 2020: The Group's conversion rate decreased to 2.8% (2019: 17.1%), driven by the sharp decrease in gross profit due to COVID-19, partly mitigated by the reduction in headcount and cost saving initiatives.

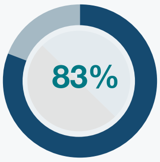
Relevant strategic objective: Sustainable growth.

KEY PERFORMANCE INDICATORS

PEOPLE

EMPLOYEE INDEX

Positive engagement score



How measured: A key output of the employee surveys undertaken periodically within the business.

Why it's important: A positive working environment and motivated team helps productivity and encourages retention of key talent within the business.

How we performed in 2019: We recorded an 83% positive score for employee engagement in the latest Employee Survey in 2019. No overall Employee Survey was performed in 2020, but our Working Environment Survey told us that 90% of our people felt our communication tools are effective in providing the information they need; 85% feel part of a team despite not being physically together; 70% see their health and wellbeing as a top priority for the Company; and 84% feel proud to work at PageGroup.

Relevant strategic objective: Sustainable growth.

MANAGEMENT EXPERIENCE

2020	**12.3 years**
2019	12.5 years
2018	12.0 years
2017	11.9 years
2016	11.6 years

How measured: Average tenure of front-office management measured as years of service for directors and above.

Why it's important: Experience through the economic cycle and across both geographies and disciplines is critical for an organic cyclical business operating across the globe. Our organic business model relies on an experienced management pool to enable flexibility in resourcing and senior management succession planning.

How we performed in 2020: The average tenure of the Group's management was broadly flat at 12.3 year (2019: 12.5 years).

Relevant strategic objective: Talent and skills development.

GHG EMISSIONS

In accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, PageGroup reports on all direct greenhouse gas (GHG) emissions (relating to the combustion of fuel and the operation of any facility, together with any fugitive emissions); and indirect GHG emissions (through the purchase of electricity, heat, steam or cooling).

Since 2014, we have gathered energy data from our major offices. This is in conjunction with our environmental policy that focuses on implementing efficiency measures in our offices, to reduce energy consumption and carbon emissions. Data for our emissions reporting covers the period 1st October 2019 – 30th September 2020. We have continued to gather data in the same manner as previous years, with the 2nd half data period being impacted by the COVID-19 pandemic. Where data was less complete due to disruption experienced in some countries, we took the approach to extrapolate any omissions rather than underestimate, to ensure all our emissions were adequately covered. Fugitive emissions are not reported, as the Company is not responsible for the maintenance of air conditioning in any of its offices.

The Company's total 2020 emissions from energy and fuel used in its properties and vehicles, together with comparable data for the previous 4 years, are reported below. This is the second year we have reported our emissions data covering a 5 year period. In 2020 UK emissions accounted for 695 tonnes of CO2 (2019:934) representing 13.1% of global emissions.

	Total energy derived emissions (tonnes CO_2e) properties and vehicles					2020 Energy (kWh)
Source of emissions	**2016**	**2017**	**2018**	**2019**	**2020**	**Group**
Direct GHG emissions (relating to the combustion of fuel and the operation of any facility)	1,816	1,808	1,994	2,033	**2,023**	**25,832,435**
Indirect GHG emissions (through the purchase of electricity, heat, steam or cooling)	4,608	4,876	5,376	4,393	**3,264**	**9,259,423**
Total emissions	**6,424**	**6,684**	**7,370**	**6,426**	**5,287**	**35,091,860**

Emissions have been calculated in line with the GHG Protocol Corporate Reporting Standard, and calculated using the UK Government's 2020 conversion factors for fuels, gases and UK electricity, and the International Energy Agency (IEA) conversion factors for non UK electricity generation.

This is the second year we are reporting on total global energy, as well as the percentage for our UK operation. Our total global energy consumption was 35,091,860 kWh with UK energy consumption 2,923,144 kWh, representing 8.3%. Our total energy consumption is calculated using electricity and gas purchased in kWh and fuel volumes converted to kWh using UK Government GHG Conversion Factors for Company Reporting.

Emissions derived from property energy consumption directly under the Company's control have been calculated by using the majority of our offices across the world (including the entire UK business). This year, we were able to increase the sample which now represents over 75% of the global headcount in 2020. The emissions for the remaining offices were calculated by extrapolating headcount. Emissions derived from property energy consumption amounted to around 62% of total emissions.

In the 2nd half of the period covering our emissions reporting, many of our colleagues across the world either worked from home (during lockdowns) or did a combination of office based and home working. This period varied by the global spread of the pandemic, restrictions in local jurisdiction and ranged from a few weeks to many months. We have not included energy usage due to home working in our emissions calculations this year, but, as we believe a more flexible approach to working is likely to continue, we will be looking at a practical way to account for emissions due to home working in our future reporting.

Emissions from fuel consumed by Company owned or leased vehicles in 2020, were calculated using the fuel consumed by the Company car fleets in a sample of countries (UK, Germany, Italy, France, Netherlands and Poland) representing around 49% of the Company's global car fleet. In 2020, the Company's global car fleet was just under 1,500 vehicles (a 6.7% decrease on the prior year). The total vehicle emissions for the global fleet were calculated by first extrapolating the total diesel and petrol consumptions per vehicle from the sample across the entire fleet, and then calculating the resulting emissions.

Although the number of cars reported by the countries decreased, the total emissions from our fleet reduced by less than 1%. During the pandemic, there was a noticeable increase in colleagues using Company vehicles rather than public transport, as they would have pre-pandemic.

The intensity values are based on emissions derived from property energy and vehicle fuel per 1,000 employees in the headcount. This factor was chosen as being the most representative of the Company's activity levels and being unaffected by issues such as business mix or foreign exchange variations.

Energy derived emissions – CO_2e tonnes per 1,000 employees

2016	2017	2018	2019	**2020**
1,061	990	934	821	**787**

The Company's 2020 emissions intensity improved by 4.2% compared with 2019.

The Company is undertaking a review to its approach to sustainability. During the course of 2021, the reported emissions of 5,287 tonnes for 2020 will be offset. Additionally, the Company plans to set out its five year road map to becoming carbon net zero. This will build on our previous strategy to seek and implement energy saving and environmentally responsible initiatives, wherever possible. Previous initiatives have included relocating to more energy efficient offices, the use of energy efficient printers, the use of dedicated recycling bins and the introduction of bike to work schemes.

Our new strategy will be both ambitious and stretching and will see us transition to renewable energy across those offices where we have operational control, move our car policy to hybrid and electric vehicles, and also look to capture our Scope 3 emissions over the next 3 years.

Q&A WITH STEVE INGHAM, CEO

INTRODUCTION

Steve Ingham has led PageGroup since 2006 and his tenure makes him one of the most experienced CEOs on the FTSE 250. Steve's career with PageGroup spans over three decades. When he joined, the Company had just 240 staff in three countries.

Driven to create opportunity for people, regardless of background, he has played an integral role in building a truly global business with a headcount of just under 7,000 employees across 37 countries. Under Steve, the business has expanded and diversified while maintaining its ethos of rewarding collaborative teamwork and inclusivity.

Following a near-fatal skiing accident in March 2019, Steve is a wheelchair user and understands first-hand the importance of employers' commitment to workplace diversity and the need for opportunities to be presented to the disabled workforce and the barriers that they face.

HOW DID YOU RESPOND TO COVID-19?

The health and safety of our employees, candidates and clients has always been our priority. We benefited from the experience of our business in Greater China which was impacted by COVID-19 at the end of January 2020. Using this knowledge, we were able to ensure that our consultants could transition to working from home with full access to the systems they needed, without any service interruption.

It was critical in the early phase of our response to keep our people informed and engaged. We ensured people had frequent and transparent interaction with senior management and their teams. Yammer, our internal social network and Microsoft Teams have been crucial tools in maintaining a continuous conversation across the Group. I personally recorded a number of video updates and held global open Q&A events to engage with our teams worldwide.

"The health and safety of our employees, candidates and clients has always been our priority."

We encouraged people to 'Stay Connected', sharing posts of their home setup and how teams undertook activities to motivate and work together in unique circumstances.

There were numerous events, such as virtual breakfast meetings, nationwide running clubs and Friday quizzes.

Mental health and wellbeing were a particular focus, with regular webinars and presentations on ways to manage anxiety and emotional health.

In December, we asked our teams worldwide for their thoughts on our working environment. 90% of people said our communication tools are effective in providing the information they need, 83% believed we are doing what is necessary to support our customers during the COVID-19 crisis, and nearly 84% said they are proud to work at PageGroup.

Looking ahead, 79% of people would like to alternate between the office and remote working. Where possible, and subject to local laws, we have endeavoured to keep offices open to allow everyone a choice in how they work.

WHAT IS YOUR OUTLOOK AND BIGGEST CHALLENGE FOR 2021?

As we enter 2021, clearly COVID-19 remains a global issue and there is a high degree of uncertainty in many of our markets. Whilst we have seen growth return in some of our markets, such as Mainland China and Japan, much of the Group continues to be impacted by local lockdowns.

Our overarching strategy throughout 2020 was to protect and invest in our operating platform, to ensure we were in the best position to gain market share as conditions improved. This meant protecting as many roles as possible and retaining our experienced employees who continue to support our clients and candidates. To illustrate, whilst gross profit for the year was down 28%, we only reduced our fee earner headcount by 15%. In comparison, in 2009 during the Global Financial Crisis, our headcount reduced far more, down 31%.

During 2021, we will continue to invest in targeted areas such as Technology, Healthcare & Life Sciences and Contracting, which have been the most resilient during the pandemic. We will also continue to focus on two of our most recent investments, our Interim business in Germany and our Nikkei market business in Japan, which grew 6% and 47% for the year, respectively. To support these key growth areas, we have selectively hired approaching 400 experienced fee earners from many of our competitors.

We are the clear leader in many of our markets, with a highly experienced senior management team, which, we believe, positions us well to take advantage of opportunities to grow and improve our business.

WHAT ARE YOU DOING TO HELP COMBAT CLIMATE CHANGE?

PageGroup recognises the risk that climate change poses to society. Events such as severe weather are causing disruption to eco-systems, communities and economies all over the world. Due to the office-based nature of PageGroup's work, we have a relatively small carbon footprint. However, as a global, listed company we recognise our responsibility to reduce our greenhouse gas emissions and we plan to take urgent action against climate change. This will ensure that people today, as well as future generations, may enjoy the benefits of living in a healthy and sustainable environment.

I am proud to announce we have offset our 2020 carbon emissions and, in the coming months, we will be setting out our ambitious five-year road-map to become carbon net zero, as well as other sustainability initiatives.

In doing so, we will continue to reduce our carbon emissions by converting traditional electricity to renewable sources, reducing waste and, COVID-19 aside, reducing business travel. I am delighted that PageGroup is able to strive to become carbon net zero, a crucial step for any organisation.

YOU TALK ABOUT DIVERSITY AND INCLUSION AS A CORE PRINCIPLE AT PAGE. CAN YOU GIVE US SOME EXAMPLES?

Diversity and Inclusion has always been part of the DNA of Page. Over the years we have founded several internal programmes to promote the values and cultural differences of our employees and help them reach their potential.

In early 2020, we launched Unity@Page to ensure we optimise learnings from one culture to another and promote the benefit of multicultural perspectives in the workplace.

We have started a reverse mentoring programme which gives our culturally diverse employees the opportunity to mentor senior leaders and to discuss our commitment to inclusion and diversity.

We have also launched an Operational Shadow Board in the UK, whose members reflect the diversity in our workforce. They have surpassed expectations and are bringing fresh ideas to the fore which are already changing practices.

"Diversity and Inclusion has always been part of the DNA of Page."

Our Parents@Page network stepped up to help support parents across the Group, as many juggled working full-time and helping with their children's education. We held regular webinars on how to work from home with children, but also for our managers on how to support our working parents.

For our Ability@Page network, I myself hosted an International Day of Persons with Disabilities roundtable with some of the most influential people within the disability space. During 2021, we will also be launching our Hidden Talent campaign, which aims to make PageGroup an employer of choice for disabled candidates and to further progress how we can change the landscape for getting more disabled candidates into work.

In June, our Pride@Page network held our annual Pride Month, celebrating our LGBTQ+ community around the world. Our Women@Page network has been sharing monthly interviews with stories and successes from women throughout the Group.

All of the above is just a snapshot of the activity and progress we are making worldwide to ensure that everyone brings their whole self to work.

Our dedication to making Page an inclusive place for all is also clearly being recognised, with several awards in the year such as "The Times Top 50 Employers for Women" and "Top 100 Financial Times Leader in Diversity", to name but a few.

CULTURE & ENGAGEMENT FRAMEWORK

OUR PAGEGROUP CULTURE

Nobody could have predicted what people and businesses across the world experienced during 2020. It has been a steep learning curve for businesses, individuals and society as a whole.

At PageGroup, our focus on our Purpose which states that 'We change lives for people through creating opportunity to reach potential', alongside our strong, team-based culture, has been key to sustaining our business through this unprecedented time.

The emergence of COVID-19 affected every region from the first quarter of 2020 and our focus was first and foremost on the health, safety and wellbeing of our people, our clients and our candidates.

From the start we were determined to protect our people, support our customers and manage our costs so that we could emerge from the crisis ready to take advantage of every opportunity.

The great attitude, resilience and support shown throughout our workforce was outstanding and demonstrated our values every step of the way.

Our investment in technology enabled us to roll out Microsoft Teams in a matter of days so that by the end of March all c. 7,000 of our employees worldwide were able to work remotely. During the summer, we also rolled out our updated global intranet giving every employee an online one-stop-shop for all the tools they need to do their job and pursue their career at PageGroup.

As we worked through the regulations and requirements of furlough and other government support schemes across the world, and working from home became the new reality, we started our 'Staying Connected' campaign of communications to help us stay in touch with each other and our customers.

We made use of webinars and video calls to stay connected with our customers and with each other, including global Q&A sessions with our Chairman, CEO and Executive Board, and we leveraged our continuous listening strategy to regularly ask our employees how they were feeling. Their feedback helped us provide them with the best possible support during such a difficult time.

The sacrifices and contributions our workforce have made this year would not have been possible without our unique and inclusive culture and we will continue working harder than ever to maintain it.

The four pillars of our Culture & Engagement Framework help articulate our unique culture and are supported and reinforced through the measures. Our measures provide the Board with internal cultural assessment metrics which enable it to take well informed decisions on culture and engagement matters.

Our Purpose and our Values are clear – they define the reason we are in business as well as the way we do business, and they set us apart from our competitors.

This year also saw us create a centre of excellence for culture and engagement. This global forum helps us drive adoption and engagement with our initiatives and campaigns, share and implement best practice, and ensure a consistent approach as we continue shaping and evolving our culture globally, in line with our business objectives and our Purpose and values.

CULTURE &

OUR PURPOSE

What we do every day

PAGEGROUP CHANGES LIVES *for* PEOPLE *through creating* OPPORTUNITY *to reach* POTENTIAL

OUR MEASURES

Keeping us on track, focused on continuous improvement

ENGAGEMENT FRAMEWORK

OUR VALUES

Reflected in everything we do, setting us apart from our competition

WE MAKE A **DIFFERENCE**

WE ARE **PASSIONATE**

WE VALUE **DETERMINATION**

WE WORK AS A **TEAM**

WE **ENJOY** WHAT WE DO

OUR PEOPLE

PageGroup is all about people

Creating opportunities to engage with people through key life moments; having valuable conversations – more frequently and with more relevant dialogue.

CAREER PROGRESSION

Transparent and meritocratic career paths

TALENT DEVELOPMENT

Industry-leading training

DIVERSITY & INCLUSION

A culture of inclusion

REWARDS & WELLBEING

Celebrating success; fostering a high-trust, high-performance culture

GIVING BACK TO OTHERS

Changing lives in the communities where we live and work

OUR CUSTOMERS

Staying ahead – leading our industry

CUSTOMERS AT THE CENTRE OF OUR BUSINESS

Aiming to be the most customer centric recruiter and setting us apart from the competition by delivering an excellent experience for our customers. Staying ahead – leading our industry to best support our customers.

Improving processes and tools to support consultant productivity through:

LEVERAGING TECHNOLOGY

Improving our customer experience

INNOVATIVE APPROACHES

Providing a more effective service

BUILDING RELATIONSHIPS

Going further to build lasting relationships with our clients, candidates and consultants

Through a personal, professional service, creating the opportunity for candidates and clients to reach their potential

OUR PEOPLE

- ✓ Employee voice
- ✓ Retention
- ✓ Career progression & mobility
- ✓ Talent Development
- ✓ Diversity & Inclusion
- ✓ Changing lives, giving back to others
- ✓ Rewards & Recognition
- ✓ Environment
- ✓ Wellbeing

OUR CUSTOMERS

- ✓ Engaging our customers – NPS, customer satisfaction
- ✓ Retaining our customers – repeat business, Preferred Supplier Agreements
- ✓ Innovation

EXTERNAL RECOGNITION

- ✓ Public Commitments
- ✓ Awards

CULTURE & ENGAGEMENT FRAMEWORK

BOARD OVERSIGHT – CULTURE & ENGAGEMENT

The Board is responsible collectively for the Group's culture and each and every member of the Board is responsible for engaging with the workforce. When considering the Corporate Governance Code's requirements on effective workforce engagement, the Board did not adopt one of the three specified engagement methods set out in the Code, it adopted alternative arrangements as permitted under the Code for engagement purposes and as described below.

The alternative arrangements are made up of the various channels of engagement utilised by Board members. The Board considers there has been effective engagement with the workforce in 2020, as all members of the Board have been involved in the engagement processes and gained different insights and perspectives from a range of employees. The Board has a standing agenda item for Board members to report on employee voice activity and, as such, the employee voice is frequently heard and discussed in the Boardroom.

The Board dedicates significant time to adequately consider culture and engagement matters. It holds sessions at the half year, and at the end of the year, where it invites the Chief People Officer and Global Diversity & Inclusion Director to come to the Board to discuss cultural considerations. These sessions provide a progress update on all the various cultural and engagement initiatives running across the Group and enables the Board to intervene, shape and decide future actions as required.

In 2020, the Board understood that it would need to adapt the ways in which it engaged with the workforce. Previously, Board members had relied on office visits, data relating to our culture and engagement framework's measures, survey data, attending the Group senior leadership conference and ad hoc Company-run events, to ensure each Director was visible and could meaningfully engage with employees. Not all these engagement methods could continue throughout the pandemic, as office visits and physical meetings became difficult. As a result, the Chairman presented alongside executives in virtual global live events, run across all our key time zones, which included live Q&A sessions for employees to ensure two-way dialogue between Board members and the workforce. Non-Executive Board members took on responsibility for joining virtually management meetings across every region to hear from our teams on issues that were relevant to them. Board members also have access to Yammer, a widely adopted internal social networking tool, which enables Board members to be involved in events as they happen across the organisation.

There are various ways the Board utilised its, and the business's work, on culture and engagement. In 2020 employees were asked to temporarily reduce their salary or working hours for a quarter and to move to remote working. Given the significant impact of this, and the tremendously difficult backdrop to the year, it was important that the Board had oversight of the "Staying Connected" campaign and discussed the remote working survey results, to ensure negative trend data had not emerged. It also considered the Customer Connect programme, the new operating system for consultants and approved the continued roll out of the system. The Board understood the importance of providing the best technology tools for our people to enable them to continue to provide first class services to our customers. It also oversaw the introduction of on-boarding surveys at months 1, 3, 6, 9 and 12 of the employee life cycle considering this as important to understand long-term productivity and attrition.

The Board, through the work of the Nomination Committee, spent considerable time reviewing talent development and succession plans and promotions. Through this work it approved the restructuring of the Executive Board, the Group's Executive Committee. The changes took effect at the beginning of 2021 and in keeping with our organic growth strategy gives a number of proven, high performing senior executives new development opportunities. The Board is also pleased to report that this restructure now means that there is female representation on the Executive Board.

In 2021 the Board intends to continue its focus on culture and engagement, leveraging and enhancing data wherever possible, to help drive decision making. It will particularly seek to continue to focus on the acceleration of female talent within the organisation.

OUR PEOPLE

TALENT DEVELOPMENT AND CAREER PROGRESSION

PageGroup is a meritocracy, focused on promoting from within, and offering opportunities for all. Career progression and talent development are an integral part of our approach and we offer a clear and transparent career journey alongside the development and support needed to help our people reach their potential.

The global pandemic has accelerated the work we have been doing to introduce blended learning solutions for our workforce. This means they are able to learn in a more flexible and agile way, through a variety of materials including video, infographics, interactive e-learning, gamification and virtual and physical classroom sessions.

During 2020 we started the roll-out of our on-line Global Onboarding Programme for new starters on the operations side of the business. It is designed to increase speed to productivity by fast-tracking their learning on who we are, what we do, how to get started and how to be a successful recruiter.

Our annual talent review process supports the development of our people and underpins our ability to measure and reinforce the strength of our leadership talent pipeline. Formal succession and development planning was a key focus for us in 2020, ensuring we identify and accelerate the development of high-potential talent alongside the progression of female leaders into senior roles.

A BLENDED LEARNING APPROACH

We offer a cutting-edge blended learning experience supported by our digital learning platform. Our people are able to learn through a variety of materials to give them an enhanced experience designed to fully embed their learning.

With employees working remotely for so much of 2020, our digital learning platform played a crucial role in the ongoing development of our employees, leading to increased engagement with the platform. Existing development programmes were adapted and new ones created to reach our people as they worked from home. New content was also created to provide support for all employees, including managers, during this challenging time, including manager toolkits and guidance on wellbeing.

During the year, a blended learning programme was released to support the rollout of our new customer platform, Customer Connect, leading us to our highest number of digital learning logins to date.

THE GLOBAL DIRECTOR ACADEMY

The Global Director Academy (GDA) is a development and recognition programme for our high-potential employees and future leaders. In response to the pandemic, we adapted what was a face-to-face programme into a virtual programme delivered through video content, online materials, work-based learning and virtual classrooms. An integrated online coaching programme helps further embed our culture of inclusion, supporting participants to become more inclusive leaders through greater self-awareness.

CULTURE & ENGAGEMENT FRAMEWORK

A DIVERSE & INCLUSIVE WORKFORCE

We are proud of our commitment to diversity and inclusion and our relentless focus on supporting and promoting a culture and working environment where all our employees feel valued and heard, and feel they belong.

This year was no exception, despite the pandemic, our range of networks and support across the business continued to increase. Initiatives throughout 2020 included:

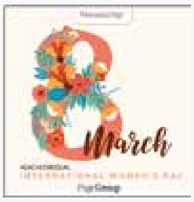
Increasing awareness, visibility and engagement with internal and external events centred around our Women@Page network

'A Woman's Journey' series, building a network of female role models globally

Global Network Groups – giving employees a voice so we can listen and act on feedback

Ability@Page Age@Page
Parents@Page Pride@Page
Women@Page Unity@Page

Global D&I Campaigns with high levels of engagement, driving increased membership of our Yammer networks – International Women's Day, Pride Month and World Mental Health Day



Global policy changes and guidelines for maternity arrangements, part-time working and flexible working

Reverse Mentoring Programme as part of our Unity@Page programme

Introduction of a Shadow Board in the UK representing the diversity of our workforce

Focus Groups – ensuring our networks are offering the right support

Maternity Workshops | **Parental** Seminars | **Flexibility**@Page

Women in Leadership Programme | **Free Emergency** Back-up Child/Elder Care

Global **Female Mentoring Programme** (+330 partnerships)

Our ongoing activity is supported by increasing ownership and accountability across the organisation. Tracking our progress shows us where we need to improve and focus our efforts as we move forward, and includes:

6 monthly global reporting and tracking of gender balance

MD targets on gender diversity linked to bonus

6 month reporting on regional progress on diversity & inclusion

Measuring female engagement through all surveys in our continuous listening programme from onboarding, throughout their career with us.

Dedicated D&I section of the TS&D Review process

GENDER DIVERSITY

Board Directors & Officers	Male	Female
2020	**5** (56%)	**4** (44%)
2019	**5** (56%)	**4** (44%)

Senior Management	Male	Female
2020	**349** (72%)	**139** (28%)
2019	**323** (70%)	**140** (30%)

Other Employees	Male	Female
2020	**2,867**(44%)	**3,705** (56%)
2019	**3,760** (45%)	**4,581** (55%)

Gender diversity is a very important focus for us. We recognise that there has been a small drop in women in our overall senior management group and we will watch this closely throughout 2021. However, we have had good success at the most senior levels of management with women now making up 28.3% of the Executive Board and their direct reports as defined by the Corporate Governance Code, when compared with 2019's disclosure of 21.2%. We have also seen improvements in maternity return rates, our latest reporting showing a global return rate of 93.6% and the male/female ratio of people moving internationally, although that overall number has been impacted due to COVID-19. For further details on actions we are taking to improve women's representation at the most senior levels, please see pages 74 and 75.

EMPLOYEE VOICE

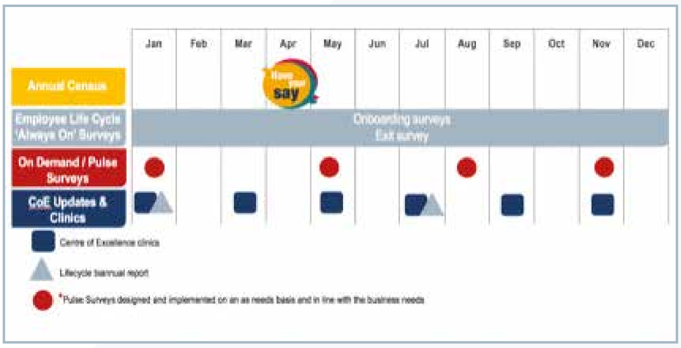
Our focus on our people has been more important this year than ever before. Our collaborative, team-based culture gave us a solid base from which to support our people, each other, and our customers, as soon as the impact of COVID-19 began to appear across the world.

Our continuous listening strategy, implemented this year, gave even greater opportunity for us to listen to our employees and act on their feedback, to give them the best possible support knowing what would help them most.

- We introduced global on-boarding surveys, sent to all our new joiners at months 1, 3, 6, 9 and 12 to help us fully understand why our employees are joining, staying with us and how engaged they're feeling to help us reduce attrition, improve performance and make PageGroup an even better place to work.
- During this unprecedented year we carried out two pulse surveys to specifically focus on the unique needs of our employees during the pandemic. The first, in May, asked how people were feeling, particularly related to homeworking and their health and wellbeing; with a follow-up survey in November asking about their on-going working environment and in what areas they felt they would need more support. Our next Have Your Say survey to all employees is planned for April 2021.

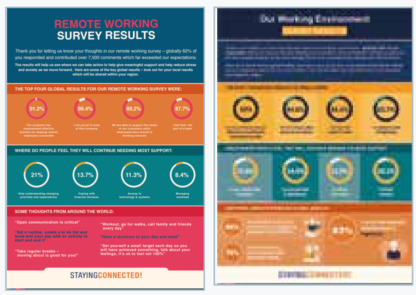
The results from all our surveys are shared with the Board and form part of the alternative arrangements adopted by the Board to ensure it hears the employee voice in the boardroom. It is supplemented by attendance by Board members at employee meetings, involvement with Company events, attending and presenting at virtual live events and other employee measurement data provided to Board members as part of the twice yearly culture and engagement review sessions.

Continuous Listening Roadmap 2021



Lifecycle surveys – On-Boarding/Exit Surveys

OnDemand pulse surveys



CULTURE & ENGAGEMENT FRAMEWORK

REWARDS & WELLBEING

At PageGroup, recognition isn't just financial. Our flexible approach to working life, supported by innovative technology, facilitates work-life balance and fosters self-development and career growth. Flexible benefits can be tailored by each individual to suit their lifestyle, and our celebration of success through rewards and incentives helps promote a culture of teamwork and achievement.

Across all regions, support for our people includes comprehensive Employee Assistance Programmes, mental health champions, support networks and global awareness campaigns. During this extraordinary year, nothing has been more important than the health and wellbeing of our people.

At the start of the pandemic, our immediate focus was on ensuring everyone was as safe as possible, putting in place all possible measures in line with local guidelines and legislation, and enabling all our global workforce to work remotely.

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.

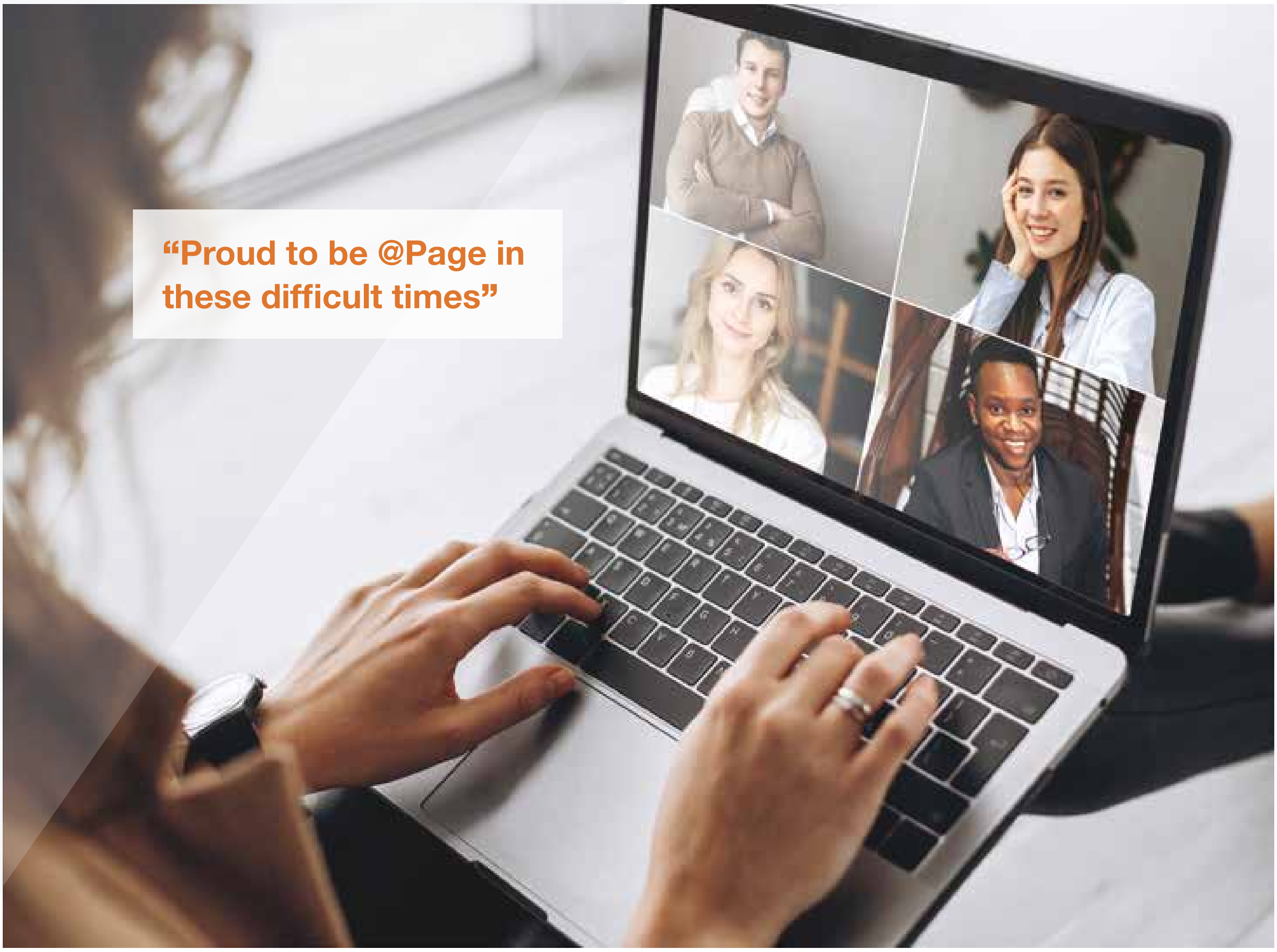
Our Working Environment Survey told us that:

90% **of our people** feel our communication tools are effective in providing the information they need;

85% feel **part of a team** despite not being physically together;

70% see **their health and wellbeing** as a top priority for the Company;

84% and 84% **feel proud** to work at PageGroup.



"No place I'd rather be!"

"This just shows how remarkable we are as one, as Page, when times are tough"

"We'll get through this, all together"

"Setting us above a lot of other employers in these times…"

CULTURE & ENGAGEMENT FRAMEWORK

GIVING BACK TO OTHERS

Giving back to others through use of our skills and expertise as well as fundraising activities, has always been a key part of our culture. This year has, of course, been different in so many ways and has presented barriers to fundraising and other charitable activities. However, where opportunities have been available, we have pushed forward with our goal of giving back to society and the communities in which we work.

Volunteers from our offices in Australia, for example, helped run a virtual work experience programme for underprivileged high school students via the Smith Family Work Inspirations charity, and in APAC as a whole we raised c. $25,000 supporting Movember.

Several of our offices were able to support people needing help to enter, or re-enter, the workplace by providing clothing and accessories, including over 200 kg of donations to La Cravate Solidaire in France.

In the UK, we continued our support of Great Ormond Street Hospital. Our fundraising efforts during the year included a virtual pub quiz and participation in the charity's fundraisers of 'Taskmaster Challenge' and 'Steptember'.

APAC

Movember raised c.$25,000

UK

Steptember

Virtual pub quiz

AUSTRALIA

The Smith Family
everyone's family

Charity run

FRANCE

220kg business clothes donation to la cravate solidaire

CHINA

Charity flea market

Operation smilecharity

SPAIN

Webinar: caritas school of employability – searching for a job with new technologies

BELUX

Charity cycle tour fundraiser for little heroes

JAPAN

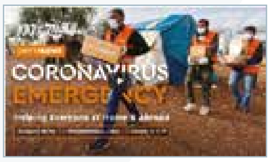
COLOMBIA

Webinar: labour inclusion for adolescents in a state of vulnerability

GERMANY

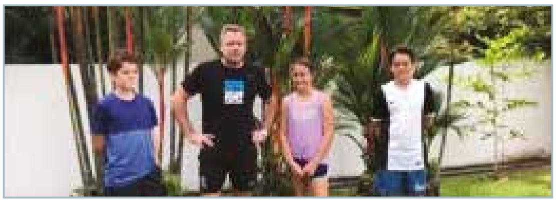
Donations to SOS children's villages towards combating COVID-19 in Africa

MEA



Ramadan charity pub quiz COVID relief fundraiser

SINGAPORE



Save the Children plankdemic fundraiser

ARGENTINA

Children's Cancer Foundation

We are looking forward to pushing ahead with our focus on giving back to others during 2021.

THE ENVIRONMENT AND SUSTAINABILITY

We aim to be a business that all our stakeholders are proud to be associated with, and a key part of that is minimising our impact on the environment. Across our regions we have a strong focus on reducing our reliance on brown energy by swapping to green energy, increasing our recycling, encouraging the adoption of electric or hybrid cars, and supporting several cycle-to-work schemes. We have processes in place to monitor and report on our greenhouse gas emissions. Our impact is predominantly through energy consumption and business travel. See pages 23 and 24 for details of our environmental reporting in 2020.

As a services based business, in many respects we have less of an environmental impact than others. However, in our view it is incumbent on all large businesses to minimise their environmental impact. In 2020 we reviewed and reflected on our approach to the environment and sustainability. We intend to offset our 2020 carbon emissions and in 2021 we will set out a five-year road map to become carbon net zero. We are also in the process of adopting several UN sustainable development goals and setting up a new governance and reporting framework for sustainability.

In Poland we have joined the cycle to work campaign as well as supporting the Arka environmental foundation.

Signed six new green energy contracts in the UK.

All energy purchased in Germany, Sweden and most of our offices in Spain are using renewable energy.

CULTURE & ENGAGEMENT FRAMEWORK

OUR CUSTOMERS

As a people business, we are focused on delivering a connected customer experience; one where our systems help us engage with clients and candidates with relevant information, at the right time and in the right place to enable their recruitment journey. Alongside many other businesses, 2020 presented us with a series of unprecedented and unforeseeable challenges to ensuring customer engagement remained at the forefront of our activity.

Our global footprint and technology platforms allowed us to learn from the first impact of COVID-19 in Mainland China and across our other markets. We moved swiftly to ensure the safety and wellbeing of our customers as well as our own people, implementing a variety of measures including remote working, video interviews, online webinars, and relevant support and advice.

The innovative technology that helps drive our business and puts us at the forefront of our industry, enabled us to quickly switch to working remotely and continue supporting our customers as their needs changed – and continue to change. We were able to provide our customers with service, information and communication to help them navigate the challenges of the pandemic and its knock-on impacts, including:

- consistent, timely and relevant content across all our websites and marketing platforms with advice covering topics to meet immediate needs including: remote hiring; health and wellbeing; and managing people during lockdown; and
- webinar programmes in every region as trusted advisers supporting ongoing client contact – which beat industry benchmarks for attendees.

With a consistent, global approach we optimised our service to our customers in all markets at a time when many of them needed us more than ever.

UK	USA	EUROPE	ASIA PACIFIC	LATAM
4.9/5 ★★★★★	4.9/5 ★★★★★	4.8/5 ★★★★★	4.5/5 ★★★★★	4.4/5 ★★★★★

2020 customer rating highlights from our review platforms Feefo and Google Reviews across countries within our regions

WHAT OUR CUSTOMERS HAVE SAID ABOUT OUR SERVICE

AWARDS & PUBLIC COMMITMENTS

We signed a number of pledges and charters demonstrating our commitment to inclusion in the workplace. We appreciate public recognition of our activities and commitments and our awards and accreditations include:

LATAM

NAM

EUROPE

APAC

HIGHLY RECOMMENDED

UK

FT Diversity Leaders 2021 **Top 100**

REGIONAL PERSPECTIVES

EMEA

WHAT ARE YOUR PRIORITIES FOR 2021?

We expect COVID-19 to continue to be the dominant issue for the region in the medium term. We are hopeful the recent vaccination programme will prove to be a success and enable a gradual route out of lockdowns, though there remains uncertainty over the efficacy and the timing of rollouts.

We will, however, continue to look to invest in markets where we saw resilient growth, such as our Technology focused Interim business in Germany.

HOW DID YOU DELIVER AGAINST YOUR 2020 PRIORITIES?

Trading conditions were impacted by COVID-19 throughout 2020 and consequently gross profit declined 24.4%. France and Southern Europe, where the impact of COVID-19 was initially felt most significantly, both declined by 28%.

Germany declined 11%, with our Technology focused Interim business, which proved most resilient to the deterioration in the macro-economic conditions, growing 6%.

Benelux declined 24% and the Middle East and Africa, which represented around 3% of the region, declined 30%.

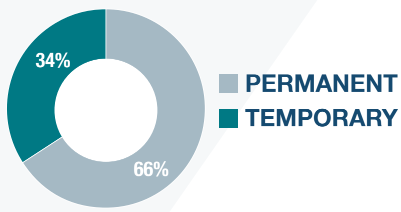
Across the region, headcount decreased by 338 (-10.2%) in response to the market conditions.

Operating profit decreased from £90.3m in 2019 to £30.6m in 2020. This was primarily due to the decrease in gross profit. Overall, this represents a conversion rate of 9.6% (2019: 21.6%).

GROSS PROFIT £M

2020	£319.4m
2019	£418.3m
2018	£394.3m

PERMANENT TO TEMPORARY RATIO



HEADCOUNT

2020	2,979
2019	3,317
2018	3,299

ASIA PACIFIC

WHAT ARE YOUR PRIORITIES FOR 2021?

In Mainland China, where we saw growth as we exited the year, we will continue to focus on our domestic clients which now represent over half of our business.

We will also continue to drive investment elsewhere in the region, particularly in our Nikkei market business in Japan, which was one of the success stories of 2020, as well as India.

HOW DID YOU DELIVER AGAINST YOUR 2020 PRIORITIES?

Asia Pacific gross profit declined by 25.1%. Greater China declined 27%, with Hong Kong down 46%. Conditions improved as the year progressed, with Mainland China growing 15% in December and social unrest easing in Hong Kong.

South East Asia was down 23%, with Singapore down 28%. During Q2, we opened in the Philippines, our sixth country in this Large, High Potential market.

India, where we now have around 150 fee earners, declined 15%. Whilst Japan was down 9% for the year, our domestic Nikkei market business delivered a record year, up 47%.

Australia declined 35%, impacted initially by the bushfires in Q1 and then COVID-19.

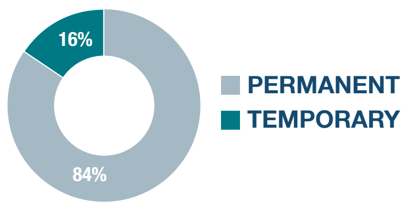
Headcount across the region declined by 294 (-17.5%) with declines mainly in Australia and Greater China.

Operating profit decreased 81.9% to £3.8m as a result of the impact of COVID-19.

GROSS PROFIT £M

2020	£121.1m
2019	£163.3m
2018	£161.2m

PERMANENT TO TEMPORARY RATIO



HEADCOUNT

2020	1,385
2019	1,679
2018	1,709

THE AMERICAS

WHAT ARE YOUR PRIORITIES FOR 2021?

In North America, we expect the significant disruption from COVID-19 to continue into 2021. However, we will continue to focus on our strategy of diversification, with particular focus on building our newer offices outside of New York.

We also expect Latin America to continue to be impacted by COVID-19 in 2021. Despite this, we will continue to invest in areas such the emerging temporary market, as well as focusing on improving productivity.

HOW DID YOU DELIVER AGAINST YOUR 2020 PRIORITIES?

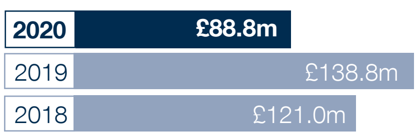
The Americas gross profit declined by 31.4% from £138.8m in 2019 to £88.8m in 2020.

In the US, one of our Large, High Potential markets, we declined 30% as a result of significant disruption from COVID-19, as well as political uncertainty and social unrest. Conditions were particularly tough within our largest discipline, Construction, with sites closed for large periods of the year.

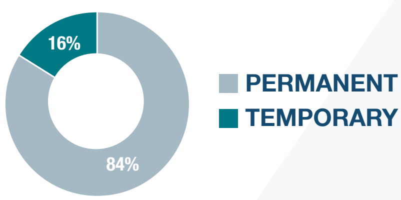
In Latin America, another of our Large, High Potential markets, gross profit was down 33%. The region has been one of the most impacted by COVID-19, having received little governmental support. Brazil was down 28%, Mexico down 43%, with the other five countries in the region down 28%, collectively. Headcount across the region decreased by 221 (-16.1%) mainly in the US and Mexico.

Operating profit decreased 147.0% to -£7.0m (2019: £19.3m), with a conversion rate of -7.9% (2019: 13.9%).

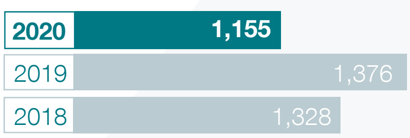
GROSS PROFIT £M



PERMANENT TO TEMPORARY RATIO



HEADCOUNT



UK

WHAT ARE YOUR PRIORITIES FOR 2021?

In the UK we are encouraged that the Brexit deal has provided a degree of clarity.

We will focus particularly on our strategic areas of investment, such as Healthcare & Life Sciences and Technology, where we added around 80 experienced fee earners during 2020.

HOW DID YOU DELIVER AGAINST YOUR 2020 PRIORITIES?

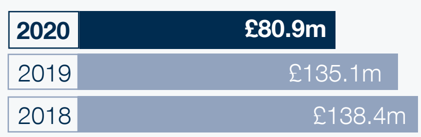
In the UK gross profit declined by 40.0% to £80.9m, due to the significant impact of COVID-19 and Brexit related uncertainty.

Our Michael Page business, which is more senior candidate focused, was more resilient than Page Personnel, with declines of 39% and 44%, respectively.

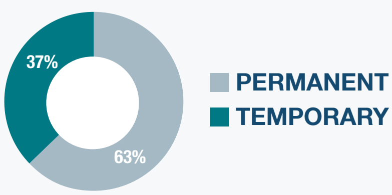
During the year, our fee earner headcount reduced by a net 105 (11.5%). The leavers were mainly new joiners or those on performance review. This was partially offset by selectively hiring around 80 experienced fee earners from our competitors.

Due to the sharp decline in gross profit, operating profit was down 159.9% to -£10.3m (2019: £17.3m), a conversion rate of -12.8% (2019: 12.8%).

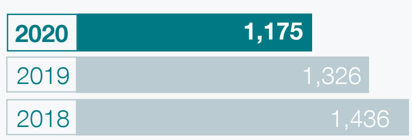
GROSS PROFIT £M



PERMANENT TO TEMPORARY RATIO



HEADCOUNT



RISK MANAGEMENT

PROCESS

The Group recognises that the effective management of risk is key to achieving our objectives. Risk management is therefore considered to be an integral part of our process of business management forming part of our strategy review, our business plans and the delivery of our daily activity.

To support our management in this process, we have a Group-wide risk review process which identifies the principal risks that could impact our business and determines the mitigating actions required to ensure that these risks are controlled to an acceptable level.

Within this process we assess all risks that could have a significant impact on the ability of the business to deliver its short-term plans and medium and long-term strategy. This includes reviewing for any emerging risks.

Our agreed level of risk appetite, approved by the Board, guides the level of acceptable risk.

This is supported by risk registers that are maintained locally at country and process level and consolidated twice a year. We combine these with a top-down review of risks conducted with senior management that is summarised and formally reviewed by the Executive Board and the Audit Committee on behalf of the Board.

In the intervening periods, the risks associated with changes in either the external environment or internal operations are discussed as part of our ongoing business reviews and are responded to accordingly.

In key risk areas we also have established compliance teams whose role it is to ensure we comply with processes on an ongoing basis. These are in IT security, data regulation compliance, revenue recognition, project management and regional legal teams.

Our risk management process categorises our principal risks into Strategic, Financial, People and Operational.

The Executive Board and the Board continue to focus on Strategic, People and Financial risks. For these, we disclose KPIs which we use to monitor the risk impact, and the rewards and incentives we apply to ensure effective management.

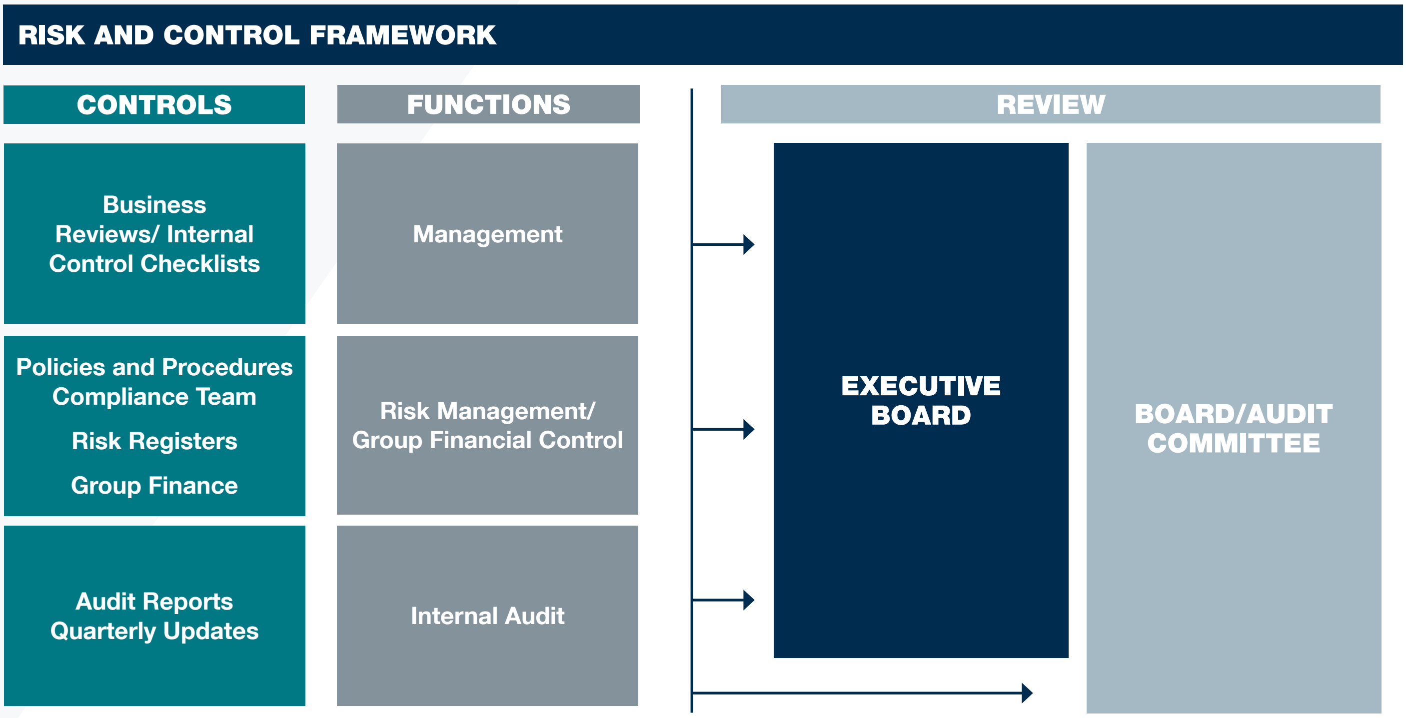
See strategic framework on page 7.

Our Operational risks are those that the Executive Board have agreed can be managed by our people on a day-to-day basis. These are included within our risk registers and are reviewed by the Board on an exceptions basis.

The risks around cyber security and compliance with Data Protection legislation are such exceptions which are reviewed at Board level on an ongoing basis.

Our Internal Audit programme of activity aligns the provision of assurance to the controls that mitigate the principal risks identified from this process.

OUR RISK AND CONTROL FRAMEWORK



OUR RISK APPETITE AND NET RISK LEVELS

Recruitment is inherently sensitive to the economic environment and thus financially dependent on the economic cycle.

PageGroup operates in this environment with a low risk appetite, seeking to mitigate its strategic risks, maintain a strong financial position and only taking the operational risks it has the experience and capability to manage.

Our growth model is organic, rolling out the proven disciplines for our brands to a wide geographic spread. We drive this by developing and promoting our people from within the business, ensuring consistency of model and business culture across the Group.

We continue to focus on the services we provide to our clients and candidates ensuring quality engagements in a manner that meets both their needs and expectations and our targets for process efficiency.

We maintain a strong sales-driven, meritocratic culture with a commitment to operating in an ethical, legal and sustainable manner.

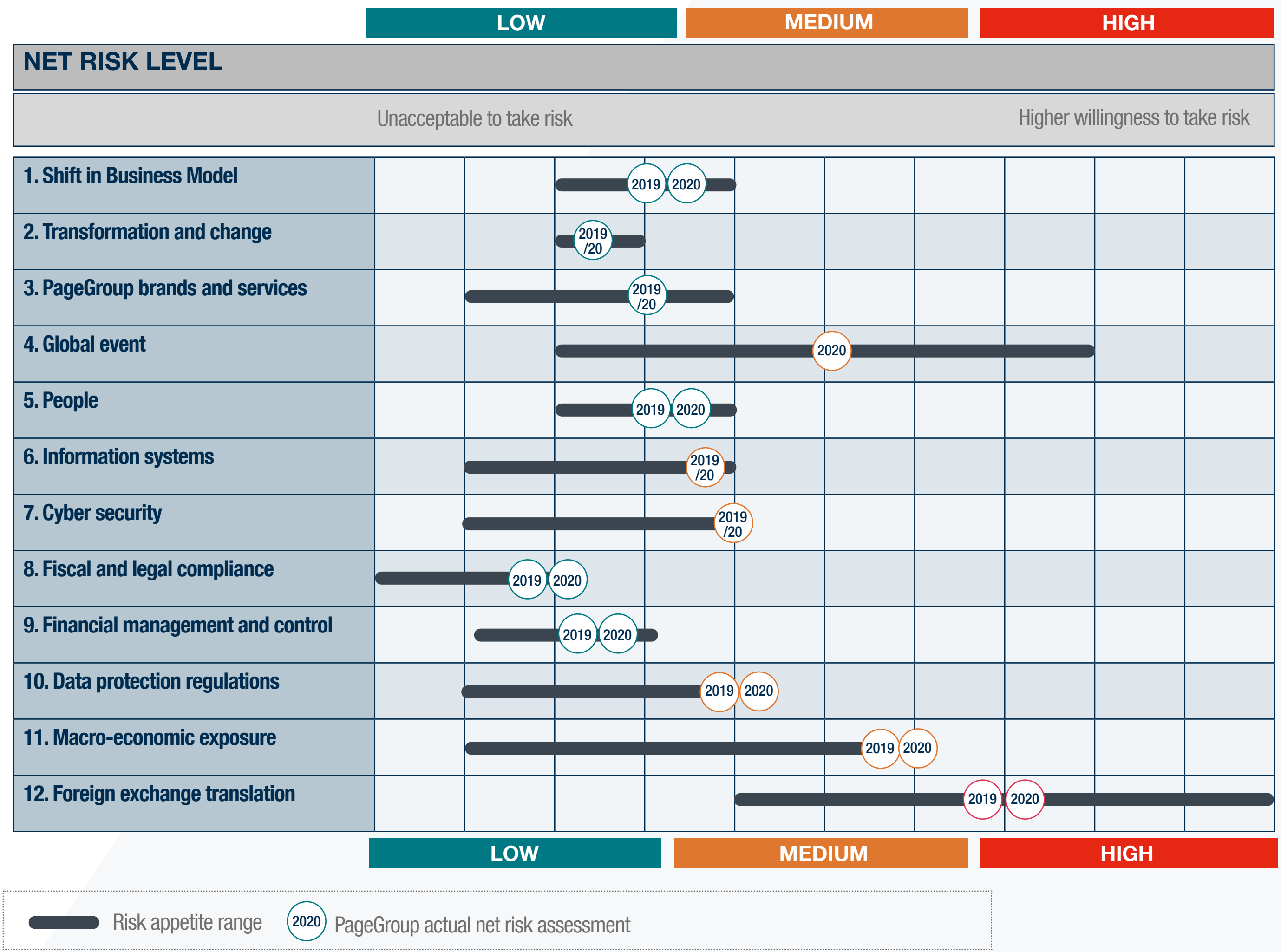
We will always operate a conservative financial position with a strong balance sheet, reflecting the degree of operational gearing inherent in the business.

We monitor our net risk position against our risk appetite and ensure where possible management action is focused on risks which we can appropriately further mitigate.

This measured approach to taking risk ensures we are best placed for success globally.

RISK CATEGORIES

STRATEGIC	Shift in business model	Transformation and change	PageGroup brands and services	Global event	
PEOPLE	People attraction, development and retention				
OPERATIONAL	Information systems	Cyber security	Fiscal and legal compliance	Financial management and control	Data protection regulations
FINANCIAL	Macro-economic exposure	Foreign exchange – translation risk			



STRATEGIC REPORT
CORPORATE GOVERNANCE
FINANCIAL STATEMENTS
ADDITIONAL INFORMATION

PRINCIPAL RISKS AND UNCERTAINTIES

The Board's view of direction of travel of gross risk: Similar to prior year | Lower than prior year | Increased since prior year

The COVID-19 pandemic has significantly impacted businesses on a global scale during 2020. Although vaccines are currently being rolled out, the ongoing impact is likely to continue well into 2021 and perhaps 2022 and is by no means certain. It is also likely that some areas, for example the acceleration of digital, will be a lasting impact. We have mitigated this, both with short-term actions but also with activities that we believe as well as mitigating any negative impacts, offer opportunities for growth.

The impact of COVID is reflected in each of our principal risks.

We have also added a principal risk to reflect future Global Events. This has enabled us to both ensure effective management of the current event, but also ensure we are well prepared in the future.

EMERGING RISKS

In addition to our principal risks we also identify any emerging risks. In 2020 we have recognised climate change as such a risk. We will specifically assess the potential impacts of climate change on PageGroup in our risk reviews, ensuring we monitor changes to determine both mitigating actions but also at which point it becomes appropriate to recognise this as a principal risk. In the meantime, there are elements of the impact of climate change that we reflect in our current principal risks, for example reporting requirements around CO_2 emissions included as part of our ESG response in the legal and fiscal compliance risk.

PRINCIPAL RISKS

STRATEGIC

1 SHIFT IN BUSINESS MODEL

NATURE OF RISK

- 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's results if it were unable to respond effectively.

SIGNIFICANT INFLUENCING FACTORS

- COVID has accelerated the use of digital technology in recruitment changing the way clients and candidates engage.
- Further acceleration of digital, automation and artificial intelligence will create opportunities to use technology in new ways to address our customers needs.

NET RISK LEVEL INCREASED

MITIGATING ACTIONS

- We actively monitor developments in new technologies and their use in the recruitment sector.
- We have established an innovation infrastructure with executive governance and regional innovation groups. Opportunities are evaluated, those that meet our criteria are developed and piloted through an innovations lab. The focus is on driving productivity and the provision of new services.
- We partner with large media providers such as LinkedIn and Facebook to ensure that we use media effectively to enhance our value to clients. All consultants are trained in utilising the benefits of social media in their day-to-day activity.
- Through our focused Competitive Edge programme, we train our consultants in the use of the new technologies to enable them to resource candidates for our clients at an overall cost that they cannot match.
- Our Global IT capability is based around standard applications and processes, and an outsourced service model with leading edge providers has enabled us to respond effectively to the changes resulting from COVID and will continue to enable us to do so.
- As well as our day-to-day interaction with clients and candidates, we conduct formal surveys through SurveyGismo to understand how candidates and clients needs are developing.

2 TRANSFORMATION AND CHANGE

NATURE OF RISK

- Delivery of the Customer Connect programme, our consultants' operating systems, takes significantly longer and costs significantly more than planned.
- Future rollouts impact on the operations of business units that are live on Customer Connect.
- Our people and processes are not enabled to exploit the benefits of Customer Connect.

SIGNIFICANT INFLUENCING FACTORS

- Customer Connect 'Salesforce' based consultant applications have been rolled out to 7 of our markets including the UK and Germany. The rollout is targeted to be completed across the Group by the end of 2022.
- Salesforce will enable a more efficient and effective recruitment process enabling productivity improvements.

NET RISK LEVEL STABLE

MITIGATING ACTIONS

- A Customer Connect change programme has been established under the leadership of a senior steering committee who receive regular status reports.
- A programme team is in place, led by Operations (front end staff) supported by experienced programme and IT management applying tried and tested implementation procedures including extensive testing.
- Local management are brought into the programme to deliver country go lives supported by the programme team, regional IT, learning and development and finance. An extensive training programme covers all system functionality and processes including usage, hints and tips.
- Learnings from countries that have already gone live are being taken into new implementations.

③ BRANDS AND SERVICES

NATURE OF RISK

- 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.

SIGNIFICANT INFLUENCING FACTORS

- The COVID pandemic has accelerated a shift in our recruitment process to an online digital format.
- Activity levels across disciplines and industry sectors has shifted.
- The agenda around ESG has accelerated in all three areas.

NET RISK LEVEL STABLE

MITIGATING ACTIONS

- In early 2021 we built on our customer initiatives in the UK and Asia Pacific with the launch of our global Completely Customer framework. Its aim is to create a sustainable culture where customer engagement is an increasing competitive advantage for the Group. It will achieve this by building a harmonised programme across PageGroup at local, regional and Group levels.
- Our data team are focused on the targeting of 'traditional' digital channels (Google, Facebook, Yahoo, Bing, Baidu). Also supporting the use of our Salesforce marketing suite and tools such as Thunderhead to enable segmentation and personalised activity programmes that will link to our Salesforce based Customer Connect programme.
- We have accelerated the rollout of both temporary and outsourced services, the latter as a global initiative as well as focusing on growth disciplines such as Technology, Digital and Healthcare and Life Sciences.
- We continue to seek feedback from our customers, clients and candidates as to how we are performing via the use of Feefo, Google review, net promoter and Glassdoor. We use the feedback to support changes in how we deliver our services.
- We continue to develop our work on culture and engagement, with initiatives such as Unity and Pride at Page focusing on diversity and inclusion. We also recognise the impact of climate change which we are reviewing as an emerging risk and an opportunity to drive improvement.
- We have established a Crisis Management response process at Group and Regional levels, which enables us to respond effectively to any incidents.

④ GLOBAL EVENT (NEW PRINCIPAL RISK)

NATURE OF RISK

- An external event occurs that significantly disrupts business and world economies requiring a response in excess of 'normal' contingency planning.

SIGNIFICANT INFLUENCING FACTOR

- 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.

NET RISK AMBER

MITIGATING ACTIONS

- We have a Group-led Crisis Management policy and process which covers PageGroup in the event of unpredictable events. This lays out the processes to be followed in developing appropriate responses. The Crisis Management process has been cascaded to all Group and Regional business leaders. Our Crisis Management processes have been further reinforced by learning from the COVID-19 response.
- We maintain a strong ethical culture which ensures that whatever situation the business faces, the focus is to protect our employees, clients and candidates as well as ensuring that we fulfil our broader social responsibilities.
- A conservative financial strategy which maintains a strong balance sheet and healthy cash balances and facilities.
- Experienced and agile management team and structure regionally based and in a good position to liaise with Group and local management.
- A systems capability that means we are not tied to facilities either for our people or the services that we deliver.
- A flexible workforce that can be deployed to focus on any areas of opportunity and be appropriately scaled.
- Critical suppliers are chosen for their resilience capabilities and regular checks are conducted to ensure these are being maintained.
- Within any event there are opportunities. Our people are trained to identify these and to develop offerings in support of business. In doing so we ensure that we behave in an ethical manner.

PRINCIPAL RISKS AND UNCERTAINTIES

PEOPLE

5 PEOPLE

NATURE OF RISK

Attraction
- Operations – we cannot recruit people with the right potential.
- A lack of inclusion limits our recruitment pool.
- Operational Support – we cannot recruit people with the right levels of experience.

Retention
- We cannot retain our high performers.
- We do not provide an environment, working practices and processes that suit our people.
- A lack of diversity impacts on our ability to retain talent.
- A lack of opportunity impacts our ability to retain talent.

Development
- Operations – We fail to develop the potential of our people.
- Operational Support – we do not provide development opportunities.

Attrition
- We do not manage leavers efficiently.
- Leavers have a detrimental impact on our reputation.

SIGNIFICANT INFLUENCING FACTORS

As a result of COVID our people have had to work remotely to varying degrees across the globe depending on local guidance.

The health & safety and wellbeing of our people has been and continues to be a priority as we manage the impact of COVID.

This change will undoubtedly have an impact on how we work in the future.

This presents opportunities, but also requires different management processes to ensure we maintain the health and wellbeing of our people and their operational effectiveness.

NET RISK LEVEL INCREASED

MITIGATING ACTIONS

Actions in response to the COVID pandemic
- Our Regional HRD's have worked with Regional Management to support our people via communications and training via BOOST, our digital blended learning system, in adapting to new ways of working, understanding our business' response to COVID and maintaining their wellbeing with guidance for both managers and their teams.
- We are monitoring the wellbeing and ongoing requirements of our people through regular surveys during the COVID pandemic to understand our people requirements enabling us to adapt our support approach.
- We have taken the opportunity to strengthen our teams with the recruitment of individuals with recruitment experience to support us in those areas with growth opportunities.

Ongoing initiatives
- We continue to promote the Group Purpose around 'changing lives', which we also cascade through our Page Employee Value Proposition.
- We are exploiting our learning capabilities via BOOST!. New blended learning programmes came onstream in September to target, amongst other things, improving on-boarding and speed to success. Our performance management process via Talent Toolbox drives clarity and focus on objectives and behaviours.
- A truly global Talent, Succession and Development (TS&D) review to ensure strong talent pipeline and address any gaps at senior levels, i.e. MD and above.
- Investment in leadership development programmes: Page Leadership Excellence, Global Director Academy and Executive Leadership Development. Programmes have been adapted to reflect longer term changes resulting from the impact of COVID-19.
- Ongoing development of our diversity and inclusion programmes globally, Openpage and Unity@page, ensure we can recruit and retain from all groups of society as our workplace is attractive and inclusive to all. We have continued to develop our focus on ESG through our work on Culture and Engagement.
- We have responded to changing requirements in ways of working accelerated by the COVID pandemic with a flexible working policy, which also protects our strength in teamwork.
- We continue to monitor KPIs specifically focused on driving improvements in our retention rates. We conduct regular employee surveys targeted at specific points in an employee's journey with us and specific events. We use this feedback to guide our employee initiatives.

OPERATIONAL

6 INFORMATION SYSTEMS

NATURE OF RISK

Change

- The business does not appropriately control programme and project delivery.
- Strategic Business Technology led programmes do not deliver business objective stated.
- Poorly controlled changes are made or changes are poorly executed which impacts on service levels.

Services

- A disruption of service due to a failure of our internal processes or procedures or due to a failure of or at our third party service providers.
- Business Continuity and Disaster Recovery is not sufficient to allow business Operations to continue.

Data

- Systems are implemented without the necessary data protection controls.

SIGNIFICANT INFLUENCING FACTOR

PageGroup has established global standard processes, with a move to an outsourced services model utilising world class systems and suppliers.

NET RISK LEVEL STABLE

MITIGATING ACTIONS

Change

- New requests for programmes and projects are approved and prioritised through a global demand process before commencement.
- Strategic programmes' objectives are agreed with and reported on to the Executive Board.
- A Global PMO process sets out controls for the delivery of programmes and projects.
- Technical changes to critical systems managed in line with defined processes to protect the integrity and stability of these systems.

Services

- Single Points of Failure for critical systems are reviewed on a regular basis and mitigating actions put in place.
- Appropriate support agreements and service levels are in place with vendors.
- For issues that occur, incident management will follow a defined process to minimise disruption to business users.
- We have defined our third party management policies and processes with dedicated service managers, supported by the Senior Leadership Team and a dedicated IT procurement function.
- Recovery time and recovery point objectives for critical systems are agreed with the business and tested.

Data

- Business Technology processes are compliant with data regulation requirements.
- New systems are designed in compliance with data regulation legislation.

7 CYBER SECURITY

NATURE OF RISK

Loss of data or systems due to the actions of:

- Malicious Outsiders – targeted attack of PageGroup systems.
- Malicious Insiders – assisted or generated attack by a disgruntled employee or contractor.
- Accidental Outsiders – errors caused by our suppliers.
- Accidental Insiders – successful Phishing, Social Engineering, Business Email Compromise.

SIGNIFICANT INFLUENCING FACTORS

- The COVID pandemic has presented opportunities for scammers to prey on staff who are working from home with fake government and HR related emails and links that attempt to extract data or upload malware.
- The most common route into an organisation's network is via phishing emails (over 90%). As Page relies heavily on the use of email, and it is normal to receive emails from unknown senders, our exposure to phishing remains high.
- Business Email Compromise (BEC), whereby an executive's email is compromised and used to authorise payments or extract confidential information, have also increased since the pandemic.
- The move to using public Cloud services for business-critical activities, our significant email use, and extensive use of social media have increased the Group's exposure to external threats.
- Cyber-attacks continue to increase globally.

NET RISK LEVEL STABLE

MITIGATING ACTIONS

Our dedicated Information Security Team continues to mature and identify areas for continued improvement.

- We have launched several additional defences that continue to reduce the opportunity of a cyber-attack. They include:
- Our new Cyber Insurance Policy.
- Warning Banners on all emails to identify potential phishing attacks, plus 1000 higher risk users (HR, Finance, Execs, PAs) have an advanced anti-phishing email defence with an ability to auto-report malicious activity.
- An 'anti-impersonation' tool that prevents email compromise attacks.
- Active Web Monitoring identifies malicious website registrations attempting to use the PageGroup brand or where a website is actively mimicking ourselves to falsely attract clients and candidates away from our business. The process now in place allows us to have them taken down.
- Updated and enhanced our Multi Factor Authentication methodologies to continue to ensure secure access to our systems (similar to banking applications).
- Password Quality Enhancements, ensuring users select highly secure passwords (similar to banking applications).
- Implementation of a new security and privacy management tool to identify and manage risks more cohesively across our global business.
- Better governed vulnerability and patch management process including new reporting dashboards.
- Fine-tuning of our Security Operations Centre (SOC) Alerts in recognition of our current changes in working practices.
- Ongoing Audit remediation activities.
- Implementation of ISO 27001 Certification – a globally recognised and externally assessed InfoSec Framework.

PRINCIPAL RISKS AND UNCERTAINTIES

8 FISCAL AND LEGAL COMPLIANCE

NATURE OF RISK

The Group operates in a large number of jurisdictions that have varying legal, tax and compliance requirements.

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

SIGNIFICANT INFLUENCING FACTORS

- Detailed requirements resulting from Brexit still remain unclear and will likely develop over the next 2 years.
- As our US business grows we recognise the complexity of each state having its own fiscal and legal rules.
- Changes to the tax status of temporary and contract workers in the UK under IR35.
- Business is operating more complex structures, eg. statement of works and contracting, entering the RPO market where more legal responsibility may arise, or risk of reclassification of the services provided.
- In the post COVID environment fiscal scrutiny is likely to increase as governments look to support economic recovery.

NET RISK LEVEL INCREASED

MITIGATING ACTIONS

- On material legal or fiscal changes there is a Group led approach to regulatory and legislation policies, supported by external advisors globally and in each country.
- Group Treasury have supported regional management in addressing banking, funding and the requirements of sanctions.
- We have set up a central review of our ESG activity to ensure we maintain appropriate reporting and support our activities in delivering on ESG compliance requirements.
- Our Group Tax team co-ordinate with regional management and tax advisors on the Group's tax matters.

See financial management risk for financial compliance activities.

9 FINANCIAL MANAGEMENT CONTROL

NATURE OF RISK

- 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.

NET RISK LEVEL INCREASED

MITIGATING ACTIONS

- The Group maintains strong financial policies and procedures with Group, Regional and local finance teams to ensure these policies as well as local statutory requirements are adhered to. The Group Finance function reviews monthly submissions to ensure policies are adhered to.
- Shared Service Centres, now under a global reporting structure, have increased resilience and introduced greater levels of process standardisation and improved controls. Global process owners oversee the maintenance of processes.
- NetSuite, our standard global finance system, has now been embedded across the whole Group enabling standardisation on best practice and global visibility of finance transactions.
- There are compliance teams located in each region that support local, Regional and Group management in ensuring revenues are appropriately recognised.
- The SSCs have improved opportunities for career paths allowing hiring and retention of higher calibre personnel.
- We have Risk and Controls Registers which are owned and embedded within the businesses. Risk reporting is aggregated globally and reviewed every 6 months by the Executive and the Audit Committee.

10 DATA PROTECTION REGULATIONS

NATURE OF RISK

- Personal data breaches are committed by our employees and/or third party vendors.
- Data requests cannot be fulfilled within deadlines imposed by regulators.
- When responding to Right To Be Forgotten requests, personal data contained in archived emails isn't deleted immediately.
- Our interpretation of data protection laws may prove to be incorrect following clarification by the courts and/or data protection regulators.
- Customers may take issue with our business processes because their interpretation of data protection law differs from ours.
- Regulator guidance on regulatory action against companies including imposition of fines for data protection breaches is evolving and may result in more severe penalties.

SIGNIFICANT INFLUENCING FACTORS

Data Protection regulations in the UK and Europe are now well established. Other jurisdictions have implemented local regulations, for example California, or are following along similar lines to GDPR.

NET RISK LEVEL INCREASED

MITIGATING ACTIONS

- Privacy Director is supporting local management in developing plans to address requirements in Brazil, the US, South Africa and Dubai. We maintain a regional approach to ensuring requirements are operationally effective with specialist resources used to support internal management.
- We have an ongoing staff data protection training programme, (including ePrivacy) delivered via our global training platform.
- We have regional teams, including legal support, in place who respond to data requests and data related queries including from regulators.
- We also have a Crisis Management policy to address external data breaches, including informing authorities and customers.

See Cyber Security risk for mitigating activities regarding data protection loss due to system attacks.

FINANCIAL

11 MACRO-ECONOMIC EXPOSURE

NATURE OF RISK

- Our recruitment activity is driven largely by economic performance and 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 economy, leading to reduced recruitment activity.
- A substantial proportion of the Group's profit arises from fees that are contingent upon the successful placement of a candidate or in the case of Temp completion of activity. In these cases, if the client cancels the assignment at any stage in the process, the Group receives no remuneration

SIGNIFICANT INFLUENCING FACTOR

- COVID-19 has significantly impacted economies across the globe and forecasts have been changing frequently, both in terms of the scale of the downturn and period to recovery.
- We are, however, seeing some upturn in economic performances in Asia, particularly Mainland China and Japan where the impacts of COVID appear to be abating.
- As part of the Brexit process a trade deal has now been agreed between the UK and Europe. The unknown ongoing impact of Brexit, however, has added to the uncertainty on economic growth particularly for the UK, but also for Europe.
- The US election result is being heralded as political stability. Relations between the US and Greater China, however, remain fragile and made worse by the COVID pandemic.
- There are some industry sectors that have benefitted from the impact of the COVID pandemic. Examples are online retailers, cloud service providers, food retailers, healthcare, and the tech sector.

NET RISK LEVELS INCREASED

MITIGATING ACTIONS

- We use our geographical spread to invest in countries and regions where growth is highest.
- Continue to develop our brands of Page Executive, Michael Page, Page Personnel and Page Outsourcing targeted to the needs of geographies.
- Further develop our disciplines to take opportunities in growing sectors and those that recover quickest.
- In those markets built on international business we continue our drive to shift our client base to more domestic.
- We have maintained and continue to increase the proportion of our cost structure that is variable so that we can respond quickly, for example by our moves to SSCs and IT to a global service based model.
- We continue to balance permanent and temporary/contracting recruitment mix in line with business levels in each market. The temporary business tends to be more resilient in times of economic downturn.
- We protect key resources in the short-term so that we can capitalise when the economies recover.

12 FOREIGN EXCHANGE

NATURE OF RISK

- Material changes in the strength of Sterling against the Group's main functional currencies significantly affects the Group's reported Sterling profits in the financial statements.
- The main functional currencies in addition to Sterling are the Euro, US and Australian Dollars.

SIGNIFICANT INFLUENCING FACTORS

- COVID-19 has introduced a significant increase in the risk around movement in currencies due to the impact on both economic growth but also on the level of country debt taken to stabilise the impact. Different economies will recover at different speeds. The relative recovery of the UK economy and financial strength will have the largest impact.
- The impact of Brexit, despite a trade deal being agreed, on the performance of Sterling is still unclear.
- As we continue to expand successfully our overseas operations, our translation exposure to Sterling increases.
- Current banking consensus is that the exchange rate will remain at around current levels, albeit with an increasing spread of forecast for both the US Dollar and the Euro.

NET RISK LEVEL INCREASED

MITIGATING ACTIONS

- Our Group Treasury function reviews our cash position on a regular basis. Repatriation of funds and conversion back to Sterling protects against any significant Sterling recovery.
- We do not hedge the translation of our profits.
- Our communications focus on ensuring the market correctly adjusts for any impact.
- We have little cross-border trading activity, so the impact on transactions is limited to intercompany items.

PRINCIPAL RISKS AND UNCERTAINTIES

GOING CONCERN

The Board has undertaken a review of the Group's forecasts and associated risks and sensitivities, considering the expected impact of COVID-19 on trading in the period from the date of approval of these financial statements to 31 March 2022 (the review period).

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.

The Group had £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 2022 with all covenants waived until the expiry of the facility), an uncommitted £300m government CCFF (available to March 2022 if drawn in March 2021), 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-19 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 do 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 Group has adequate resources to continue in operational existence for the period through to March 2022.

VIABILITY STATEMENT

ASSESSING THE PROSPECTS OF THE COMPANY

Our strategy and the key risks we face are described on pages 11 to 20 and 41 to 48. A full business forecasting process is performed on a quarterly basis, with a full budget for the following year created during October and November, being presented to the Board in December. The Board reviews the Group's strategy and approves an annual Group budget. Performance is then monitored by the Board through the review of monthly reports showing comparisons of results against budget, quarterly forecasts and the prior year, with explanations provided for significant variances. Discussion around strategy is undertaken by the Board in its normal course of business, as well as at an annual dedicated strategy day.

We also prepare longer term projections which drive our strategic plan. These are typically three years. Our strategic plan provides a clear vision for the Group, aligns the Group to one clear culture, provides clarity on investment priorities, branding, belief in achievable goals, and clarity on the goals for our financial vision.

THE PERIOD OVER WHICH WE CONFIRM LONGER-TERM VIABILITY

Within the context of the above, in accordance with provision 31 of the UK Corporate Governance Code, the Board has assessed the viability of the Group.

Given the inherent uncertainty involved, the period over which the Directors consider it possible to form a reasonable expectation as to the Group's longer term viability is the three-year period to 31 December 2023. This period has been selected as it is short enough to present the Board and, therefore, users of the annual report with a reasonable degree of confidence, whilst still providing an appropriate longer term outlook. Whilst the Board has no reason to believe the Group will not be viable over a longer period, the Board has taken into account the short-term visibility inherent in a recruitment business with a permanent recruitment bias.

STRESS TESTING

The forecasting and budgeting process is also supported by scenarios that encompass a broad range of potential outcomes. These scenarios are designed to explore the resilience of the Group to the potential impact of the significant risks as set out on pages 43 to 48, or a combination of those risks. A range of scenarios were considered, including cyber incidents, disintermediation by way of innovation, changes in technology, movements in foreign exchange rates, and a global downturn. We have assumed that, as in the past, as downside risks materialise our headcount will flex through natural attrition in line with the drop of gross profit, such that the impact on operating profit is partially mitigated.

The scenarios were designed to be severe, but plausible and were modelled individually and in combination. In each case, the Group remained viable throughout. However, it is considered extremely unlikely that this combination of events would ever occur. Controls are also in place, where possible, to mitigate the impact of these scenarios and these are described on pages 43 to 48.

Various events may also alert the Main and Executive Boards to a potential threat to viability, for example, macro-events drive the recruitment industry, a drop in GDP in a particular country may lead to a reduction in gross profit growth rates.

We consider that this stress-testing based assessment of the Group's prospects is reasonable in the circumstances given the inherent uncertainty involved.

CONFIRMATION OF LONGER-TERM VIABILITY

The Directors confirm that their assessment of the principal risks and uncertainties facing the Group was robust. Based upon the robust assessment of the principal risks and uncertainties facing the Company and the stress-testing based assessment of the Company's prospects, all of which are described above, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2023. However, we operate in an environment of limited visibility, dependent upon confidence in the global marketplace. Further weakness in the macro-economic outlook may cause us to adapt our strategy during the three-year period in response, leading to a re-evaluation of additional risks involved which might impact the business model.

COMPLIANCE WITH SECTION 414 OF THE COMPANIES ACT 2006

We have complied with the requirements under the provisions of the Companies Act 2006 contained in Sections 414CA and 414CB of the Companies Act 2006. The relevant references can be found below:

Description	Page
Business Model	5
Non-financial Key Performance Indicators	21 to 24
Description and management of principal risk and impact of business activity	41 to 48
Employees	27 to 38
Social and community	27 to 38
Respect for human rights	27 to 38
Anti-corruption and anti-bribery	71 and 80
Environmental matters	23 to 24 and 36

STAKEHOLDER ENGAGEMENT

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 global recruitment services touches many lives. In 2020, due to the challenges presented by the global pandemic, the Board was faced with a number of difficult decisions which involved consideration of a range of stakeholder interests and impacted stakeholder groups differently. These decisions were not taken lightly and were driven by a long-term view of what would be in the best interests of the Company and all of its stakeholders.

Given the importance and impact of decisions taken in 2020, the Board continues to appreciate the importance of ensuring it has an effective engagement framework to capture feedback from stakeholder groups. The various engagement methods are summarised below together with the Board's oversight. The Board confirms it considers the engagement framework to be working effectively having utilised the variety of engagement activities and opportunities available to it which facilitated its understanding of stakeholder interests.

OUR COMMITMENT TO OUR STAKEHOLDERS

EMPLOYEES
Want to work in a supportive, inclusive culture where they experience real opportunities for development and a long and rewarding career.

INVESTORS
Look for investment growth and seek confidence their investment is under sound stewardship.

CLIENTS & CANDIDATES
Rely on us to provide world class specialist recruitment services and solutions to help drive their business and careers forward.

COMMUNITIES & GOVERNMENT
Need businesses that have a positive impact.

SUPPLIERS
Seek strong and enduring partnerships based on fair terms.

ENGAGING TO CHANGE LIVES, CREATE OPPORTUNITY AND REACH POTENTIAL

Key stakeholder	Mechanism of engagement/feedback and Board oversight
EMPLOYEES	The Board is collectively responsible for the Group's culture and each and every member of the Board is responsible for engaging with the workforce. When considering the Corporate Governance Code's requirements on effective workforce engagement, the Board adopted alternative arrangements as permitted under the Code for engagement purposes and as described below. Board members attend management meetings and global live events. The Board also review or have access to data and information provided through the mechanisms below: Surveys – in 2020 Group-wide "Remote Working Survey" and "Our Working Environment" Survey, and on-boarding and exit surveys; @Page networks; Biannual Culture & Engagement sessions inc. D&I review; Yammer; and Speak up helpline reviews
INVESTORS	All main Board meetings include an investor relations report which contains details of investor feedback. Other ways in which investors' feedback is captured include: Investor Roadshows; Investor Conferences; Investor Relations Reports; Individual investor meetings; Opportunities to engage with Chair and Committee Chairs; and AGM.
CLIENTS & CANDIDATES	Board members are provided with KPI market trend data and have presentations on: Market Deep Dives; Net Promoter Scores; and Page Insights data.
COMMUNITIES & GOVERNMENT	Board understanding of the Company's impact and oversight is achieved through reporting on the following: ESG activity; Annual consideration of tax strategy & modern slavery policy; and Regulatory engagement.
SUPPLIERS	In 2020 the Board oversaw the review of: Modern Slavery compliance activities; and Supplier on-boarding process.

Stakeholder concerns and outcome of feedback	Principal decisions	Link to strategy
When it became evident that the pandemic would spread beyond our China business, a rapid consultation exercise between HR, managers and employees was implemented. The purpose of which was to identify what worked best for our people and the business given the difficult road ahead. This was a global effort, and testament to our culture that everyone was willing to be flexible in working patterns, working locations and in respect to pay. All of which helped the Group continue to provide its services and reduce its costs as it sought to stabilise from the initial impact of lockdowns across its markets. Throughout 2020 the Board has utilised the various employee voice channels that it has put in place to listen and understand the needs of our people, including the need to feel secure and have tools to work effectively. The Board oversaw and reviewed the results of the "Remote Working Survey" and "Our Working Environment" Survey. Key items that came out of which were the need for our people to stay safe, stay connected and have flexibility wherever possible.	Implementation of temporary salary reductions or reduction in hours to reduce the Group's overall costs and moving to wholescale remote working to mitigate the risk of spreading COVID-19. We accelerated our roll-out of digital tools to enable employees to connect to the same systems as in an office environment. Where Government guidelines would allow, in the different countries in which we operate, 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. Results from our global Remote Working Survey led to our #stayingconnected campaign, the launch of the global programme around flexibility at Page and global alignment around Health & Wellbeing, reinforced through local Employee Assistance Programmes.	We are a people business and our strategy will only be achieved through having an engaged, connected workforce, that places employee wellbeing at the heart of our behaviours and values.
Like many companies, the Board reviewed the Company's dividend policy in light of the impact of the pandemic. Full details are set out in the case study overleaf.	Suspension of dividends.	As a listed company it is vitally important that we have a strong shareholder base which is committed to the Group for the long-term. Delivering returns to our investors is inextricably linked to the Company's success.
Views and information from across the business were provided to the Board regarding the Customer Connect programme including the needs of clients and candidates. Customer Connect is the new operating system for consultants, which provides a more intuitive, functionally efficient system designed to make our customers' experience the best available in the sector. To ensure the customer voice is heard, the Board is provided with market trend data and presentations by executive management which helps them understand key disciplines and customer needs in the perm and temp recruitment markets. For example, customers want insight to understand more about the market they are operating within and how best to compete for talent and secure roles.	The Board considered whether in light of the pandemic it should delay the implementation of the Customer Connect system. It agreed that it was a strategically important upgrade necessary to provide the service it seeks to deliver for clients and candidates and the system is being rolled out across our markets. The Board oversaw the implementation of Page Insights. A business intelligence tool, which combines internal data with global external data sources, such as Government information and millions of online adverts to support customer needs for insights as well as internal planning and targeting.	The sustainability of the business depends on offering first class, innovative recruitment services and solutions to all our customers.
Preserving jobs was a key priority for governments around the world. Through engagement with the Company's advisers the Board has stayed abreast of developments and expectations in the markets in which it operates. During the pandemic the Group has sought to preserve its business platform for future growth to ensure it continues to make a positive impact in the communities in which it operates and contributes to wider society as a whole. Environmental considerations are a priority for a range of stakeholder groups including feedback received from investors and employee survey data.	The Board considered it was in the interests of the Company and its stakeholders to utilise furlough and tax deferrals. However, following careful consideration in 2021 it considers the business is in a position to repay UK furlough monies. Supporting increased focus on environmental matters such as the green energy initiatives and off-setting 2020 carbon omissions.	Being a positive contributor to society as a whole aligns to our Purpose and Values and makes us an attractive business to all our stakeholders.
The Board understands relationships with suppliers are partnerships and it is important to our suppliers to pay them promptly. The Board understands the importance for suppliers' being aware and understanding the Company's expectations of them. The Board considers the Company has an important role to play in seeking to mitigate the risks of modern slavery. This prompted its decision to oversee the review of high-risk UK suppliers in respect of modern slavery compliance.	The UK trading company's latest payment practices reporting shows that the average time taken to pay invoices is 1-2 days and 97% – 99% of invoices are paid within 30 days. Introduction of a new updated Supplier Code of Conduct which can be found on www.page.com. The revised Code is aimed at promoting and upholding high ethical and professional standards across our supply chain and consistent with our Values and Employee Code of Conduct. The Code forms part of our Supplier on-boarding process and is published via our Vendor Management tool. Introduction of KPIs for suppliers in the UK regarding modern slavery and review of high-risk UK suppliers in respect of modern slavery compliance.	Our business is dependent on responsible business partners with expertise in areas outside of recruitment.

STAKEHOLDER ENGAGEMENT

CASE STUDY

Key decisions taken by the Board in 2020 included revoking its recommendation that a final dividend be paid for 2019 and electing not to pay an interim dividend in 2020. These decisions had a short-term negative impact on shareholders and were deliberated on extensively. The decision making process included the Board's consideration of its understanding of its shareholder base and previous feedback from shareholders. Our shareholders tell us that they are interested in long-term holding in the business and support the Group's strategy to continue to seek future growth and diversification. In the year under review, the Board was faced with an unprecedented event beyond its control which impacted future trading in a way that could not be predicted. Taking account of this uncertainty, and the importance of preserving the platform for the future, the Board determined it necessary to suspend the payments of dividends. This was also considered appropriate given the interests of other stakeholders, government furlough funds had been accessed in 2020 and employees had suffered temporary pay reductions.

We engaged across our shareholder base throughout 2020 to ensure our rationale was understood and reiterated that the Group fully intends to restore returns to shareholders once stability returns to the business and its markets. When the Board reinstates dividend payments this will take full account of the Group's cash position, investment projects, history of returns, consensus for dividend per share and our competitors' return rates.

REVIEW OF THE YEAR

Financial summary	2020	2019	Change	Change CC*
Revenue	£1,304.8m	£1,653.9m	-21.1%	-20.5%
Gross profit	£610.2m	£855.5m	-28.7%	-28.1%
Operating profit	£17.0m	£146.7m	-88.4%	-90.1%
Profit before tax	£15.5m	£144.2m	-89.2%	
Basic earnings per share	-1.8p	32.2p	-105.6%	
Diluted earnings per share	-1.8p	32.2p	-105.6%	
Total dividend per share (excl. special dividend)	-	13.70p		
Total dividend per share (incl. special dividend)	-	26.43p		

*At constant currency – all growth rates in constant currency at prior year rates unless otherwise stated

At constant exchange rates, Group revenue decreased 20.5% and gross profit decreased 28.1% for the year ended 31 December 2020. Gross profit per fee earner decreased 18.7% to £113.3k (2019: £140.4k). At reported rates, revenue decreased 21.1% to £1,304.8m (2019: £1,653.9m) and gross profit decreased 28.7% to £610.2m (2019: £855.5m).

The Group's revenue mix between permanent and temporary placements was 34:66 (2019: 39:61) and for gross profit was 72:28 (2019: 75:25). Revenue from temporary placements comprises the salaries of those placed, together with the margin charged. This margin on temporary placements decreased slightly to 20.1% in 2020 (2019: 21.1%). Overall, pricing remained relatively stable across all regions, although a weaker pricing environment was experienced in markets more impacted by COVID-19.

In our Large, High Potential markets category, now representing 36% of the Group, gross profit decreased 24.8% in constant currencies to £218.2m. This category performed slightly better than the rest of the Group, primarily due to the resilience of our business in Germany.

Total Group headcount decreased by 1,004 in the year to 6,694. This comprised a net decrease of 882 fee earners (-14.6%) and a decrease of 122 operational support staff (-7.3%). The reduction in our fee earner headcount was a response to the tough macro-economic conditions caused by the COVID-19 pandemic. The leavers were largely recent joiners who were therefore very inexperienced in recruitment, or those on performance review. We have continued to invest in our business model, with approaching 400 experienced fee earners added to the Group during the year. This additional headcount was primarily into our strategic areas of investment, as well as those areas which have been more resilient during the COVID-19 pandemic. As a result of this reduction in net fee earner headcount, our fee earner to operational support staff ratio was 77:23 (2019: 78:22). In total, administrative expenses decreased 16.3% to £593.2m (2019: £708.8m).

REGIONAL REVIEWS

Gross profit		Reported			CC
Year-on-year	% of Group	2020 (£m)	2019 (£m)	%	%
EMEA	52%	319.4	418.3	-23.7%	-24.4%
Asia Pacific	20%	121.1	163.3	-25.8%	-25.1%
Americas	15%	88.8	138.8	-36.0%	-31.4%
UK	13%	80.9	135.1	-40.0%	-40.0%
Total	**100%**	**610.2**	**855.5**	**-28.7%**	**-28.1%**
Permanent	72%	436.7	643.8	-32.2%	-31.5%
Temporary	28%	173.5	211.7	-18.0%	-17.8%

REVIEW OF THE YEAR

EUROPE, MIDDLE EAST AND AFRICA (EMEA)

EMEA	(£m)		Growth rates	
(52% of Group in 2020)	**2020**	**2019**	**Reported**	**CC**
Gross profit	319.4	418.3	-23.7%	-24.4%
Operating profit	30.6	90.3	-66.1%	-66.5%
Conversion rate (%)	9.6%	21.6%		

MARKET PRESENCE

EMEA is the Group's largest region, contributing 52% of the Group's gross profit in the year. With operations in 17 countries, PageGroup has a strong presence in the majority of EMEA markets and is the clear leader in specialist permanent recruitment in the two largest, France and Germany. Across the region, permanent placements accounted for 66% and temporary placements 34% of gross profit.

The region includes four of our Large, Proven markets, France, Spain, Italy and the Netherlands, across which there is a broad range of competition. EMEA also includes Germany, one of the Group's Large, High Potential markets, which has low penetration rates (markets where less than 30% of recruitment is outsourced) and significant growth potential, particularly in temporary recruitment. In addition, there are markets such as Poland, Turkey and Africa, which are less developed, with limited competition, but are increasingly looking for professional recruitment services.

PERFORMANCE

In constant currencies, revenue decreased 17.7% on 2019 and gross profit decreased 24.4%. In reported rates, revenue in the region was down 16.8% to £717.3m (2019: 861.8m) and gross profit decreased 23.7% to £319.4m (2019: £418.3m).

Trading conditions were impacted by COVID-19 throughout the region, with many countries again entering lockdown at the end of the year. Our largest businesses in the region, France and Germany, together representing over half of the region by gross profit, declined 28% and 11%, respectively. Michael Page Interim in Germany, which is mainly focused on technology, was one of our most resilient businesses during the pandemic, growing 6% overall for the year. In our other European markets, Benelux was down 24%, Southern Europe down 28% with Italy and Spain down 28% and 29%, respectively. The Middle East and Africa, which represented 3% of the region, declined 30%.

2020 operating profit decreased 66.1% to £30.6m (2019: £90.3m), a conversion rate of 9.6% (2019: 21.6%). The region was the most resilient to the COVID-19 pandemic and had the highest conversion rate in the Group. Headcount across the region decreased by 338 (-10.2%) to 2,979 at the end of 2020 (2019: 3,317).

ASIA PACIFIC

Asia Pacific	(£m)		Growth rates	
(20% of Group in 2020)	**2020**	**2019**	**Reported**	**CC**
Gross profit	121.1	163.3	-25.8%	-25.1%
Operating profit	3.8	19.8	-80.9%	-81.9%
Conversion rate (%)	3.1%	12.1%		

MARKET PRESENCE

Asia Pacific represented 20% of the Group's gross profit in 2020, with 79% of the region being Asia and 21% Australasia. Other than in the financial centres of Hong Kong, Singapore and Tokyo, the Asian market is generally highly under-developed and offers attractive opportunities in both international and domestic markets at good conversion rates. Two of our Large, High Potential markets, Greater China and South East Asia, are in this region. With a highly experienced management team, approaching 1,200 staff and limited competition, the size of the opportunity in Asia is significant. Across Asia, driven by cultural attitudes towards white collar temporary recruitment, permanent placements accounted for 84% and temporary placements 16% of gross profit.

Australia, one of our Large, Proven markets, is a mature, well-developed and highly competitive recruitment market. PageGroup has a meaningful presence in permanent recruitment in the majority of the professional disciplines and major cities in Australia. Page Personnel has a growing presence and significant potential to expand and grow market share.

PERFORMANCE

In Asia Pacific, in constant currencies, revenue decreased 20.1% and gross profit decreased by 25.1%. In reported rates, revenue decreased 21.0% to £216.0m (2019: £273.4m) and gross profit decreased 25.8% to £121.1m (2019: £163.3m).

In Asia, representing 16% of the Group, gross profit declined 22%. Greater China declined 27%, with Hong Kong down 46%. Conditions improved as the year progressed, with Mainland China growing 15% in December and social unrest easing in Hong Kong. South East Asia was down 23% on the prior year, with Singapore down 28%. We opened in the Philippines during the year, our sixth country in this Large, High Potential market. India, where we have around 150 fee earners, declined 15%. Japan was down 9% for the year, though our Nikkei market business delivered a record year, up 47%. Australia declined 35%.

Operating profit decreased 80.9% to £3.8m (2019: £19.8m), with the conversion rate down at 3.1% (2019: 12.1%). The region remained profitable, with conditions improving towards the end of the year. Headcount across the region declined 294 (-17.5%), ending the year at 1,385 (2019: 1,679).

THE AMERICAS

Americas	(£m)		Growth rates	
(15% of Group in 2020)	2020	2019	Reported	CC
Gross profit	88.8	138.8	-36.0%	-31.4%
Operating profit	-7.0	19.3	-136.4%	-147.0%
Conversion rate (%)	-7.9%	13.9%		

MARKET PRESENCE

The Americas represented 15% of the Group's gross profit in 2020, being North America (64% of the region) and Latin America (36% of the region). The US and Latin America are two of the Large, High Potential markets in our growth strategy. The US, where we have eight offices, has a well-developed recruitment industry, but in many disciplines, especially technical, there is limited national competition of any scale. PageGroup's breadth of professional specialisms and geographic reach is uncommon and provides a competitive advantage.

Latin America is a highly under-developed region, where PageGroup enjoys the market-leading position with around 700 employees in seven countries. There are few international competitors and none with regional scale. Across the Americas, permanent placements accounted for 84% of gross profit and temporary placements 16%.

PERFORMANCE

In constant currencies, revenue decreased by 17.5% and gross profit decreased by 31.4%. In reported rates, revenue decreased by 24.8% to £154.3m (2019: £205.1m) while gross profit decreased 36.0% to £88.8m (2019: £138.8m).

In North America, gross profit decreased by 30% in constant currencies. The US declined 30%, with tough trading conditions due to COVID-19, as well as political uncertainty and social unrest. Conditions were particularly tough within our largest discipline, Construction, with sites closed for large periods of the year.

In Latin America, gross profit was down 33% year-on-year in constant currencies. The region has been one of the most impacted by COVID-19, having received little governmental support. Brazil was down 28%, Mexico down 43%, with the other five countries in the region down 28%, collectively.

Driven by our strategy of maintaining our trading platform in these two Large, High Potential markets, operating profit decreased to -£7.0m (2019: £19.3m), with a conversion rate of -7.9% (2019: 13.9%). Headcount across the region decreased by 221 (-16.1%) in 2020 to 1,155 (2019: 1,376).

UNITED KINGDOM

UK	(£m)		Growth rate
(13% of Group in 2020)	2020	2019	
Gross profit	80.9	135.1	-40.0%
Operating profit	-10.3	17.3	-159.9%
Conversion rate (%)	-12.8%	12.8%	

MARKET PRESENCE

The UK represented 13% of the Group's gross profit in 2020, operating from 25 offices covering all major cities. It is a mature, highly competitive and sophisticated market with the majority of vacant positions being outsourced to recruitment firms. PageGroup has a market leading presence in permanent recruitment across the UK and a growing presence in temporary recruitment. In the UK, permanent placements accounted for 63% and temporary placements 37% of gross profit.

The UK business operates under all four of our brands, with representation in 13 specialist disciplines via the Michael Page brand. There remains opportunity to roll-out new discipline businesses under the lower salary-level Page Personnel brand, which now represents 24% of UK gross profit.

PERFORMANCE

In the UK, revenue decreased 30.7% to £217.3m (2019: £313.6m) and gross profit declined 40.0% to £80.9m (2019: £135.1m).

The UK was significantly impacted by COVID-19, as well as Brexit related uncertainty. The Brexit deal has provided a degree of clarity. Page Personnel declined 44% and Michael Page, which is focused on more senior opportunities, declined 39%.

Due to this sharp decline in gross profit, operating profit was down 159.9% to -£10.3m, a conversion rate of -12.8%.

Headcount decreased 11.4% to 1,175 at the end of December 2020 (2019: 1,326). Our fee earner headcount reduced by 105 (11.4%) in response to the challenging trading conditions seen throughout the year.

REVIEW OF THE YEAR

OPERATING PROFIT AND CONVERSION RATES

The Group's organic growth model and profit-based team bonus ensures cost control remains tight. Approximately three-quarters of costs were employee related, including wages, bonuses, share-based long-term incentives, and training & relocation costs.

Depreciation and amortisation for the year totalled £61.8m (2019: £57.5m). Amortisation relating to our operating system, PRS, was £7.5m (2019: £6.2m), which is now concluded.

Throughout this pandemic, all our people have pulled together in these difficult times. In the second quarter, employees agreed to reduced working weeks or placement onto government assistance schemes. 450 of our most senior employees, including the Main and Executive Boards, agreed to salary cuts of 20% in Q2. This, in addition to access to government assistance schemes, reduced travel, and reduced client and candidate entertaining, enabled us to achieve a reduction in our cost base of 21% in Q2, 15% in Q3 and 10% in Q4 compared to March. We are thankful to all our people who agreed to take salary reductions, work four-day weeks or make other sacrifices for the long-term benefit of the Group during this period.

The Group's conversion rate for the year of 2.8% was a decline from 17.1% in 2019. This was due to the sharp decrease in gross profit as a result of COVID-19, partly mitigated by the reduction in headcount and cost saving initiatives.

Conversion rates were impacted in all of the Group's regions. EMEA was the Group's most resilient region, with a conversion rate of 9.6%. Asia Pacific also remained profitable, with conditions improving towards the end of the year and conversion was 3.1% compared to 12.1% in 2019. The UK and the Americas were most impacted by the COVID-19 pandemic, with conversion rates of -12.8% and -7.9% respectively.

A net interest charge of £1.5m (2019: £2.4m) was primarily due to an IFRS 16 interest charge of £1.7m. Excluding IFRS 16, the net interest income of £0.2m reflected interest income, albeit in the continued low interest rate environment, partially offset by borrowing facility charges.

EARNINGS PER SHARE AND DIVIDENDS

In 2020, basic and diluted earnings per share both decreased to -1.8p (2019: 32.2p), as a result of the reduction in profit due to the COVID-19 pandemic, as well as an increase in the effective tax rate.

The Group's strategy is to operate a policy of financing the activities and development of the Group from our retained earnings and to maintain a strong balance sheet position. We first use our cash to satisfy our operational and investment requirements and to hedge our liabilities under the Group's share plans. We then review our liquidity over and above these requirements to make returns to shareholders, firstly by way of an ordinary dividend.

Our policy is to grow this ordinary dividend over the course of the economic cycle, in line with our long-term growth rate. We believe this will enable us to sustain the level of ordinary dividend payments during a downturn as well as to increase it during more prosperous times.

Cash generated in excess of these first two priorities will be returned to shareholders through supplementary returns, using special dividends or share buybacks.

In 2020, in line with many of its peers, PageGroup announced the temporary suspension of its dividend policy. This was against a backdrop of unprecedented global economic disruption and significant near-term uncertainty caused by the outbreak of COVID-19 and designed to preserve liquidity. We will seek to restart our dividend programme as market conditions improve and greater clarity over the trading outlook is restored.

CASH FLOW AND BALANCE SHEET

Cash flow in the year was strong, with £169.0m (2019: £194.1m) generated from operations. The closing cash balance was £166.0m at 31 December 2020 (2019: £97.8m). The significant increase in the cash balance compared to 2019 was primarily due to the unwind of working capital of £84.6m, deferral of c. £11m of tax payments and a strong focus on cash collection.

Several actions were taken during the year to protect liquidity and ensure a strong cash flow throughout. We deferred tax payments and utilised government support schemes where available, as well as ensuring the Group had access to additional liquidity, should this be required, as described below. We actively protected against potential downsides from the pandemic, despite remaining confident in our business model throughout. Due to the continued strong cash position, we will now be repaying the UK Government furlough income of £3.4m.

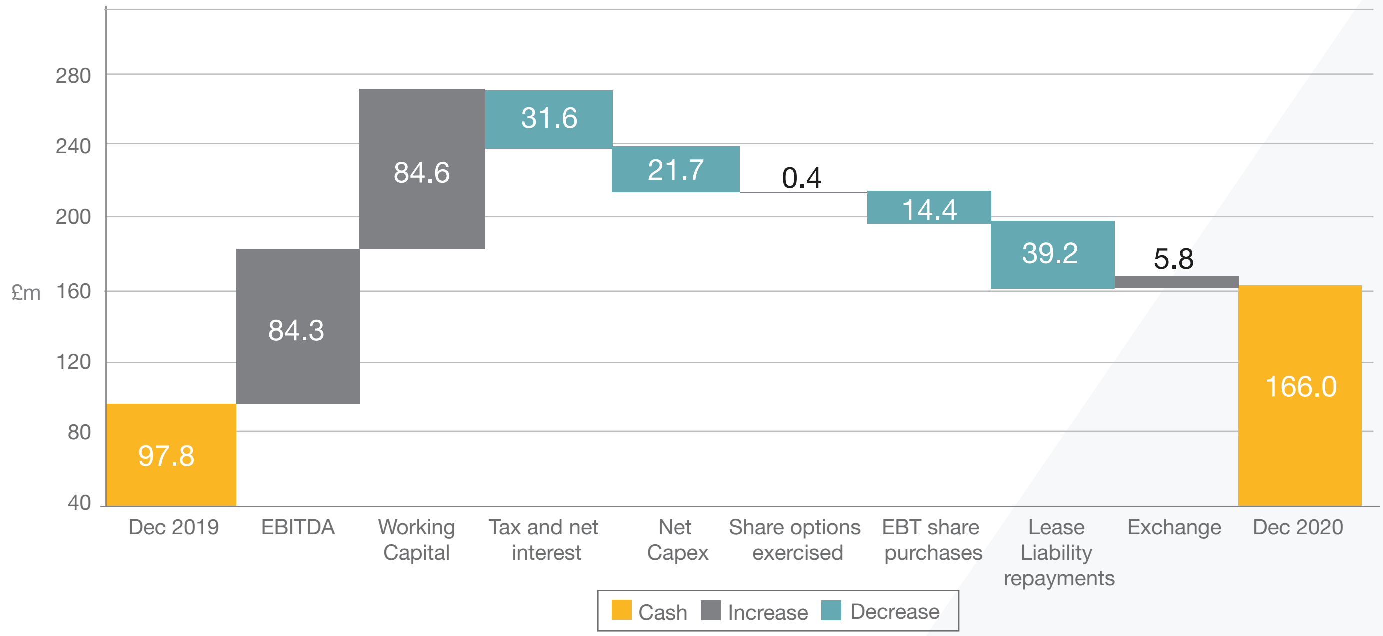
PageGroup maintains a Confidential Invoice Facility with HSBC whereby the Group has the option to discount receivables in order to advance cash. The Group also has a Revolving Credit Facility with BBVA, expiring in 2022, with a total drawable amount of £30m. We have agreed a covenant waiver to the end of the agreement on this facility, to ensure we retain access to these funds should they be required. Neither of these facilities were in use as at 31 December. These facilities are used on an ad hoc basis to fund any major Group GBP cash outflows. The Group also gained access to the Bank of England Covid Corporate Finance Facility, with a limit of £300m, which has not been drawn against. We do not currently expect to draw down on this facility.

Income tax paid in the year was £31.7m (2019: £37.0m) and net capital expenditure in 2020 was £21.7m (2019: £24.6m). Spending on software was broadly flat on 2019 and was primarily related to the roll out of our new operating system, Customer Connect. Spending on property, plant and equipment decreased, with no significant office moves in the year, as well as a reduction in our fee earner headcount.

Due to the suspension of our dividend policy, no dividend payments were made during 2020 (2019: £83.5m). The lower share price in 2020 meant that there was a decrease in cash receipts from share option exercises, with £0.4m in 2020, compared to £7.2m in 2019. In 2020, £14.4m (2019: £10.0m) was also spent on the purchase of shares by the Employee Benefit Trust to satisfy future committed obligations under our employee share plans.

The most significant item in our balance sheet was trade receivables, which amounted to £186.1m at 31 December 2020 (2019: £271.1m), comprising permanent fees invoiced and salaries and fees invoiced in the temporary placement business, but not yet paid. Days' sales in debtors decreased due to the significant unwind of our debtor book.

CASH FLOW WATERFALL 2020



FOREIGN EXCHANGE

Foreign exchange had a marginal impact on the Group's results for the year, decreasing revenue by c. £9m, gross profit by c. £5m and increasing operating profit by c. £2m.

TAXATION

The tax charge for the year was £21.3m (2019: £40.8m). This represented an effective tax rate of 136.9% (2019: 28.3%).

We have generated profits in overseas countries which have higher rates and we have been subject to additional taxes on profits which have contributed 61.7% to the tax rate in 2020.

Losses arose in the year that we could not recognise due to the requirement to have profits against which to offset in the foreseeable future. In addition, we wrote off deferred tax assets on losses which expired in the period as well as deferred tax assets on deductible temporary differences and losses where we do not consider it probable that there will be taxable profits to support their recovery in future periods. Together, these two categories increased the tax rate by 22.3%.

Disallowable and other permanent differences are broadly in line with 2019, though with the significant reduction in PBT, the impact on the rate has been much greater. Similarly to 2019, adjustments in respect of prior periods were one-off in nature, and again have a higher impact on the rate due to the lower PBT in 2020. Finally, there have been changes to the substantively enacted tax rates which apply to the calculation of deferred tax, predominantly in the UK (moving from 17% to 19%). Collectively, these three categories increased the tax rate by 33.9%.

These factors add to the basic UK rate of 19% to give the total effective tax rate of 136.9%.

The tax charge for the year reflects the Group's tax strategy, which is aligned to business goals. It is PageGroup's policy to pay its fair share of taxes in the countries in which it operates and deal with its tax affairs in a straightforward, open and honest manner. The Group's tax strategy is set out in detail on our website in the Investor section under "Responsibilities".

SHARE OPTIONS AND SHARE REPURCHASES

At the beginning of 2020 the Group had 10.3m share options outstanding, of which 4.2m had vested, but had not been exercised. During the year, options were granted over 1.8m shares under the Group's share option plans. Options were exercised over 0.1m shares, generating £0.4m in cash, and options lapsed over 0.7m shares. At the end of 2020, options remained outstanding over 11.4m shares, of which 5.3m had vested, but had not been exercised. During 2020, 3.8m shares were purchased for the Group's Employee Benefit Trust, and no shares were cancelled (2019: 2.2m shares were purchased and no shares were cancelled).

AUDIT TENDER

Following the competitive tender process during the year, the Audit Committee has recommended, and the Board has approved the retaining of Ernst & Young LLP (EY) as the Company's auditor. The Board will propose the re-appointment of EY as external auditor for the year ending 31 December 2021 at the Company's Annual General Meeting in June 2021.

Approved by the Board on 2 March 2021 and signed on its behalf by:

Kelvin Stagg

Chief Financial Officer

CHAIRMAN'S INTRODUCTION TO CORPORATE GOVERNANCE

David Lowden, Chairman

Dear Shareholder,

On behalf of the Board, I am pleased to present the Company's Corporate Governance Report for the financial year ended 31 December 2020.

When I communicated with you 12 months ago, the impact of COVID-19 on some of our Asian markets was evident. However, the grip the global pandemic would have on all our lives and across all of the Company's markets was not yet known. 2020 was unquestionably a challenging year for the Group due to the unprecedented decline in global trading conditions. I am tremendously proud of how the business responded and adapted. Moreover, I would like to acknowledge the support received from all our stakeholders when presented with the tough decisions we had to take. I have sought to share below the Board's role in this collective response. I am confident the actions we have taken during the year were the right ones and for the Company's ultimate long-term sustainable success.

CORPORATE GOVERNANCE

This Corporate Governance Report sets out how the Company has complied with the UK Corporate Governance Code 2018 (the "Code"). It also aims to explain the work and activities of the Board, and the work of its Committees and details the annual evaluation process for the year under review.

A great deal of work has occurred since introduction of the Code in 2018 to develop key corporate governance areas such as culture and engagement. Through utilising collaboration tools such as Microsoft Teams and presenting and attending virtual Company-wide global live events, the Board has continued in this work during 2020. By ensuring the Group's culture and engagement framework has continued to evolve, it has been able to ensure its understanding of the employee voice and that culture is aligned to strategy. In 2020, a year like no other, the Board has had to consider carefully all stakeholder interests appropriately. Such assessments have unsurprisingly formed a large part of the Board's corporate governance agenda.

The Group's Main Board and Committee structure is outlined below. This framework underpins the Board's ability to set the overall strategic direction of the Group. It also supports its core values, policies and procedures, which in turn, creates a culture in which our business and employees can act effectively and with integrity.

BOARD COMPOSITION AND ACTIVITIES

There were no changes to the Board's membership in 2020. The stability of the Board has proven to be a strength of the organisation in the last 12 months, given the external volatility the Company experienced. Having Board members that truly understand the strategy and inner workings of the business meant the Board could quickly identify actions required to preserve the Group's platform, whether this be ensuring funding was available should it be needed or understanding the

OUR CORPORATE GOVERNANCE FRAMEWORK

THE BOARD

The Board's role is to provide entrepreneurial leadership of the Group within a framework of prudent and effective controls which enable risk to be assessed and managed. It has a formal schedule of matters reserved for its decision. **More details on pages 68 to 72.**

NOMINATION COMMITTEE

Responsible for ensuring that the Company has the executive and non-executive leadership it requires and a diverse talent pipeline.

Details on pages 73 to 75.

AUDIT COMMITTEE

Responsible for the integrity of the Company's financial statements and performance, ensuring the necessary internal controls and risk management systems are in place and effective.

Details on pages 76 to 80.

REMUNERATION COMMITTEE

Responsible for the review, recommendation and implementation of the Group's remuneration strategy, its framework and cost.

Details on pages 81 to 104.

requirement to ask our people, including the Board, to volunteer to temporarily reduce their salaries, fees or working hours.

Although there have been benefits to the stability of the Group's leadership, the Board is aware of the importance of regularly refreshing its membership and significant work was undertaken in 2020 regarding succession, including the appointment of Ben Stevens on 1 January 2021 as a Non-Executive Director and Audit Chair Designate. Please see the Nomination Committee report for further details.

As you would expect, the Board met frequently in 2020. It was important to understand in real-time how the business was adapting to challenges presented by the pandemic. The Board's key focus was on the Group's financial well-being and understanding the needs of all its stakeholders, in particular prioritising the health and welfare of our people. It also sought to build upon the progress made in respect of embedding the corporate governance changes incorporated since the introduction of the Corporate Governance Code 2018 (the "Code").

I hope you find our Corporate Governance Report informative. I will be available at the 2021 Annual General Meeting to respond to any questions you may have on this Report.

David Lowden

Chairman

2 March 2021

CHIEF FINANCIAL OFFICER (CFO)

Responsible for managing the financial risks, reporting and planning of the Group.

CHIEF EXECUTIVE OFFICER (CEO)

Key responsibility is to develop and deliver the Group's strategy within the policies and values established by the Board.

GENERAL COUNSEL & COMPANY SECRETARY

Responsible for ensuring the Board complies with all legal, regulatory and governance requirements.

EXECUTIVE BOARD

The Executive Board is chaired by the CEO and includes the CFO. The Executive Board is responsible for overseeing operations in our regions and for overseeing business operational functions Group-wide.

Details on pages 66 to 67.

OUR BOARD OF DIRECTORS

DAVID LOWDEN

CHAIRMAN

Date of Appointment: Director, August 2012 **Chairman**, December 2015

Past Roles: David was a member of the Board of Taylor Nielson Sofres plc, the marketing services business, from 1999 to 2009, becoming Chief Executive Officer in 2006. Before joining Taylor Nielson Sofres plc, David held senior financial positions in Asprey plc, A.C. Nielsen Corporation and Federal Express Corporation. David's prior roles include Non-Executive Director and Chairman of the Audit Committee for Cable & Wireless Worldwide plc, Senior Independent Director and Chairman of the Remuneration Committee of Berensden plc, Non-Executive Director and Chairman of the Audit and Risk Committee of William Hill plc. From January 2019, he was a Non-Executive Director of Huntsworth plc and was Chairman of the Board of Huntsworth plc and its Nomination Committee from March 2019 until Huntsworth plc was sold to Clayton Dubilier & Rice LLP in May 2020.

Other Current Appointments: Senior Independent Director of Morgan Sindall Group plc. Non-Executive Director, and Senior Independent Director of Capita plc.

Board Committees: Nomination (Chairman)

Skills and Experience:

- Extensive experience in both general management and financial management
- Many years of operating within international businesses with cultural diversity
- Strong strategic understanding
- Proven ability for delivering shareholder value
- Strong financial, marketing and commercial skills
- Experienced non-executive in several sectors

Contribution: The Company's long-term sustainability is safeguarded by having an effective chair of the Board and David Lowden successfully fulfils this role. His experience is significant having held senior non-executive and chair positions across a range of listed companies. The Board draws upon his experience and guidance regularly and his deep understanding of the business enables him to ensure the needs of the business are met across the range of strategic and governance matters affecting the Company.

STEVE INGHAM

CHIEF EXECUTIVE OFFICER, EXECUTIVE DIRECTOR

Date of Appointment: Plc Board, February 2001 **Chief Executive Officer**, April 2006

Past Roles: Steve joined Michael Page in March 1987 as a consultant in the newly created Michael Page Marketing business. He was then responsible for the launch of the London marketing team and was promoted to Operating Director in 1990. He was promoted again in 1994 to Managing Director of both the Marketing and the newly launched Sales businesses. Steve then started and took responsibility for several other discipline businesses and was promoted to the Board as Page became a public company in February 2001. In 2005 he took full responsibility for all UK businesses and then in March 2006, Steve was appointed Chief Executive.

Prior to joining PageGroup Steve spent four years at Johnson Matthey as a qualified metallurgist. From January 2013 to April 2019 he held the position of Non-Executive Director, Debenhams plc. Steve was also a member of the Corporate Partnership Board, Great Ormond Street Hospital from April 2008 to December 2020.

Other Current Appointments: Member of the Corporate Partnership Board, Back Up - a charity focussed on providing support to people with spinal injuries.

Board Committees: None

Skills and Experience:

- 34 years' service with the Group and recruitment industry
- 14 years as a CEO of a FTSE 250 public company, with strong IR skills, delivering shareholder value
- Strong entrepreneurial and strategic skills having initiated and grown many new global businesses
- Extensive experience in business development and account management
- Significant international experience including the emerging markets of SE Asia, China, Latin America and India
- Leadership of a global people business having seen PageGroup grow from 240 to approaching 7,000 employees across 37 countries
- Taken the Group through a global restructure to ensure all operational support staff are centralised, where possible, in shared service centres, and consistent everywhere.
- Experience in other sectors and industries having worked on the Boards of a major charity and retailer
- Ensured the Group has a clear vision, purpose and values as well as a clear priority to improve Page's diversity and sustainability
- Awarded the Institute of Recruitment Professionals Lifetime Achievement Award in 2017

Contribution: Steve Ingham's contribution is necessary to enable the Company to deliver its strategy to shareholders and its wider stakeholders. He has unparalleled understanding of the business, culture and future goals of the Company. These skills are gained by his extensive experience of working within the industry and for the organisation itself. He has 34 years' experience of the Company and the recruitment sector and has a strong record of delivering sustainable success for the Company over the last decade. A wheelchair user since March 2019, following a near fatal skiing accident, Steve has led the business in promoting workplace diversity, in particular the opportunities available to disabled candidates.

KELVIN STAGG

CHIEF FINANCIAL OFFICER, EXECUTIVE DIRECTOR

Date of Appointment: June 2014

Past Roles: Kelvin joined PageGroup plc in July 2006 as Group Financial Controller and Company Secretary. He was appointed Acting Chief Financial Officer in October 2013. He held the title of Company Secretary until December 2013. In June 2014, Kelvin was appointed Chief Financial Officer. Prior to joining the Group, Kelvin spent six years at Allied Domecq and three years at Unilever in a variety of finance functions. He has significant international experience and has high levels of compliance, change management, large teams and systems experience, across almost every finance discipline. He is a Chartered Management Accountant.

Other Current Appointments: None

Board Committees: None

Skills and Experience:

- More than 14 years in the Group with a detailed knowledge of the Group's operations
- Extensive experience in finance, audit and risk management
- Significant international experience including roles in the UK, Continental Europe and Asia
- High levels of compliance, change management, large teams and systems experience, across almost every finance discipline
- Strong network of finance professionals

Contribution: Kelvin Stagg is integral to the Company's long-term success as he manages the financial risks, reporting and planning of the business, contributes to the Company's strategy and oversees global delivery of all support services to the business including implementation of all large scale projects. He has extensive experience of managing multi-discipline areas and having been employed for over 14 years at the Company, he understands the operation of the business at all levels.

SIMON BODDIE

INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of Appointment: September 2012

Past Roles: Simon qualified as a Chartered Accountant with Price Waterhouse. He was Group Finance Director of Electrocomponents plc from 2005 until 2015. Prior to that Simon held a variety of senior finance positions with Diageo over a 13-year career, latterly Finance Director of Key Markets.

Other Current Appointments: Chief Financial Officer, Coats Group plc until 31 March 2021. Non-Executive Director of Learning Technologies Group plc.

Board Committees: Audit (Chairman), Nomination, Remuneration

Skills and Experience:

- CFO of FTSE 250 public company for over fifteen years
- Extensive experience in financial, audit and risk management
- Many years of operating within international businesses with cultural diversity
- Emerging markets experience
- Strong strategic and commercial understanding
- Broad industry experience, including consumer goods, distribution and manufacturing
- Proven ability for delivering shareholder value

Contribution: Simon Boddie's contribution to the Board and the Audit Committee can be summarised by reference to his thorough understanding of financial matters facing large listed global entities. For over 10 years he has held executive director positions in global FTSE 250 businesses as a Chief Financial Officer and, as such, is ideally placed to ensure scrutiny and rigour in respect of financial reporting and internal and external controls.

Simon will retire from the Board on 1 September 2021 having served nine years.

OUR BOARD OF DIRECTORS

MICHELLE HEALY

INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of Appointment: October 2016

Past Roles: Before joining Kerry Group plc, Michelle was Group People & Culture Officer for ISS World Services A/S. Prior to this she has held a number of senior executive roles including Director, Group Integrated Change Programme at SABMiller plc and General Manager UK & Ireland for British American Tobacco plc, having previously undertaken a number of senior HR roles within the Group. Michelle's executive career spans four global listed companies and she has lived and worked in nine countries across Europe and Asia.

Other Current Appointments: Chief Human Resources Officer, Kerry Group plc

Board Committees: Audit, Nomination, Remuneration

Skills and Experience:

- Extensive experience in global human resources leadership
- Extensive experience in leading and delivering organisational change and transformation
- Breadth and depth of leadership experience in global listed businesses in service, consumer and business to business
- Strong strategic understanding
- Extensive experience in general management

Contribution: The Company's long-term success is highly influenced by ensuring it has a well thought through human capital strategy. It recognises its people are at the heart of everything it does, particularly as an organically grown business. Michelle Healy offers the Board deep insight into its approach in this respect. She has held a number of senior HR leadership roles while also having run businesses at an operational level.

PATRICK DE SMEDT

SENIOR INDEPENDENT DIRECTOR

Date of Appointment: August 2015

Past Roles: Patrick spent 23 years at Microsoft during which time he founded the Benelux subsidiaries, led the development of its Western European business and served as Chairman of Microsoft for Europe, Middle East and Africa. Since leaving Microsoft in 2006, Patrick has served on the boards of a number of European public and private companies. His previous appointments include: Non-Executive Director and Chairman of the Remuneration Committee of Victrex plc, Senior Independent Director and Chairman of the Remuneration Committee of Morgan Sindall plc and Anite plc, Chairman (Interim) KCOM Group plc and Non-Executive Director of Kodak Alaris Holdings Ltd. He has deep knowledge of international markets and information technology, and experience as a non-executive in diverse industry sectors.

Other Current Appointments: Chairman of the Board and the Nomination Committee of EMIS Group plc Chairman and Non-Executive Chairman of Divitias Holdco Limited (trading as GCI Managed Services Ltd) and Chairman of the Board and the Nomination Committee of Bytes Technology Group plc.

Board Committees: Audit, Nomination, Remuneration

Skills and Experience:

- Extensive experience of technology and customer services
- Experienced non-executive in several sectors
- Extensive experience in general management
- Many years of operating within international businesses with cultural diversity
- Proven ability for delivering shareholder value
- Leading and delivering change

Contribution: Patrick De Smedt brings extensive understanding of technology to the Board, a key consideration for any company's long-term success. His experience at Microsoft and involvement with a range of technological industries in international markets is invaluable in the Board's decision making. He understands large-scale transformation projects and can assist the Board in determining the benefits and threats posed by technologies in the sector.

SYLVIA METAYER

INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of Appointment: September 2017

Past Roles: Sylvia has previously held a variety of finance and general management roles in companies operating in a number of sectors, including Mattel Inc., Vivendi SA, and Houghton Mifflin Harcourt & Co.

Other Current Appointments: Chief Growth Officer of Sodexo SA leading strategy, digital, marketing and sales and member of the Sodexo Group Executive Committee. Trustee of the Quebec-Labrador Foundation and a member of the International Advisory Board of HEC Business School, Paris.

Board Committees: Audit, Nomination, Remuneration

Skills and Experience:

- Extensive experience and understanding of international markets, including the USA, Europe, China, India, and South East Asia
- Extensive experience in general and financial management
- Leading and delivering change
- Finance, HR, IT and Supply Chain management
- Proven ability for delivering shareholder value
- Strong strategic understanding

Contribution: Sylvia Metayer has significant experience working for international organisations in finance and general management leadership positions. Her guidance and observations on the demands and challenges in the various international markets in which the Company operates strongly supports the Company's expansion and its ongoing success. Further, her financial acumen adds additional strength and depth to the Company's strategic decision-making.

ANGELA SEYMOUR- JACKSON

INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of Appointment: October 2017

Past Roles: Angela has previously held Executive Director roles with Aegon UK, RAC Motoring Services Limited and Aviva UK Limited, and was Senior Advisor to Lloyds Banking Group (insurance). Prior to that Angela held senior marketing roles with Bluecycle.com Limited, CGU Insurance plc, General Accident plc and the Norwich Union Insurance Group. Angela has also served as a Non-Executive Director of esure plc. She was Deputy Chairman, Senior Independent Director and Chair of the Remuneration Committee of GoCompare.com Group until February 2021 when GoCompare.com Group was acquired by Future plc.

Other Current Appointments: Non-Executive Director at Future plc, Non-Executive Director at Janus Henderson Group plc, Rentokil Initial plc and Trustpilot Limited. Angela is also the Deputy Chair of Pikl, a start-up insurance business.

Board Committees: Audit, Nomination, Remuneration

Skills and Experience:

- Wealth of experience in service focused organisations
- Experienced executive and non-executive in several sectors
- Strong marketing and commercial skills
- Strong strategic understanding
- Member of the Chartered Institute of Marketing

Contribution: Angela Seymour-Jackson has held numerous senior executive marketing roles and non-executive director appointments in highly regulated environments. She therefore provides key skills to the Board in respect of marketing and customer services which are significant areas of focus for the Company. Her experience in the highly regulated industries means that Angela makes a valuable contribution as Chair of the Remuneration Committee.

OUR BOARD OF DIRECTORS

BEN STEVENS

INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of Appointment: January 2021

Past Roles: Ben was previously the Group Finance Director and member of the Board of British American Tobacco ("BAT") plc, having spent 19 years with the company in a variety of finance and operational roles in the UK and overseas. Prior to that, he held commercial and finance roles at both Thorn EMI plc and BET plc. He has also held non-executive director roles with Trifast plc in the UK and with ITC Ltd in India. He holds a Bachelor's degree in Economics from University of Manchester and MBA from Manchester Business School, University of Manchester.

Other Current Appointments: Non-executive director and Chair of the Audit Committee of ISS A/S.

Board Committees: Audit (Chair Designate), Nomination, Remuneration.

Skills and Experience:

- CFO of a FTSE 100 public company for over ten years
- Extensive line management experience having been Director, Europe for BAT and Managing Director of BAT's operations in Pakistan and in Russia.
- Extensive experience in financial, audit and risk management
- Significant international experience through roles in the UK and overseas

Contribution: Ben Stevens brings a range of skills to the Board and the Audit Committee. He has extensive international executive leadership experience, having led the finance function of a FTSE 100 business for a number of years. He has also worked internationally and managed international businesses throughout his career. This experience makes him well placed to understand a wide range of business issues. He has a deep understanding and proven track record regarding the role and responsibilities of the Audit Committee in a large listed Group, given his current non-executive position as Audit Committee Chair at ISS A/S.

KAYE MAGUIRE

GENERAL COUNSEL & COMPANY SECRETARY

Date of Appointment: October 2018

Past Roles: Prior to joining PageGroup plc, Kaye spent over 9 years at Legal & General Group plc and held a variety of senior positions including Chief Resourcing & Legal Officer at Legal & General Investment Management Limited. Prior to this she worked as a solicitor for a number of top tier law firms including Hogan Lovells and Allen & Overy.

Skills and Experience:

- Over 17 years' experience in legal and company secretarial matters for public companies
- Extensive listed company, compliance, litigation and corporate governance experience
- Senior legal counsel experience in FTSE 250 companies across different sectors

Contribution: Kaye Maguire has significant experience in leading legal, HR and governance teams and advising boards on a range of contentious and non-contentious legal issues including cross-border transactions and litigation. Her experience serves the Board well in terms of ensuring legal and governance matters are anticipated, considered and addressed.

THE EXECUTIVE BOARD

STEVE INGHAM

Chief Executive Officer, Executive Director

See biography on page 61.

KELVIN STAGG

Chief Financial Officer, Executive Director

See biography on page 62.

GARY JAMES

Chief People Officer

Gary joined Michael Page Finance in London in 1984. He has held numerous senior roles in the Sales and Marketing business. In 2002 he was appointed Managing Director in North America and as Regional Managing Director of the Asia Pacific region in August 2006. Since 2019 Gary has been responsible for the Group's global HR functions. He has been instrumental in driving forward the Group's culture and engagement framework, talent development programmes and diversity initiatives.

OLIVER WATSON

Chief Operating Officer

Oliver joined Michael Page in 1995. He was appointed director of Michael Page UK Sales in 1997 and then managing director in 2002. In 2006, he was appointed Regional Managing Director for Michael Page UK Sales, Marketing and Retail. In 2007 he launched Michael Page Middle East and in 2009, he became Regional Managing Director for Michael Page UK Finance, Marketing and Sales, Middle East, Scotland and Ireland. In recent years he led and grew PageGroup's operations in the USA and Canada. In 2018 Oliver was appointed COO with responsibility for increasing productivity through innovation, technology and people. He is responsible for the Group's technology functions, shared service centres and ensuring the adoption of new initiatives. He has been key in ensuring the successful roll-out of the Group's new operating system, Customer Connect.

PATRICK HOLLARD

Regional Managing Director - Latin America, Middle East and Africa

Patrick joined Michael Page in France in 1996, having worked previously for KPMG Peat Marwick. Prior to that, he had been Vice-President of AISEC International, the student-led organisation, from 1991 to 1992. Appointed director in 1999, he moved to Sao Paulo to launch Michael Page Brazil, and then launched offices in Mexico in 2006, Argentina in 2008, Chile in 2010 and Colombia in 2011. Appointed Regional Managing Director in 2007, he is now responsible for PageGroup's operations in Latin America, Middle East and Africa.

ANTHONY THOMPSON

Regional Managing Director - Asia Pacific

Anthony moved from South Australia to commence his Michael Page career in Hong Kong in 2001. He managed and established several disciplines and brands in Hong Kong and China and was appointed Managing Director, Hong Kong and Southern China in 2006. In 2012, he was appointed Regional Managing Director for Greater China with several offices established across China, Hong Kong and Taiwan. In 2015, Anthony moved to Singapore with additional responsibility for South-East Asia. He subsequently took on the leadership of India and Japan and was appointed to the Executive Board in 2018. He is now also responsible for PageGroup's operations in Australia.

THE EXECUTIVE BOARD

From 1 January 2021 the Executive Committee, known within the Group as the Executive Board, was reconfigured. Please see below for the biographies of the new Executive Board members.

EAMON COLLINS

Chief Customer Officer

Eamon joined the Group in 2007 as UK Marketing Director and previous to this he held senior marketing and communication roles at Samsung and Hitachi. Eamon became the Group Marketing Director in 2012 and was responsible for the Group's global brand, communications and digital channels. During his time in this role, he oversaw significant changes both to the platforms that PageGroup uses in reaching customers and to the marketing teams worldwide that work on them. In January 2021, Eamon was appointed as the Chief Customer Officer to PageGroup and became responsible for ensuring the voice of the customer is heard and enhancing understanding of our customer base to drive consistent customer experiences and relationships. He has retained responsibility for marketing as this forms a critical part of building customer focused programmes.

NICOLAS BÉCHU

Regional Managing Director – Northern & Central Europe, Italy and Turkey

Nicolas joined Michael Page in France (Paris) as a Consultant in the Finance practice in 1995 and was promoted to Director in 2000. In 2002, he launched the newly established business in Belgium and was promoted to Managing Director in 2003. In 2007, he moved to Milan to manage the PageGroup operations in Italy. In 2010, he transferred to the Netherlands (Amsterdam) and became responsible for Northern Europe. In 2014 he also became responsible for Germany. In 2021, his remit was extended and he is now responsible for Austria, Italy, Poland, Switzerland and Turkey.

ISABELLE BASTIDE

Regional Managing Director – France, Spain and Portugal

Isabelle started her career in the banking sector, then quickly moved to a recruitment agency where she managed a portfolio of large national accounts. She joined Page Personnel France in 1999 as a consultant in Finance and was quickly promoted to Director. In the 2000s she grew a number of disciplines resulting in very strong market position for our French business. She was made Managing Director of Page Personnel France in 2007 and in 2014, she launched Page Outsourcing in France. Since 2015, Isabelle has been responsible for all of the Page Executive, Michael Page and Page Personnel brands in France. Appointed to the Executive Board in January 2021, Isabelle is now responsible for the Group's operations in France, Spain and Portugal. Isabelle is also the executive sponsor for diversity and inclusion for Europe.

NICHOLAS KIRK

Regional Managing Director – UK & North America

Nick joined the business in 1995 as a Michael Page Sales consultant based in Leeds. As the office network expanded, he relocated to London, the Home Counties and then Birmingham working in start-up businesses. Nick became a Director in 2002 and then the Managing Director of Michael Page Sales in 2007. In 2009, he transferred across to Page Personnel with a brief to transform the operating model. He spent the next 4 years expanding into new disciplines and rapidly growing the Page Personnel business. Nick was promoted to Regional Managing Director in 2013 and took on the additional responsibility of Michael Page Finance in the UK. In early 2018, he restructured the UK business and in doing so launched a more customer centric operating model. Later that year, he was promoted to UK Managing Director which included responsibility for non-operational functions. At the beginning of 2021, he extended his remit and now runs operations in the UK, Canada and the USA.

CORPORATE GOVERNANCE REPORT

THE BOARD AND ITS OPERATION

The Board of PageGroup plc is the body responsible for the overall management and conduct of the Group's business, and approving and overseeing implementation of its strategy. It has the powers and duties set out in relevant laws of England and Wales and in its Articles of Association.

The Board's role is to provide strategic leadership to the Group within a framework of prudent and effective controls which enables risk to be anticipated, assessed and managed. The Board is responsible collectively to the Company's shareholders for the long-term success of the Company and for ensuring the Company contributes to all its stakeholders and to wider society as a whole.

COMPOSITION OF THE BOARD

As at 31 December 2020 the Board comprised the Chair, the Chief Executive Officer, the Chief Financial Officer and five independent Non-Executive Directors. Ben Stevens was appointed as a Non-Executive Director and Audit Chair Designate with effect from 1 January 2021. The biographies of each of the Directors and the contribution each Director makes to the Board can be found on pages 61 to 65.

The composition of the Board is kept under review to ensure it has the necessary skills and experience to lead the Group. It also monitors the independence of the Directors. The Board considers all current Non-Executive Directors to be independent. In addition, the Board determined that David Lowden was independent at the time of his appointment as Chair.

There is a clear division of responsibilities between the role of the Chair and that of the Chief Executive Officer. While the Board is responsible collectively for the success of the Company, the Chair manages the Board to ensure that the Company has appropriate objectives and an effective strategy. The Chairman ensures that there is a Chief Executive Officer with a team to implement the approved strategy and that there are procedures in place to inform the Board of performance against objectives. The Chair also ensures that the Company operates in accordance with the principles of good corporate governance. The Chairman's other significant commitments are noted on page 61. The Board considers that these are not a constraint on the Chairman's agreed time commitment to the Company.

Patrick De Smedt, as Senior Independent Director, acts as an alternative channel of communication for shareholders. He also acts as a sounding board for the Chair and serves as an intermediary for other Directors.

Steve Ingham, the Chief Executive Officer, has overall responsibility for the day-to-day management of the Group's operations. He develops the vision and strategy for the Board's review, implements the Board's strategy and chairs the Executive Committee (known within the Group as the "Executive Board") which executes the delivery of the annual operating plans. He also leads the programme of communication with shareholders.

Executive and Non-Executive Directors are equal members of the Board and have collective responsibility for Board decisions. The Non-Executive Directors bring a wealth of skills and experience to the Board and its Committees.

The Board has a formal schedule of matters reserved for its decision which include:

- Group strategy and corporate objectives;
- determining the nature and extent of the significant risks the Board is willing to take in achieving the strategic objectives of the Company;
- major changes to the nature, scope or scale of the business of the Group;
- corporate governance matters;
- approval of Nomination Committee recommendations on the appointment and removal of Directors and succession planning;
- changes to the Group's capital structure and approval of any business plan prior to a new entity being established in a new territory;
- financial reporting, audit and tax matters;
- material contracts and transactions not in the ordinary course of business;
- material capital expenditure projects;
- approval of the annual budget;
- obtaining major finance; and
- communications with stakeholders and complying with regulatory requirements.

INDUCTION, TRAINING AND INFORMATION

Relevant training, advice and information is made available to Directors to enable the Board to function effectively and efficiently. This is achieved through a variety of means such as internal and external presentations from senior executives within the business, advisors and tailored guidance briefings circulated to Board members. As and when new Directors join the Board, the Chairman assisted by the General Counsel & Company Secretary are responsible for their induction. On appointment to the Board, each Director discusses with the Chairman and the General Counsel & Company Secretary the extent of the training required. A tailored induction programme covering individual requirements is provided. The programme would typically consist of individual meetings with senior executives, attending senior management meetings and internal conferences and shadowing consultants to understand the day-to-day activities of the business. As mentioned above, Ben Stevens was recently appointed to the Board as a Non-Executive Director and Audit Committee Chair Designate. In light of the ongoing constraints posed by COVID-19, a number of these induction activities have been undertaken virtually. In addition, the induction covers the Company's services, Group structure, Board arrangements, the culture and engagement framework, financial, and environmental, social and governance information, detailed market presentations, and significant and emerging risks.

Directors update and refresh their knowledge and familiarity with the Group through participation at meetings with, and receiving presentations, from senior management. Site visits normally also take place but have been difficult in light of the pandemic. To compensate for this, Directors have joined a range of virtual management meetings and live virtual events in all our regions, which has enabled them to keep pace with the challenges and opportunities within our business in 2020.

In addition to the above, every Director has access to the advice and services of the General Counsel & Company Secretary. The General Counsel & Company Secretary is present at all Board meetings and is responsible to the Board for ensuring that Board procedures are complied with as

CORPORATE GOVERNANCE REPORT

well as advising the Board on new legislation and corporate governance matters. Board Committees and Directors are also able to access independent professional advice at the Group's expense if the Directors deem it necessary in order for them to carry out their responsibilities.

The Board operates an annual cycle of matters for its consideration, supplemented with strategic topics and governance matters. Governance matters are reviewed to ensure a strong link to strategy. The frequency of meetings and the Board agendas are also kept under continuous review to ensure any matter that requires discussion at, or escalation to, the Board can be accommodated. For each Board and Committee meeting Directors receive a pack of relevant papers and information on the matters to be discussed. The Board uses a third party board portal to distribute information quickly and securely. At Board meetings, the Chief Executive Officer presents a comprehensive update on the business issues across the Group and the Chief Financial Officer presents a detailed analysis of the financial performance. The Board also receives at each Board Meeting an Investor Relations Report, including any feedback from investors and Investor Roadshows. Regional Managing Directors and other senior managers may also attend relevant parts of Board meetings and the Board Strategy Day in order to make presentations on their areas of responsibility. All of the above gives a comprehensive view on the issues facing the business and enables robust review of the current and future performance of the Group.

BOARD ACTIVITIES

2020 was an unprecedented year for the business and the Board responded in a variety of ways. It held regular meetings, 9 in total, together with a separate dedicated strategy day. The primary focus of the Board's work for the year was to monitor the financial performance of the business and determine the actions required to steer the Group through the challenges presented by the COVID-19 pandemic.

Financial Performance and Strategy: Every Board meeting held during the year included review of the Group's financial results and monitoring of key metrics such as cash position, headcount and overall costs. Regular modelling and liquidity information was provided and refreshed as the Group responded to developments during the year. Like many companies impacted by short-term economic conditions, the Board had to reconsider its position regarding the 2019 final dividend. When it reported last year the extent of the pandemic was still to be seen. However, as this emerged and the prolonged uncertainty to the markets we operate within continued, the Board considered it must withdraw its recommendation of a full year 2019 dividend and elected not to pay an interim dividend in 2020. Given the impact of the pandemic on trading, the Board also considered it prudent to review the debt facilities available to it, in case use of these became necessary.

Culture and Engagement: Supporting our people and ensuring their safety and wellbeing has underpinned the Board's decision-making in 2020. The Board oversaw the move to remote working and spent time understanding the impact this had on our people. The Board held formal sessions with the Chief People Officer and Global Diversity & Inclusion Director to consider the Group's culture and engagement framework. Full details of the framework can be found on pages 27 to 38.

Compliance and Regulation: The Board received updates on compliance matters including corporate reporting updates, UK Corporate Governance Code 2018 (the "Code") and related regulations and guidance. The Board prioritises data protection and information security matters and receives quarterly updates on both. The Board reviewed the Group's cyber security maturity on a quarterly basis and oversaw the achievement of ISO 27001 certification in 2020.

Change and Innovation: The Board has received dedicated sessions from the team responsible for the roll out of the Group's new marketing and client operating platform, Customer Connect. The Board was kept regularly appraised of the status of the implementation and monitored the programme against budget.

BOARD COMMITTEES

The Board has three Board Committees, each of which provides regular reports to the Board: the Audit Committee, Nomination Committee and Remuneration Committee. The Audit and Remuneration Committees are comprised solely of independent Non-Executive Directors.

The Nomination Committee is comprised of all Non-Executive Directors and is chaired by the Chairman of the Board who was independent on appointment. Details of the composition and activities of each Committee can be found in the respective reports of each Committee: the Audit Committee Report on pages 76 to 80; the Nomination Committee Report on pages 73 to 75; and the Directors' Remuneration Report on pages 81 to 104.

Each Committee has clear terms of reference which are reviewed annually, copies of which can be found on the Company's website www.page.com.

Each Committee also reviews its effectiveness and makes recommendations to the Board of any appropriate changes as and when required. The Chair of each of the Board Committees will be available to answer shareholders' questions at the forthcoming Annual General Meeting on 3 June 2021. If due to the ongoing pandemic this is not possible as government guidance suggests the meeting should be held in a closed setting, the Company will seek alternatives to ensure shareholders can ask questions of Board members.

The General Counsel & Company Secretary acts as secretary to each of these Committees and minutes of meetings are circulated to all Committee members and to all members of the Board unless it would be inappropriate to do so.

The Group also has an Executive Board which is chaired by the Chief Executive Officer. Biographies for Executive Board members in 2020 can be found on pages 66 to 67. From 1 January 2021, the Executive Board has been expanded. The changes mean all markets are represented at the Executive Board. Additionally the new structure enables increased exposure and responsibilities for a number of our highest performing executives and will mean there is female representation at the Executive Board level.

The Executive Board usually meets, at least, four times a year and is responsible for assisting the Chief Executive Officer in the performance of his duties. These include the development and implementation of strategy, operational plans, policies, procedures and budgets. These activities are performed at a regional level by regional management teams for each of the UK, North America, Continental Europe, Asia Pacific and Latin America, Middle East and Africa. Each regional board, known as "Regional Boards" usually meet at least four times a year.

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

During the year ended 31 December 2020 and to the date of this document, the Company has complied with all of the provisions of the Code. The Code is publicly available on the FRC website (www.frc.org.uk). Please see below for details regarding the application of the principles of the Code.

Principles	Pages
Board leadership and Company Purpose (A-E)	27 to 53 (Risk, Culture and Engagement and Stakeholder Engagement)
Division of responsibilities (F-I)	59 to 60 and 68 to 72 (Corporate Governance Report)
Composition, succession and evaluation (J-L)	61 to 65 and 73 to 75 (Nomination Committee Report and Directors Biographies)
Audit, risk and Internal control (M-O)	41 to 50 and 68 to 80 (Corporate Governance Report, Audit Committee Report, Principal risks, Going Concern and Viability Statement)
Remuneration (P-R)	81 to 104 (Directors' Remuneration Report)

BOARD AND COMMITTEE ATTENDANCE

The table below sets out the number of meetings of the Board held during the year and individual attendance by the Directors at these meetings, demonstrating commitment to their role as Directors of the Company. Attendance by the relevant members of each Committee can be found on page 76 (Audit Committee), page 74 (Nomination Committee) and page 86 (Remuneration Committee). The Board met nine times during the year. During the year under review the Non-Executive Directors met on several occasions without the Executive Directors being present. The Non-Executive Directors also met without the presence of the Chairman.

Director	No. of meetings attended
David Lowden	9 out of 9
Simon Boddie	9 out of 9
Patrick De Smedt	8[1] out of 9
Michelle Healy	9 out of 9
Steve Ingham	8[2] out of 9
Sylvia Metayer	9 out of 9
Angela Seymour-Jackson	9 out of 9
Kelvin Stagg	9 out of 9

1. An additional meeting was scheduled in 2020. Patrick De Smedt had a previous commitment for an Annual General Meeting for a company of which he is a director. As all other Board Directors were available, it was considered appropriate to proceed.

2. Absence due to an unforeseen hospital operation.

SUCCESSION PLANNING

Executive development and succession planning discussions are held annually. These discussions focus on the development and succession of the Executive Directors, Executive Board members and other senior managers in the Group, with the aim of ensuring that existing senior executives are being developed and that there is a diverse pipeline of talented senior individuals within the business. Development and succession planning is a critical part of the Chief Executive Officer's performance objectives for annual bonus and long-term remuneration. The Group operates an extensive Talent, Succession & Development programme across the business which assesses development needs and nurtures high-potential employees throughout the various stages of their careers. Diversity considerations are a fundamental element of the programme.

In addition, the Nomination Committee also considers the breadth and depth of experience of the Non-Executive Directors and considers on a regular basis succession planning for the Board as a whole. In the year under review the Board commenced a search for a new Audit Committee Chair. Further details on this search and the Board's policy on diversity both at Board level and the Group can be found in the Nomination Committee Report on page 74 and the Strategic Report on page 32. David Lowden will reach 9 years' service on the Board in 2021, having been appointed as a Non-Executive Director in August 2012 and as Chair in December 2015. The Board is mindful of the provisions of the Corporate Governance Code regarding the chair's term of office and plans to take steps to identify a successor in due course.

PERFORMANCE EVALUATION

The Code requires that there is a formal and rigorous annual evaluation of the Board, its Committees and individual Directors. In 2019 the review was externally facilitated by Lintstock, an independent advisory firm specialising in Board evaluations with no connection to the Group or any individual Director. Themes that arose from the 2019 review included: maintaining momentum on understanding the customer and employee voice, succession planning, particularly in respect of future non-executive positions given length of tenure, and a continual focus on productivity.

To address this feedback, the Board took the following steps in 2020:

Customer and Employee Voice: The Board reviewed the outcome of the Group's global remote working survey and other pulse surveys, attended a number of regional management meetings and the Chair presented at the Global live interactive event updates to the workforce. On understanding customers, the Board held a session on Page Insights, a new business intelligence tool, to support customer needs. During the year, the Managing Directors of France, the UK and the Regional Managing Director of Northern Europe & Germany all presented on the markets in which they work, and customer needs within these markets.

Non-Executive Director Succession: Through the work of the Nomination Committee, which reports progress to the Board, an extensive search for a new Audit Committee Chair was launched and Ben Stevens was appointed to the Board as Audit Chair Designate at the beginning of 2021.

Productivity: In the absence of normal trading conditions, normal metrics have not been relevant. However, actions have been taken to increase productivity in the long term. The Group took the opportunity to hire proven recruiters from competitors in key markets and Customer Connect, the new operating system for consultants continues to be rolled out successfully, making the day-to-day work of consultants more efficient.

In 2020 an internal Board and Committee evaluation was conducted by David Lowden, the Chairman, assisted by the General Counsel & Company Secretary and the Senior Independent Director. The objective and scope of the annual evaluation was to assess all aspects of the Board's effectiveness. The review took the format of a detailed questionnaire completed by all Board members hosted on a secure third party portal. Feedback was provided on an anonymous basis and the areas evaluated included:

- the Board's approach and handling of the pandemic to date;
- stakeholder understanding and oversight;
- understanding and implementation of strategy including strategic priorities; and
- the Board's focus, relationships and support provided to it.

The Chair followed up the results from the questionnaires

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directly with each Director on a one-to-one basis, where the outcomes were discussed, together with the performance of the Directors. Additionally, a separate questionnaire was completed in respect of the Chair's performance and the Senior Independent Director conducted a review of the Chairman by speaking both with him and to the Directors individually about the Chair's performance.

A comprehensive report on the evaluation was prepared for, and discussed at, the Board. The outcome of the review was that the Board and the Chairman are performing well and that the challenges that the pandemic has presented are being managed appropriately. However, the Board is acutely aware of managing the business's recovery. Key items that emerged for consideration and action during 2021 include maximising and monitoring productivity as the Group seeks to recover from the pandemic, particularly in new areas of investment such as Page Outsourcing. Board composition and succession continues to be a keen area of focus for the Board including ensuring comprehensive on-boarding and transition to the new Audit Chair in 2021.

RE-ELECTION OF DIRECTORS

The Code requires all Directors to retire and stand for re-election at each Annual General Meeting. All Directors will submit themselves for re-election, or in the case of Ben Stevens' election, at the forthcoming Annual General Meeting on 3 June 2021.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board retains responsibility for the Group's overall risk appetite and for the effectiveness of its risk management and internal control systems. The procedures established by the Board have been designed to meet the requirements of the Group and the risks to which it is exposed and are reviewed on a regular basis.

These procedures also provide an ongoing process for identifying, evaluating and managing principal and emerging risks. The system of internal control includes financial, compliance and operational controls, which are designed to meet the Group's needs. These controls aim to safeguard Group assets, ensure that proper accounting records are maintained, that the financial information used within the business and for publication is reliable and supports the successful delivery of the Group's strategy. Any system of internal control can only provide reasonable, but not absolute, assurance against material misstatement or loss. In practice the Board delegates the implementation of the Board's policy on risks and control to executive management and this is monitored by an Internal Audit function which reports back to the Board through the Audit Committee.

The key elements of our system of internal control are as follows:

- **Group Organisation** – The Board of Directors meets at least eight times a year and holds extra meetings where this is considered necessary. This was the case in 2020 as the Board saw the importance in staying abreast of developments as the impact of COVID-19 emerged throughout the world. The Board meetings focus both on strategic issues and operational and financial performance. There is also a defined policy on matters reserved strictly for the Board. The Regional Managing Director, supported by a Regional Finance Director, of each of our regions is accountable for establishing and monitoring internal controls within our respective regions.
- **Annual Business Plan** – The Board reviews the Group's strategy and business plan. Performance is then monitored by the Board through the review of monthly reports showing comparisons of results against budget or modelling, and the prior year, with explanations provided for significant variances. 2020 was a year where typical forecasts and budgets were not possible, given that there was such a high degree of uncertainty in market conditions. The Board reviewed other metrics which indicated how the Group was performing, for example, liquidity and costs and compared performance to a variety of modelling scenarios.
- **Policies and Procedures** – Policies and procedures are documented over both financial controls and non-quantifiable areas such as the Group's whistleblowing policy and its policy relating to anti-bribery and corruption and gifts and hospitality.
- **Risk Management** – The Board has established a framework for identifying current and emerging risks and processes and controls for managing risk, both at a strategic and operational level. As a minimum, this is reviewed on an annual basis. In 2020, this was also reviewed prior to announcing half year results. In 2020 we determined that an additional principal risk of a "Global Event" should be added to our risks and we have identified "Climate Change" as an emerging risk. An overview of our framework and a summary of the principal and emerging risks identified, together with mitigating actions, can be found in the Strategic Report on pages 41 to 48.
- **Internal Audit** – The Group's Internal Audit function examines business process controls throughout the Group on a risk basis and reports the findings to the Executive Board and Audit Committee. Agreed actions are monitored and reported to the Audit Committee, who in turn report to the Board. During the year, despite the pandemic, our control functions continued throughout. Our Internal Audit staff were not furloughed and utilised technology to complete the Audit plan.
- **Confirmations from Executive Management** – The Managing Director and Finance Director of our operations in each country formally certify twice a year whether the business has adhered to the system of internal control during the period, including compliance with Group policies. The statement also requires the reporting of any significant control issues that have emerged, including suspected or reported frauds, so that areas of Group concern can be identified and investigated as required. These confirmations and supporting controls self-assessment questionnaires are reviewed by the Internal Audit function and a summary of findings is provided to the Audit Committee for review.

In accordance with the requirements of the Code and the recommendations of the FRC's Guidance on Risk Management and Related Financial and Business Reporting, the Board has reviewed and agreed its approach to risk and its risk appetite when considering its strategy and the management of its risks. It has also considered its longer-term viability. Details on the Board's risk appetite and its assessment of its longer-term viability can be found in the Strategic Report on pages 49 to 50. Further, the Board, with the assistance of the Audit Committee, has carried out a review of the effectiveness of the Group's risk management and internal control systems, including a review of the Internal Audit activities and the financial, operational and compliance controls for the period from 1 January 2020 to the date of this Annual Report. No significant failings or weaknesses were identified. A confirmation of any necessary actions is, therefore, not provided. However, had there been any such failings or weaknesses the Board confirms that necessary actions would have been taken to remedy them.

WHISTLEBLOWING

The Board takes its oversight duties of the Company's whistleblowing arrangements very seriously. PageGroup operates an external global confidential 'Speak-Up' helpline supported by a speaking-up policy available on each country's website and translated into all PageGroup languages. The Board reviews all instances that the helpline is utilised in the year. In 2020 two instances were recorded, relating to a local employment related matter and a working environment issue. Investigations were conducted into these matters with reports provided to the Board. The Board was satisfied with the Group's conduct and response.

DIRECTORS' CONFIRMATION

The Directors are responsible for preparing the Annual Report in accordance with applicable law and regulations. Having taken advice from the Audit Committee, the Board considers the Annual Report and Accounts, taken as a whole, as fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Neither the Company nor the Directors accept any liability to any person in relation to the Annual Report except to the extent that such liability could arise under English law.

RELATIONS WITH SHAREHOLDERS

Understanding the views of shareholders and active engagement with our shareholders is always considered a key priority for the Board.

The Chief Executive Officer and the Chief Financial Officer supported by the Investor Relations team make themselves available, wherever possible, to meet with shareholders and analysts at their request. In 2020, 4 investor roadshows and 8 investor relations conferences were held. There were also c. 23 individual meetings, telephone or video calls. The meetings were held either in person or virtually during the lockdowns in the UK. This regular engagement was supplemented with presentations to analysts after our quarterly and full year results. The Chairman and the Chairs of the Committees also make themselves available for individual investor engagement. For example, Angela-Seymour Jackson conducted an extensive shareholder and proxy engagement exercise in 2019, through to the AGM in 2020, regarding the remuneration policy review.

The Annual Report and Accounts is available to all shareholders either in hard copy or via the Company's website **www.page.com**. The website contains up-to-date information on the Group's activities, published financial results and the presentations used for briefings and investor meetings held during the year. These are available to download.

Under normal circumstances, the Annual General Meeting is an additional opportunity for Board members to meet with shareholders and investors and give them the opportunity to ask questions. Final voting results are published through a Regulatory Information Service and on the Company's website following the meeting. This year shareholders were invited to email questions to the investor relations team as following government guidance the meeting was held in a closed setting. The Board looks forward to the Annual General Meeting in 2021 and engaging with shareholders. If shareholders are not able to attend alternative arrangements will be made to ensure shareholders questions are answered.

CONFLICTS

The Company has implemented robust procedures in line with the Companies Act 2006, requiring Directors to seek appropriate authorisation from the Board prior to entering into any outside business interests which have, or could have, a direct or indirect interest that conflicts, or may conflict, with the Group's interests. These procedures have operated effectively throughout the year under review. The Nomination Committee is responsible for reviewing possible conflicts of interest. It makes recommendations to the Board as to whether a conflict should be authorised and the terms and conditions on which any such authorisation should be given by the Board. Only Directors without an interest in the matter being considered will be involved in the decision and each Director must act in a way they consider, in good faith, will promote the success of the Group. All Directors are aware of their continuing obligation to report any new interests, or changes in existing interests, that might amount to a possible conflict of interest in order that these may be considered by the Board and appropriate authorisation given.

David Lowden
Chairman

2 March 2021

NOMINATION COMMITTEE REPORT

David Lowden, Committee Chairman

Dear Shareholder,

I am delighted to present the Nomination Committee Report for the year ended 31 December 2020. As a people business, the work of the Committee is key to the Company's ongoing success. Throughout 2020 the Committee concentrated its efforts on succession for key roles across the Group and Board and focussed on reviewing, monitoring and progressing the Company's talent management and development programmes. The Committee wants to ensure that the Company's leaders now and in the future, represent our clients, candidates and society as a whole. Therefore, across all its activities, the Committee has diversity considerations at the top of its agenda.

The Board represents a range of nationalities and backgrounds. Membership of the Board and Committees did not change during the course of the year. The Committee keeps its membership under review and was satisfied that the Board and its Committees had the appropriate mix of skills, experience and knowledge.

During the year the Committee recommended to the Board that the appointments of Angela Seymour-Jackson and Sylvia Metayer be extended for a further three-year term as their initial appointments expired during 2020. Both Directors have skills and experience that the Committee considers invaluable to the Board. Angela Seymour-Jackson has extensive experience across a range of sectors in a number of multi-national companies, making her well placed to navigate the challenges faced by any Board. Sylvia Metayer's strategic insight into macro-economics, combined with her financial reporting and operations experience makes her vital to the Board's decision making.

As we reported last year, non-executive succession was a priority for the Committee in 2020. Simon Boddie will reach nine years on the Board in September 2021. The Committee undertook a search for his replacement in 2020. I am pleased to confirm that Ben Stevens was appointed to the Board on 1 January 2021 and will take over as Audit Committee Chair when Simon Boddie steps down from the Board in September 2021. I would like to thank Simon Boddie for his contribution to the Company, his input has been consistently insightful, relevant and reliable.

PURPOSE

The Nomination Committee is responsible for ensuring that the Company has the executive and non-executive Board leadership it requires, both now and for the future. It reviews all key senior roles to ensure that comprehensive succession plans are in place to safeguard the organisation's stability and to ensure talented individuals are provided with opportunities to develop. It is an important component of the Company's governance framework and our organic growth strategy.

MEMBERSHIP

During the year under review the members of the Committee were David Lowden, who was Chairman of the Committee, Simon Boddie, Patrick De Smedt, Michelle Healy, Sylvia Metayer and Angela Seymour-Jackson. Board and Committee appointments are for three-year periods. As mentioned above, Angela Seymour Jackson and Sylvia Metayer reached three years' service on the Board in 2020 and their appointments were extended for a further three years. Please see page 97 for further details. No Director is entitled to vote in respect of their own continuing appointment and neither Angela Seymour-Jackson or Sylvia Metayer took part in discussions about their extension of appointment.

Only members of the Committee are invited to attend meetings. Other individuals such as the Chief People Officer and external advisers may attend meetings by invitation when appropriate and necessary. This arrangement fosters appropriate challenge, questioning and debate regarding the recommendations made by the Committee to the Board.

Details of David Lowden's and all Committee members' other significant commitments can be found on pages 61 to 65. The Committee considers and approves any additional appointments held by Directors. In 2020, Patrick De Smedt was appointed Chairman of AIM listed, EMIS Group plc. He is also Chairman of Bytes Technology Group plc which was admitted to the London Stock Exchange in December 2020. Both appointments were considered to be significant additional appointments for the purposes of the Corporate Governance Code. However, in the opinion of the Committee neither appointment interferes with Patrick De Smedt's duties and time commitment to the Company.

RESPONSIBILITIES

The key responsibilities of the Committee are to:

- assess and nominate members to the Board in accordance with the process and diversity considerations outlined below;
- maintain the right mix of character, skills and experience on the Board and its Committees;
- make recommendations to the Board on development and succession plans for members of the Board and senior management;
- approve job descriptions and written terms of appointment for Directors;
- review the independence of Non-Executive Directors, taking into account their other directorships; and
- consider diversity and inclusion objectives in terms of the Group's talent pipeline and new senior appointments.

When the Committee considers an appointment it follows a formal and transparent procedure. It is assisted in its search for new Non-Executive Directors by an independent executive search company. With each new search the Committee selects the executive search company which it considers the most appropriate and relevant for the assignment. These executive search companies have no connection with the Company other than the provision of the search services. With each assignment a detailed candidate profile is compiled and discussed by the Committee, taking into consideration the balance of skills and experience of existing Board members and the requirements of the Company and its future strategy. Once finalised the profile is recommended by the Committee to the Board for its approval. If approved, a search and selection process based on that profile is undertaken. The recruitment process places importance on diversity considerations. Candidates are identified and selected against objective criteria including their skills and experience while having due regard to the benefits of diversity on the Board. Shortlisted candidates are then interviewed by the Chairman of the Board, the Chief Executive Officer and members of the

Committee and the Board. Thereafter a recommendation of appointment is made to the Board. This process was followed in respect of the Audit Chair search undertaken in 2020. The Committee monitors length of tenure for the Board and Committee members to ensure ongoing independence.

ACTIVITIES DURING THE YEAR

During 2020 the Committee met on seven occasions. Details of the members' attendance at meetings of the Committee are as follows:

Director	No. of meetings attended
David Lowden	7 out of 7
Simon Boddie	7 out of 7
Patrick De Smedt	7 out of 7
Michelle Healy	7 out of 7
Sylvia Metayer	7 out of 7
Angela Seymour-Jackson	7 out of 7

COMMITTEE'S FOCUS DURING 2020

As in previous years the Talent, Succession and Development programmes continue to mature across the organisation. The Committee reviewed progress across the suite of programmes. At senior director level this includes the Global Director Academy Inclusive Leadership programme and 360 degree feedback surveys. The Company continues to partner with YSC and following a review of the YSC programmes, a coaching for impact programme run by YSC for Managing Directors was introduced. The Accelerated Development Programme was rated highly by participants and continues for Regional Managing Directors and above with some adaptation to the coaching timeline, which aligns to our increased emphasis on coaching across the Company. The Committee monitors access to these talent programmes and promotions to ensure gender and other diversity characteristics are represented. The reporting output from the review gives a high level of insight into the Group's talent. It also enables the Committee to identify, with confidence, successors for senior and critical roles.

The pandemic invariably presented some challenges for the Talent, Succession & Development review, and as a result extra time was provided to complete these activities and, as necessary, content was moved online, and sessions undertaken virtually.

The Talent, Succession & Development review focussed on the Director and above population and the Committee reviewed a talent matrix and succession plans for all critical roles.

In respect of Board succession, the Committee appointed an executive search agency to identify a Non-Executive Director and Audit Chair Designate. The independent search agency, with no connection to the Group or individual Directors, Inzito Partnership, undertook the search. In keeping with the Board's diversity policy, the shortlist contained at least 30% female candidates and a number of candidates from an ethnically diverse background. Following an extensive search, at the start of 2021, Ben Stevens, was appointed to the Board as a Non-Executive Director and Audit Chair Designate. Ben's wealth of experience across sectors, geographies and in executive and non-executive finance and commercial roles makes him exceptionally well placed to take on the responsibilities of Audit Committee Chair.

David Lowden will reach 9 years' service on the Board in 2021, having been appointed as a Non-Executive Director in August 2012 and as Chair in December 2015. The Committee is mindful of the provisions of the Corporate Governance Code regarding the chair's term of office and plans to take steps to identify a successor in due course.

The activities of the Committee were reviewed as part of the annual Board evaluation process which, in 2020, was undertaken internally by the Chairman supported by the Senior Independent Director and the General Counsel & Company Secretary. The evaluation showed that the Committee is performing well with progress having been made in succession planning. Committee members recognise that it is a priority for the Committee to continue to drive progress in respect of diversity considerations and seek to continue to develop the pipeline for senior executive positions. Further details of the evaluation process can be found in the Corporate Governance Report on pages 70 to 71.

DIVERSITY

As a recruitment company we are passionately committed to promoting diversity, inclusion and equality in the workplace both internally and externally. Our Company Purpose is to change lives for people by creating opportunities to reach potential and diversity and inclusion is therefore inextricably linked to our strategy.

The Committee views diversity and inclusion in its broadest sense. It is fully committed across the organisation to a diversity policy which seeks diversity of ethnicity, experience, capability, geographic experience, gender and all other qualities which makes each of us unique.

The Board's diversity and inclusion policy is available on the Company's website at www.page.com. The Nomination Committee implements the policy and a summary of its key objectives are below:

- to ensure different perspectives and insight are brought to all areas of the business, including the Board, generating creativity, problem-solving capability and sustainability that would not otherwise be possible;
- maintain Board and Committee membership to be at least one-third female; and
- ensure candidate lists for Board positions should include individuals drawn from a wide range of experiences and backgrounds.

Objective
Maintain Board and Committee membership to be at least one-third female.
Implementation and progress
Met: Board currently has over one-third female representation.

Objective
Company aspires to meet the Parker Review objective of one Director from a minority ethnic background by 2024.
Status
Ongoing: The Board is committed to meeting this objective and intends to do so in line with the Parker Review timescales.

Objective
Female representation of at least 25% within senior management and their direct reports as defined by the Corporate Governance Code (the "Code").
Status
Met: As at 31 December 2020, 28.3% of senior management as defined by the Code and their direct reports were female.

The Board has a mix of complementary skills and a range on nationalities are represented. However, the Board acknowledges that it lacks ethnic diversity and is actively taking steps to address this. The recent Audit Committee Chair search produced a shortlist with ethnic minority candidates that proceeded to the final stages of the selection process. Unfortunately, on this occasion, these candidates were not successful to final appointment. However, the Company remains resolute in its intention and commitment to meet the Parker Review recommendation of having at least one Director of colour by 2024. Ethnic diversity considerations remain a key consideration in all future appointments.

The Committee will also seek to continue to exceed the recommendations of the Hampton-Alexander Review with over 33% of the Board being female. However, we continue to recognise that there is currently a lower proportion of women holding senior roles below Board level positions. The Company has been working hard to address this and a summary of the actions implemented to improve this are below.

- High potential womens' progress is tracked as part of the Global Talent, Succession & Development Programme.
- A mentoring programme is in place for senior women and there is ongoing and continued support for the women@page global network aimed at engagement, enablement and empowerment of women across the organisation. The network sponsored campaigns around the world such as International Women's Day.
- The development programme for directors, the Global Director Academy, run across the Group for key talent, has a 50:50 gender split for each cohort.
- Where internal promotion is not viable for a position, the Group is fully committed to diverse shortlists with female representation.
- Managing Directors and above have diversity objectives relating directly to their remuneration.
- Since January 2021, the Group's Executive Committee, known as the Executive Board, includes female representation.

Board Directors as at 31 December 2020

Men	Women
5 (62.5%)	3 (37.5%)

Executive Board & Direct Reports as at 31 December 2020[1]

Men	Women
38 (71.7%)	15 (28.3%)

1. As determined in accordance with the definition contained in the Code

The Group's Executive Board was restructured with effect from 1 January 2021 and since this date includes female representation. Further details regarding increasing representation of women across the organisation can also be found on pages 31 and 32.

PLAN FOR 2021

The Committee intends to focus on continuing its work in respect of succession planning. It also plans to continue to develop its work in promoting, reviewing and monitoring the Company's Talent, Succession & Development activities to ensure year-on-year improvement in the outcomes delivered.

David Lowden,
Committee Chairman

2 March 2021

AUDIT COMMITTEE REPORT

Simon Boddie, Committee Chair

Dear Shareholder,

I am pleased to present the Audit Committee Report for the year ended 31 December 2020. The integrity of the Company's financial reporting and risk management is of the upmost importance. In 2020 the Audit Committee has been acutely aware of its responsibilities in this regard and examined, monitored and challenged financial reports, risk management and internal controls in order to provide assurance to the Company's stakeholders of the financial health and risk profile of the business. Despite the challenges of the pandemic, I am pleased to report that the Committee has also met its commitment to tender external audit services and details of the outcome and process can be found below.

PURPOSE

The Audit Committee is a fundamental part of the Group's governance framework as the guardian of the integrity of the Company's financial statements and external reporting of performance. It also must ensure that the necessary internal controls and risk management systems are in place and effective.

MEMBERSHIP

The Committee's membership did not change in 2020. I serve as the Chair of the Committee. Patrick De Smedt, Michelle Healy, Sylvia Metayer and Angela Seymour-Jackson all served as Committee members throughout the year. Ben Stevens was appointed to the Committee on 1 January 2021 and will take over as Chair of the Committee in September 2021 when I step down, having served on the Committee and Board for 9 years. I am confident that Ben's extensive experience as a CFO and as a non-executive director in listed companies will serve the Committee well.

Each member of the Committee has a wealth of business experience across a range of sectors making them well placed to perform the work of the Committee. The Committee's training takes place on an ongoing basis through updates provided by the Company's external auditor or internal finance team, on developments in corporate reporting and legislation and regulatory guidance.

Only members of the Committee are entitled to attend meetings. Other individuals, such as the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the General Counsel & Company Secretary, the Director of Internal Audit and the external Audit Partner are regularly invited to attend meetings as necessary. The Committee can invite others to attend as appropriate.

The Board annually assesses the competence of those sitting on the Committee, and in 2020 it was satisfied that the Chairman of the Committee had the recent and relevant financial experience required by the Code. Sylvia Metayer also has relevant financial and accounting experience and other members of the Committee have a sufficiently wide range of business experience and expertise such that the Committee has competence relevant to the sector in which the Company operates. The relevant qualifications and experience of the Committee members are shown in their biographies on pages 61 to 65. The Committee met with the Director of Internal Audit and external auditor during the year without the presence of management in order to provide an opportunity for confidential discussion. The Director of Internal Audit and the external auditor also met with, and have direct access on an ongoing basis, to the Chair of the Committee. Additionally, the Committee held private sessions with the Chief Financial Officer and the General Counsel & Company Secretary.

PRINCIPAL AREAS OF FOCUS

The Committee is committed to maintaining and monitoring the quality and integrity of financial reporting, as well as assessing the Company's risk management systems and internal control environment. Given the external backdrop, a large focus for the Committee in 2020 was to ensure timely, transparent and above all accurate financial reporting. The Committee spent considerable time assessing the overall impact of COVID-19 on the financial statements including appropriateness and adequacy of disclosures. This involved reviewing with the external auditor the going concern and viability statements together with debtor experience and taxation. The Committee also held a session on crisis management which identified the learnings from the COVID-19 experience and assessed any additional risks that the pandemic presented to the business. It sought assurance that any such risks were being managed appropriately. I am pleased to report that the Audit Committee was provided with the information it required swiftly and proactively. The previous investment in systems, including the global finance system, is serving the business well, and has helped facilitate adapting to widespread remote working.

When the Committee reported last year, the full impact of the pandemic had not yet been witnessed. As discussed above, a considerable amount of time was dedicated to monitoring the increasing impact the pandemic had on the business in 2020. However, the Committee also reviewed the accounting treatment of large scale projects such as Customer Connect, the status of information security controls and carried out the external audit tender. Further, the Company's tax and treasury policies were considered by the Committee and recommended for approval by the Board. For further details of the Company's tax strategy, please see **www.page.com**. Set out in the table overleaf is a summary of the main activities of the Committee during 2020. Key issues covered by the Committee are reported through regular reports to the Board.

The Committee met on seven occasions. Committee meetings are set to coincide with key dates of the financial reporting calendar and the audit cycle. The Committee is provided with sufficient resources to undertake its duties.

Details of the members' attendance at the meetings of the Committee are as follows:

Director	No. of meetings attended
Simon Boddie	7 out of 7
Patrick De Smedt	7 out of 7
Michelle Healy	7 out of 7
Sylvia Metayer	6[1] out of 7
Angela Seymour-Jackson	7 out of 7

1. Absence due to unforeseen circumstances

AUDIT COMMITTEE REPORT

FINANCIAL REPORTING

In its financial reporting to shareholders and other stakeholders, the Board seeks to ensure that it presents a fair, balanced and understandable assessment of the Group's position and long-term sustainability, providing necessary information for shareholders to assess the Company's business model, strategy and performance. The Company has an established process for reviewing the Annual Report and Accounts to ensure it is fair, balanced and understandable. This process was followed this year. It included: ensuring compliance with the regulatory requirements for the Annual Report and Accounts; a thorough review of going concern analysis; a process to determine the accuracy, consistency and clarity of the data and language; and a detailed review by all appropriate parties including external advisers. A checklist of all the elements of the process was completed to document the process and cascaded sign-off implemented through the Group's management structure to provide assurance to the Committee that the appropriate procedures had been undertaken by all Group companies.

The Committee has reviewed the Company's 2020 Annual Report and Accounts. It provided comments that were incorporated into the Annual Report and Accounts and has advised the Board that, in its opinion, the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the information necessary to assess the Company's performance, business model and strategy.

MAIN ACTIVITIES OF THE AUDIT COMMITTEE DURING 2020

The Committee has an agreed, rolling programme of agenda items which the Committee Chair and General Counsel & Company Secretary keep under regular review to ensure that all key financial reporting and risk matters are properly considered. The list below summarises the key items considered by the Committee during the year.

JANUARY

Review of Financial Statements

- Quarter 4 trading update

Regulatory update

- Briefing on Brydon Report

MARCH

Review of Financial Statements

- Draft preliminary announcement and 2019 Annual Report and Accounts
- External auditor's year-end report
- Going concern analysis
- Viability statement
- Fair, balanced and understandable review
- Judgemental and accounting issues
- Management letter of representation
- Confirmation of external auditor's Independence
- Review of IFRS 16 reporting

Risk and Internal Control

- Internal audit update

Compliance

- Review of litigation register
- Meeting with external auditor without Executive Directors
- Meeting with Head of Internal Audit without Executive Directors

External Auditor

- External auditor effectiveness and rigour survey

APRIL

Review of Financial Statements

- Quarter 1 trading update

JULY

Review of Financial Statements

- Quarter 2 trading update

AUGUST

Review of Financial Statements

- Draft interim report
- Judgemental and accounting issues
- Going concern analysis

Risk and Internal Control

- Internal audit update
- Crisis management – learning from COVID-19 experience
- Risk review and confirmation of principal and emerging risks
- Review of Group insurance renewal

External Auditor

- External auditor's interim review
- Scope of the full year audit
- Interim review of management letter of representation
- Non-audit fees review
- EY engagement letter

Compliance

- Meeting with Head of Internal Audit, CFO and General Counsel & Company Secretary without Executive Directors
- Review of litigation register
- Update on external audit tender

OCTOBER

Review of Financial Statements

- Quarter 3 trading update

Compliance

- Update on external audit tender

DECEMBER

Review of Financial Statements

- Review of 2020 Annual Report and Accounts process

Risk and Internal Control

- Internal audit update
- Approval of internal audit plan for 2021
- Risk review and confirmation of principal and emerging risks
- Annual review of anti-bribery compliance

External Auditor

- Audit progress update report

Compliance

- Year-end legislative and procedural matters
- Terms of reference review
- Annual committee evaluation

Tax and Treasury

- Review of tax strategy
- Review of Treasury policy

Compliance

- UK Corporate Governance Code compliance
- Recommendation to the Board on external auditor appointment

SIGNIFICANT ACCOUNTING ISSUES AND AREAS OF JUDGEMENT

The Committee focuses in particular on key accounting policies and practices adopted by the Group and any significant areas of judgement that may materially impact reported results as well as the clarity of disclosures, compliance with financial reporting standards and the relevant requirements around financial and governance reporting. Details on accounting policies can be found on pages 118 to 123.

The significant issues and areas of judgement considered by the Committee during the year and how these were addressed were as follows:

Significant issue	How the Committee addressed the issue
Revenue Recognition	**Context:** Revenue recognition for permanent and temporary placements, with particular focus on period end cut off and appropriate accounting treatment in accordance with IFRS and Group accounting policies. Revenue from permanent placements 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). There is a risk that a candidate reverses their decision to take up a placement before the start date and as such the revenue recognised would be reversed. A provision is made by management, based on past historical experience, for the proportion of those placements where this is expected to occur. Revenue from temporary placements, which represents amounts billed for the services of temporary staff, including the salary cost of these staff, is recognised when the service has been provided. **Actions taken:** As in previous years, the Committee assesses the Group's revenue recognition policies relative to IFRS and the sector to ensure they are appropriate, and challenges management on the internal control and compliance processes over revenue recognition, taking into account the views of Internal Audit and the external auditor. The external auditor explained to the Committee the procedures they performed to address revenue recognition, including the procedures performed around period-end cut-off and assessment of provision recognised in respect of expected revenue reversals. On the basis of their audit work, the external auditor concluded that the revenue recognition is in accordance with the Group's revenue recognition policy and IFRS, and the provision for expected revenue reversals is appropriate. **Conclusions and rationale:** The Committee concluded that the approach to revenue recognition was consistent with the policies and the judgements made were appropriate.

EXTERNAL AUDITOR'S INDEPENDENCE AND EFFECTIVENESS

The Committee monitors the objectivity, independence and effectiveness of the external auditor. The Company is mindful of the provisions of the Code, best practice, the Competition and Market Authority Audit Order 2014 and audit legislation in particular as regards audit firm rotation and the provision of non-audit services.

Ernst & Young LLP ("EY"), the Company's current external auditor, was first appointed in 2011. In accordance with audit regulation, EY operates a policy of rotating the Audit Partner every five-years. Bob Forsyth, was appointed in 2016 with his five-year term completing after the 2020 audit.

The Committee operates a policy for the tender of external audit services. This policy provides that in accordance with applicable law and regulation, the Company will re-tender the external audit at least every ten years and will change the external auditor at least every 20 years. The Committee determined that it was in the best interests of shareholders to commence a competitive tender of external audit services, with the tender to take place during 2020.

The Committee had originally hoped to conclude the tender in time to bring a recommendation to the Company's Annual General Meeting on 4th June 2020. However, this was postponed as a result of the pandemic, to ensure the tender could be undertaken effectively. Following a rigorous process described overleaf, EY was successful in the tender process.

In accordance with the FRC's revised Ethical Standard 2019, the Committee reviewed all non-audit services to ensure the non-audit services are closely linked to the audit itself or required by law or regulation. The total non-audit fees in respect of non-audit services for the year under review amounted to c. £32k. These non-audit fees related to certifying revenue in the Netherlands for local filing requirements. A local law requirement for the Spanish business to file a 'non-financial statement' containing non-financial and diversity information relating to environmental, social, employee, human rights and anti-corruption and bribery matters. The fees also related to factual reporting on revenue and payroll expenses required for the French business and were services typically undertaken by the statutory auditor.

EY advised the Group that they intended to increase their audit fee for 2020 significantly, from £0.8m to £1.3m. EY stated that the increase was to maintain a viable audit at the quality of its own professional and regulatory standards, as well as those expected by the Audit Committee. Therefore, while audit quality was the prime factor, one aspect of the tender, was to determine if the increased fee level was competitive in the market. Following this tender process, we are comfortable that the increased fee level remains competitive and, as described on page 79, EY provided the strongest overall proposition and so were retained.

The Committee regularly reviews the objectivity and independence of the external auditor and has concluded this is safeguarded by:

- Obtaining assurances from the external auditor that adequate policies and procedures exist within its firm to ensure that the firm and staff are independent of the Group by reason of family, finance, employment, investment and business relationship (other than in the normal course of business);
- Enforcing a policy of reviewing all cases where it is proposed that a former employee of the external auditor be employed by the Group in a senior management position or at Board level;

STRATEGIC REPORT
CORPORATE GOVERNANCE
FINANCIAL STATEMENTS
ADDITIONAL INFORMATION

AUDIT COMMITTEE REPORT

- Monitoring the external auditor's compliance with applicable UK ethical guidance on the rotation of audit partners; and
- Approving non-audit services prior to being undertaken by the external auditor.

The quality, performance and effectiveness of the external auditor is reviewed annually by the Committee. This covers the quality of robust challenge provided by the audit team in the centre and at key components and the level of expertise and resources applied to the audit, as well as assurance that there are no issues which could adversely affect the auditor's independence and objectivity.

The Committee reviews the:

- Robustness of the external auditor's plan and its identification of key risks;
- Approach to and execution of the agreed plan;
- Robustness (including the audit's team's ability to challenge management) and perceptiveness of the external auditor in handling key accounting and audit judgements including demonstrating professional scepticism and independence;
- Quality and content of reports provided to the Committee by the external auditor including reporting on internal control;
- Feedback from management which is ascertained from staff surveys completed by staff involved in the audit process; and
- Communications in and outside of meetings, between the external auditor and the Committee.

The Committee considers how the auditor has demonstrated professional scepticism and challenged management assumptions. For example, the Committee reviewed how the auditor challenged management in the area of going concern, due to uncertainty from the COVID-19 pandemic. Challenges were made over the various scenarios that management had modelled, the level of stress testing in the models and the impact that this would have on the ability of the Group to continue as a going concern. The Committee ensured that they were satisfied that the external auditor reviewed the level of liquidity in the Group, the access to funding, as well as the covenants attached to that funding.

EXTERNAL AUDIT TENDER

Although the Board and the Audit Committee remain satisfied with EY's quality of service, as well as their independence and objectivity, the Audit Committee recommended to the Board that a competitive tender process take place in 2020. A formal tender of the external audit had not been carried out since EY was first engaged in 2011.

In accordance with legislation, a range of firms including representatives from the "Big Four" and Challenger firms participated. Four firms, two from the Big Four and two from Challenger firms, were asked to submit a detailed Request for Proposal (RFP). Institutional shareholders were consulted throughout the year at various investor roadshows and ad hoc meetings as they occurred. Notice of the intention to tender was also given in the 2019 preliminary results announced in March, as well as the full year Annual Report and Accounts. The feedback from investors was that they trusted the Audit Committee to manage a process in the best interests of the key stakeholders.

The RFP was judged against objective criteria. The criteria included, but was not limited to, the ability to deliver a high quality audit, strength of team and its ability to challenge, use of technology and depth of supporting expertise in the firm. The tendering firms were scored against objective criteria determined in advance of the process. Findings of audit quality inspection reports published by the FRC were also considered. Fees proposed by the four firms were taken into consideration, but the ability to deliver a high quality audit was the largest single factor driving selection.

Each of these firms was given access to members of the Group's senior management team, as well as a data room. Presentations were then made by all firms to a panel, initially comprising the senior finance team, with three of the four being put forward to the Audit Committee subsequently for a second round of presentations to the Committee.

While all firms put forward a strong tender and would have been able to deliver a successful and robust audit, the Committee considered that EY best met the criteria that had been set, in particular one of audit quality. In line with the partner rotation policy, a new EY Audit Partner, Joe Yglesia, will be the Audit Partner for the 2021 external audit.

At the conclusion of the process, the Audit Committee recommended to the Board that EY be reappointed as external auditor. The Board approved this recommendation, with feedback being provided to all four firms.

The Company confirms that it has complied with the provisions of the CMA's Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

INTERNAL CONTROL AND RISK MANAGEMENT

The Board's responsibilities for, and their report on, risk management and the systems of internal control and their effectiveness are set out in the Corporate Governance Report on page 71.

On behalf of the Board, the Audit Committee undertakes a robust assessment of principal and emerging risks. This involves reviewing the Group's risk assessment procedures and risk registers and its longer term viability. The risk assessment takes account of all top down and aggregate risk and presents the effectiveness of the controls to mitigate the principal risks of the business, including environmental, social and governance matters, inherent in the strategy of the business and its plan. The risk assessments consider the level of gross risk to the business, the effectiveness of controls in mitigating these risks and the resulting net risk level. If the net risk level is above the Group's risk appetite, management develop further remedial action plans.

There are processes across the Group to consider emerging risks. Within our Group operational risk assessment and reporting process cycle, twice per annum management are formally required to consider and disclose any emerging risks. These are reviewed at a Group level together with a top down perspective gained from discussion with senior management. In addition, our internal audit programme reviews the basis of risk submissions with local management for principal risks, including any emerging risks. The principal risk reports are independently reviewed with the external auditor to identify the potential risks that the Group should be considering and anticipating. In 2020, the internal audit plan was adapted to include the impact of the pandemic on both the wider business and IT response in terms of risk assessment, controls and mitigating activities. The country audit programme focussed on enhanced risks arising from the impact of the pandemic in assessing controls. These were specifically around financial revenue recognition, debtor management and revenue compliance. In addition due to the various travel restrictions imposed during the year, audit activity successfully switched to remote working. We have through the utilisation of technology been able to conduct the audits planned for 2020 remotely with minimal impact on audit quality.

Further, we considered our principal risks and added an additional risk of "Global Events". This risk captures how we have, and would handle a global event in the future. The exact timing and nature of these incidents are, by their very nature, impossible to predict. However, we have in place a crisis management process enabling us to respond to "events" ensuring we can take the best available actions to mitigate the impact on the Group. Further details of this risk and the areas of mitigation can be found on pages 41 to 48. We have also adopted "Climate Change" as an emerging risk.

The Company's risk review procedures include regular reports to the Committee from the Director of Internal Audit on the performance of the system of internal controls and on its effectiveness in managing material and emerging risks and identifying any control failings or weaknesses.

The Committee reviews the Group's risk management process annually, with the outcome being reported to the Board. This, together with regular updates to the Board on material risks, allows the Board to make the assessment on the system of internal controls and the residual risks for the purpose of making its public statement. The risk process, together with the key risks and their indicators, have been identified and mitigating actions are described in the Strategic Report on pages 41 to 48. Key performance indicators are highlighted for the main financial, strategic and people risks in the Strategic Report on pages 21 to 24.

Where weaknesses have been identified in the system of internal controls for the mitigation of risks to an acceptable level, plans to strengthen the control system are put in place. Action plans in this respect are regularly monitored until complete. During the period under review there were no control failings or weaknesses that resulted in material losses.

INTERNAL AUDIT ACTIVITIES

The Group's Internal Audit function comprises a Director of Internal Audit and a team of internal auditors and we have a co-source agreement in place with a third party internal audit provider. The Director of Internal Audit reports to the Audit Committee and works with the CFO and CEO to determine priorities. He also has direct access to the Committee and the Board. This ensures there is opportunity for frank and open dialogue.

The scope of work for the Internal Audit function is agreed with the Committee annually with the findings from internal audits being reported to the Executive Board and the Audit Committee. Businesses are audited on a rotational risk-based approach to assess the effectiveness of controls to mitigate risks to an acceptable level. All major risks are addressed in this process, including Group functions and change programmes as are those around governance, environmental and social related matters. Actions to maintain and improve the effectiveness of the control environment are agreed with the Executive Board and are monitored and reported to the Committee. Risks are also regularly reviewed and required changes are made to the risk profile and, where necessary, to the activity of Internal Audit. All changes to the Internal Audit plan are agreed with the Chair of the Committee and reported to the Executive Board and the Committee. Understandably, adaptations to the original internal audit plan occurred during the year under review due to the pandemic. This included substituting some business as usual audits with audits on the business's response to the pandemic and an IT compliance audit.

COMMITTEE EVALUATION

The activities of the Committee were reviewed as part of the Board evaluation process performed during the year under review. The 2020 evaluation process was undertaken internally, having been facilitated externally in 2019. The Committee's performance was assessed across the range of work it oversees including effectiveness in reviewing and assessing the work of the internal and external auditors, risk identification and management and the Group's system of internal controls. The review also examined the Committee's oversight of financial reporting and assessed the extent to which the Company has adapted to COVID-19. The overall performance of the Committee was rated highly. The Committee was considered to have adapted well to performing its role despite the challenges presented by the pandemic. Priorities for the upcoming year include ensuring effective transition to a new Audit Committee Chair and continuing the Committee's rigorous focus on financial reporting, internal controls and risk assessment of the business. Further details of the outcome of the Board and Committee evaluation process, and the areas of focus for 2020 can be found in the Corporate Governance Report on pages 70 to 71.

FRAUD

The Committee reviews the procedures for the prevention and detection of fraud in the Group. Suspected cases of fraud must be reported to the Chief Financial Officer and the Director of Internal Audit and investigated by operational management and Internal Audit. The outcome of any investigation is reported to the Committee. A register of all suspected fraudulent activity and the outcome of any investigation is kept and is circulated to the Committee on a regular basis. During the year in question, no frauds of a significant nature were reported.

ANTI-BRIBERY AND CORRUPTION AND BUSINESS ETHICS

The Company has a Code of Conduct which can be found on its website **www.page.com**. This sets out the standards of behaviour by which all employees of the Group are bound and is based on the Company's commitment to acting professionally, fairly and with integrity.

The Group maintains a zero tolerance approach against corruption. It has an established anti-bribery and corruption policy, which includes guidance on the giving and receiving of gifts and hospitality. This policy applies throughout the Group and is complemented by anti-bribery and corruption training for senior managers, and staff in risk areas across the Group. In order to capture any concerns that employees or external parties may have in relation to bribery and corruption, the policy highlights internal contacts who can assist in any queries surrounding gifts and hospitality or concerns around bribery and corruption. The gifts and entertainment register is reviewed by the Committee to ensure transparency. A review of compliance with the policy is undertaken annually and reported to the Committee. The review undertaken in 2020 showed there was a good understanding of the issues and no breaches were reported. Additionally, the Company operates a global "Speak Up" helpline and actively promotes its use for any ethical matters.

Simon Boddie
Chair of the Audit Committee

2 March 2021

DIRECTORS' REMUNERATION REPORT

Angela Seymour-Jackson
Committee Chair

SECTION 1

Dear Shareholder

On behalf of the Board I am pleased to present the Directors' Remuneration Report for 2020. This has been an exceptionally challenging year for many organisations, with COVID-19 causing unprecedented impact on many businesses, employees and broader stakeholders. I would like to personally thank our Executive Directors, Steve Ingham and Kelvin Stagg, for the leadership they have shown through this unprecedented period. PageGroup, in common with the wider recruitment sector, has been heavily affected and we have used Committee discussions to consider the impact of the pandemic and have carefully focussed Remuneration Committee activity on considering the full range of stakeholders when making decisions.

This disclosure describes the specific outcomes of this process but also draws out the wider context and factors we considered when making decisions, including use of discretion applied by the Committee. More detail is included within the Report, including the way that we approached decision making for the operation of the ESIP for 2020 and ensuring wider alignment across the workforce.

IMPLEMENTATION OF OUR NEW REMUNERATION POLICY

Our new Remuneration Policy was approved by over 90% of our shareholders at the 2020 AGM on 4th June 2020, with the implementation of Remuneration Policy in 2019 receiving in excess of 94% shareholder approval. I thank again all of our shareholders for their constructive input into the consultation process as we discussed and sought views over the changes we proposed to the Policy, and the nature of the ongoing dialogue that remains in place. We discussed as a Committee all the feedback from shareholders and proxy agencies received in connection with our new Policy in the run up to the AGM, and have had a number of follow-up sessions with particular shareholders following their comments to us.

IMPACT OF COVID-19 ON EXECUTIVES AND EMPLOYEES

As the potential impact of COVID-19 became evident the Company took key actions to protect our people, and to ensure we could retain and support key talent across the business. The focus of the organisation was on the welfare of colleagues around the world, enabling them to continue to work where possible, utilising technology to maintain relationships with clients and candidates. Examples elsewhere within the Annual Report illustrate the way that people across the organisation showed resilience and commitment to continue to focus on customer needs.

Restrictions imposed as a result of the pandemic varied across our locations, and we learned and shared experience from our colleagues and businesses around the world, beginning with those in mainland China, who were the first to experience the direct effects of the virus and the resulting change to routines and ways of working.

The Company took actions in Q2 to protect short-term profitability, but also to ensure that we could come out of "lockdown" situations in a position of strength. Examples of actions included:

Executive Directors and Board
Waiving of 20% of salary / fees for Q2

Senior leaders within the business
450 of our most senior employees voluntarily agreed to salary cuts of 20% during Q2

Other employees
Agreement by some employees to reduced working weeks
Some placed onto Government-backed support schemes (including use of the furlough scheme in the UK).

All employees reverted to full pay after reduction for one-quarter of the year.

COVID-19: DECISION-MAKING FRAMEWORK AND REWARD OUTCOMES FOR 2020 ESIP

The Executive Single Incentive Plan (ESIP) is our only incentive mechanism in place for Executive Directors. Implemented in 2017, it is a structure that looks at the combination of performance achieved through a balanced scorecard, considering both 1-year and 3-year performance metrics.

It is designed to reduce volatility through the economic cycle and drive performance and align Executives through shareholding in the business. That being said, we recognise the material impact that COVID-19 has had on the business in 2020 and have actively reflected this in considering how the Plan operates and associated outcomes. We have provided full insight into the factors we considered in determining awards and the way they are delivered later in this report, along with disclosure of performance against all the specific performance metrics.

COMMITTEE DISCRETION

The Core Formula delivered outcomes under two of the four metrics (strategic performance and relative gross profit) but failed to reach threshold levels for EPS or for Profit before Tax (PBT) performance to warrant an award. As a Committee we decided to exercise discretion to reduce the award, such that only the long-term metric (of gross profit performance over the period 2018-2020) would drive an award. We were confident that strategic progress had been robust over the period (as evidenced through our disclosure) but did not feel it appropriate to link reward outcomes to performance metrics that were related solely to 2020. This is in reflection of the overall financial performance of the business in 2020 and the wider shareholder experience including the decision to suspend dividend payments. This discretion reduced awards under the ESIP from 28% of maximum to 16.5% for the CEO, and a similar level of reduction for the CFO.

Additionally, the Executives requested that no cash payments be made in respect of the ESIP for 2020, with the total value of any award under the Plan being delivered in shares that will vest equally on the 2nd and 3rd anniversary of the award date. We were happy to support this request, which further reinforces the strong culture at PageGroup and the Executive Directors' commitment to aligning their outcomes to the wider workforce and to the shareholder experience.

Following the application of discretion to the ESIP outcome, the Committee is confident that the outcomes are reflective of both the impact that COVID-19 has had on the business, employees and shareholders, while also recognising the long term performance of Executives. Furthermore, we believe the Policy has operated as intended.

LOOKING FORWARD – ESIP FOR 2021

We will make some changes to the operation of the ESIP for 2021 designed to strengthen alignment of Executives with the business as we look to prepare for a strong recovery from COVID-19. All these changes are within the parameters of the existing Remuneration Policy approved by shareholders in June 2020. Specifically, we will:

- increase weighting towards Relative Gross Profit within the long-term performance metrics; and
- include strategic objectives which include actions that support strong recovery from the pandemic.

At a time of significant uncertainty the Committee felt greater weighting on a relative performance metric was appropriate to assess the way the management team have positioned the business for recovery from the pandemic compared to industry peers.

We will not look to make any changes to previous target ranges for EPS set by the Committee and outlined within previous remuneration disclosures. The overall weighting of the ESIP towards long-term performance is unchanged at 55% of the total opportunity available. As a Committee we have determined forward looking EPS targets for the period 2021-2023, to support operation of the ESIP in the future. The targets and our approach to how these have been set at this uncertain time is explained on pages 92 to 93.

WIDER WORKFORCE VISIBILITY AND ALIGNMENT

We recognise that we have broader responsibilities as a Committee to have appropriate oversight of reward across the organisation and the way that this aligns to the wider culture. As a result, we have spent proportionately more Committee time understanding and discussing the approach to reward across PageGroup and the way that this aligns to the overall business strategy. This included the way that elements of the reward package on offer for employees are determined and governed, including application across a globally diverse workforce. We focussed on the way that variable plans link both the performance of the individual and business performance into the calculations of awards payable and the way that the reward structure evolves as people progress through the organisation and take on bigger roles. More details on the insight we gained as a Committee on wider workforce remuneration is disclosed later in this report.

CONCLUSION

I hope this letter and the accompanying disclosure will give you as a shareholder visibility of the operation of the Committee over the past year and the way we have considered the impact of COVID-19 in forming decisions on reward, considering the wider impact that the pandemic has had across our stakeholder base. Additionally we have focused on how the ESIP will be used in 2021 to support business growth with the intention of rewarding actions taken during 2020 to strengthen the business for recovery.

We have always sought to engage with our shareholders openly and constructively and maintain an effective dialogue on reward. I look forward to this continuing over the coming year.

Angela Seymour-Jackson
Chair of the Remuneration Committee

2 March 2021

DIRECTORS' REMUNERATION REPORT

SECTION 2: AT A GLANCE

WHAT EXECUTIVES WERE PAID IN 2020 – SINGLE FIGURE

BASE SALARY & BENEFITS

- Salaries were effective from 1 January 2020
- Benefits include a car allowance and a pension allowance of 25% of base for CEO and 20% for CFO
- Salary figures reflect voluntary 20% reduction in salary during Q2 2020

	STEVE INGHAM – CEO	KELVIN STAGG – CFO
Salary	**£600,248**	**£349,112**
Benefits	**£182,202**	**£98,385**

ESIP

- Final award 16.5% of maximum for CEO and CFO following exercise of downward discretion by the Committee
- Executives elected to take all awards in deferred shares rather than cash, released on 2nd and 3rd anniversary of award

	STEVE INGHAM – CEO	KELVIN STAGG – CFO
ESIP	**£388,744**	**£195,952**
Maximum	**£2,361,750**	**£1,190,475**

Indicates Maximum Potential

TOTAL

	STEVE INGHAM – CEO	KELVIN STAGG – CFO
Base pay and benefits	**£782,450**	**£447,497**
ESIP	**£388,744**	**£195,952**
Total	**£1,171,194**	**£643,449**

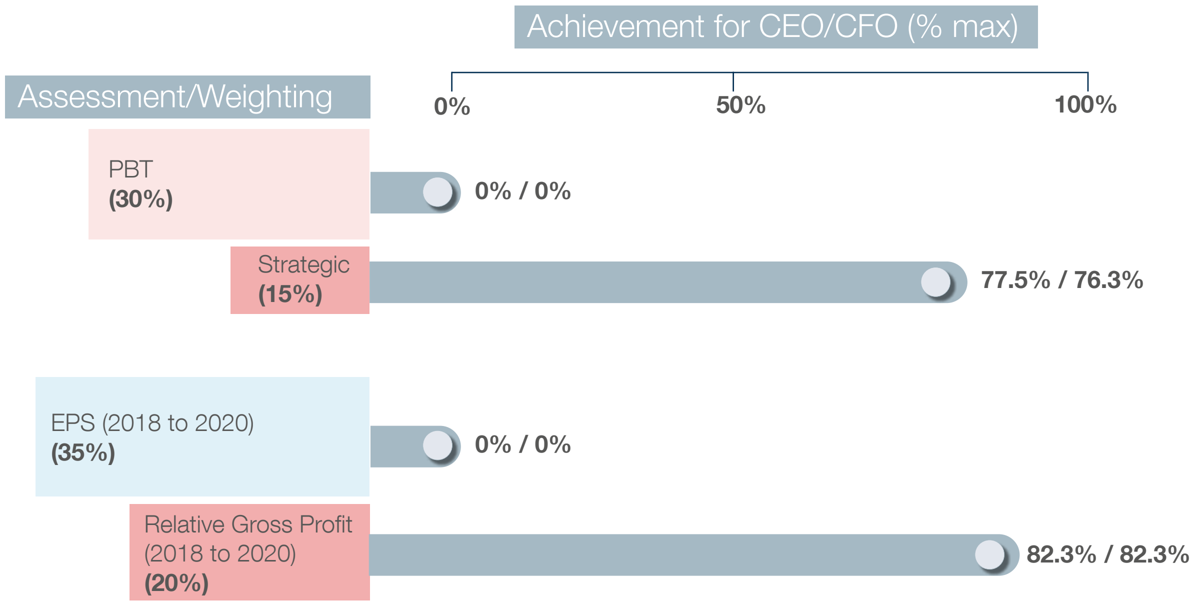
	STEVE INGHAM – CEO	KELVIN STAGG – CFO
2020 SINGLE FIGURE	**£1,171,194**	**£643,449**
2019 SINGLE FIGURE*	£3,771,201	£1,835,881
CHANGE (2019 TO 2020)	**(69)%**	**(65)%**

* Restated to reflect the actual share price on vesting of legacy LTIP awards

ESIP – 2020 AND 2021

ESIP 2020 OUTTURN

- Overall award 16.5% of maximum for CEO and CFO after exercise of discretion downwards by the Committee



- The Committee exercised discretion to not reward delivery of strategic objectives achieved in 2020 (reducing the award from 28% to 16.5%)
- Opportunity level of 375% of salary and 325% of salary results in award of £388k and £196k to CEO and CFO respectively
- Executives elected to take all awards in deferred shares rather than partly in cash, released on 2nd and 3rd anniversary of award

ESIP 2021 STRUCTURE

- Overall opportunity unchanged: CEO 375%, CFO 325%
- Amended weightings of metrics to align with business strategy and align with business recovery from COVID-19

PBT (2021)
(30%)

Strategic (2021)
(15%)

EPS (2019 to 2021)
(25%)

Relative Gross Profit (2019 to 2021)
(30%)

KEY POINTS

- Balance between long term and short term weighting unchanged from ESIP 2020: 55% weighted to longer term performance
- Increased weighting towards relative gross profit to recognise actions taken by management during pandemic to strengthen business for recovery
- No change to EPS targets previously set and communicated
- Enhanced weighting to relative gross profit performance (from 20% to 30% of total)
- See diagram on page 92 for full operation of the ESIP for 2021

DIRECTORS' REMUNERATION REPORT

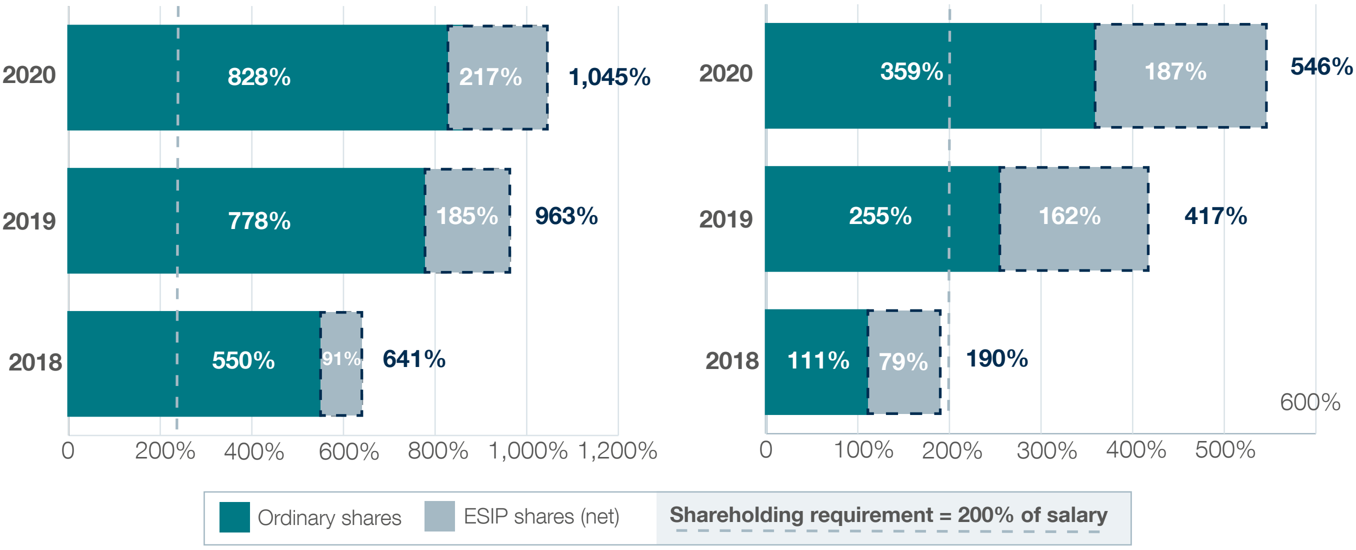
KEY METRICS

SHAREHOLDING OF EXECUTIVES

CEO = 1,045% of salary, CFO = 546% of salary (against a requirement of 200%)

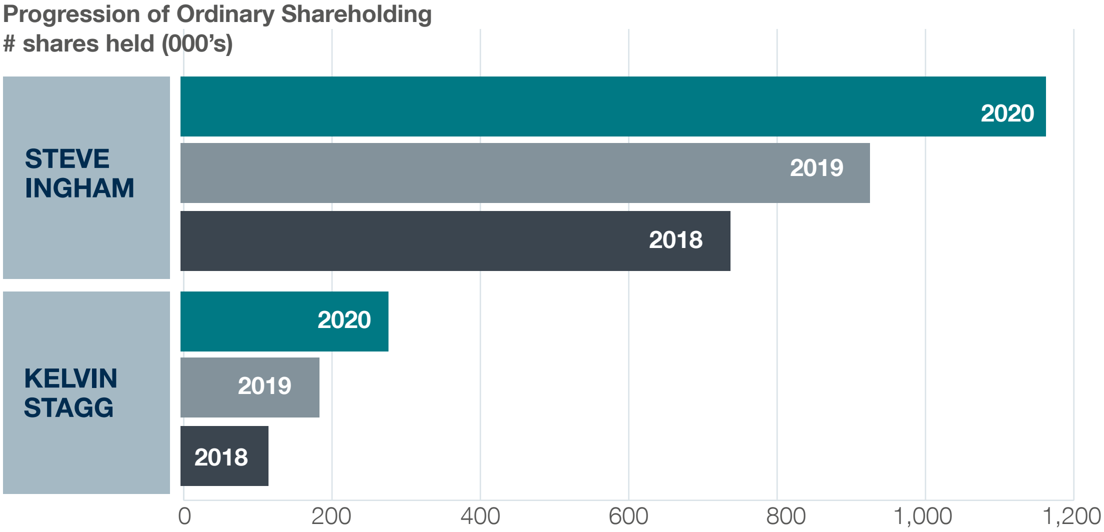
Shareholding as percentage of salary
CEO: Steve Ingham

Shareholding as percentage of salary
CFO: Kelvin Stagg



ORDINARY SHAREHOLDING PROGRESSION

Progression of Ordinary Shareholding
 # shares held (000's)



GENDER PAY

Our latest disclosures on Gender Pay can be accessed through the Company's website www.page.com.

	Gender Pay Gap	
	Median	Mean
As at 5 April 2019	14%	19%
As at 5 April 2018	16%	21%

CEO PAY RATIO

See page 100 for more details

	CEO Pay Ratio		
	25th percentile	Median	75th percentile
2020	43:1	27:1	17:1
2019	160:1	105:1	64:1

SECTION 3: ANNUAL REPORT ON REMUNERATION

This part of the report has been prepared in accordance with Part 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The information on pages 83 to 104 has been audited where required under the Regulations. The elements of the Directors' Annual Remuneration Report subject to audit include the:

(a) Single total figure for remuneration and the accompanying notes;

(b) Details of the performance against metrics for variable awards included in the single total figure table;

(c) Details of the ESIP award made in 2020;

(d) Section on outstanding share awards;

(e) Payments to past Directors; and

(f) Payment for loss of office.

During the year under review the members of the Committee were Angela Seymour-Jackson, who was Chair of the Committee, Simon Boddie, Patrick De Smedt, Michelle Healy and Sylvia Metayer. Ben Stevens was appointed to the Committee with effect from 1 January 2021. Details of the members' attendance at meetings of the Committee were as follows:

Director	No. of meetings attended
Angela Seymour- Jackson	6 out of 6
Simon Boddie	6 out of 6
Patrick De Smedt	6 out of 6
Michelle Healy	6 out of 6
Sylvia Metayer	6 out of 6

Only members of the Committee are entitled to attend meetings. Other individuals, such as the Chairman of the Board, who attends meetings of the Committee regularly, the Chief Executive Officer, the Chief Financial Officer, the Chief People Officer and external advisers, may attend meetings by invitation when appropriate.

No Director takes part in discussions relating to their own remuneration. The Committee last conducted a review of its Remuneration Advisers in 2018 and following a comprehensive tender process appointed PricewaterhouseCoopers ("PwC") as the advisers to the Committee. PwC is one of the founding members of the Remuneration Consultants Group and as such adheres to the code of conduct in relation to executive remuneration consulting in the UK. PwC's appointment commenced in November 2018 and the Committee is satisfied the advice received is objective and independent.

The fees paid to PwC totalled £80,000. PwC provide unrelated tax advice and mobility services during the year through separate teams. The Committee is satisfied that these activities do not compromise the independence or objectivity of the advice it has received from PwC. PwC's core services are provided on a fixed fee arrangement, with additional items provided on a time and materials basis.

During 2020 the Committee met 6 times and considered the following topics:

Wider Workforce Consideration	Executive Remuneration	Governance
• Reward structures across the business and wider reward framework • Gender pay gap statistics in the UK • Alignment of reward with culture • Wider approach to employee reward during COVID-19 pandemic • Contrast of respective roles of Remuneration Committee and management in determination and oversight of reward framework below senior management	• Outcomes of reward for ESIP 2019 and the vesting of legacy LTIP awards from 2017 • Changes to executive remuneration arrangements in light of COVID-19 • Target setting process for outstanding annual targets for ESIP 2020 • Structure of ESIP 2021 and alignment with strategy	• Drafting of remuneration report for 2020 Annual Report and level of disclosure of Committee decisions behind new Policy • Feedback from shareholders and shareholder bodies from AGM • Update on market trends from Committee advisor • Committee effectiveness evaluation • Terms of Reference review

The Committee presented a new Remuneration Policy to shareholders in 2020 which was approved at the Company's Annual General Meeting held on 4 June 2020. Full details of the shareholder voting in this respect can be found on page 97.

COMMITTEE EVALUATION

The activities of the Committee were reviewed as part of the annual evaluation process which, in 2020, was undertaken internally by the Chairman supported by the Senior Independent Director and the General Counsel & Company Secretary. The evaluation covered areas such as the performance of the Committee in light of the challenges presented by the pandemic, Chair and advisers' performance, review of wider workforce remuneration and the alignment of incentives and rewards with the Company's culture. The Committee was rated highly and considered effective in performing its responsibilities. For more details about the Board and Committee evaluation process, see pages 70 to 71.

DIRECTORS' REMUNERATION REPORT

DIRECTORS' REMUNERATION AS A SINGLE FIGURE (AUDITED)

The tables below report a single figure for total remuneration for each Executive Director for the years ended 31 December 2020 and 31 December 2019.

		Salary £'000	Benefits £'000	Pensions £'000	Subtotal for Fixed Pay £'000	ESIP - Cash £'000	ESIP - Deferred Shares £'000	Legacy Long-term incentives £'000	Dividends paid on unvested shares £'000	Subtotal for variable pay £'000	Total £'000
		Note 1	Note 2	Note 3		Note 4	Note 4	Note 5	Note 6		
Steve Ingham	**2020**	600	24	158	**782**	0	389	n/a	0	389	**1,171**
	2019	630	237	158	**1,025**	712	1,068	894	72	2,746	**3,771**
Kelvin Stagg	**2020**	349	25	73	**447**	0	196	n/a	0	196	**643**
	2019	366	25	73	**464**	354	531	450	37	1,372	**1,836**

Notes:

1. Salary represents the salary paid in cash in respect of the financial year. Values for 2020 include the voluntary reduction in base salary of 20% taken by each of the Executive Directors within Q2, consistent with approximately 450 leaders across the business.

2. Benefits represent the taxable value of the benefits provided in the year and comprise a company car or cash equivalent; fuel; permanent health insurance; medical insurance and life insurance. Figures for 2019 include the costs of medical benefits met by the Company following the Chief Executive Officer's skiing accident (totalling £112.3k plus tax) to expedite his recovery and return to work.

3. Pension includes the cash value of Company contributions to defined contribution pension plans and cash payments in lieu of pension contributions. In line with our Remuneration Policy, these have been fixed at the level paid in 2019 and will move to align with the rates for the wider workforce at the end of 2022.

4. The ESIP payment is determined using a balanced scorecard of short and long-term performance measures. Under the Policy 40% of the ESIP award is delivered in cash and shown in the "ESIP – Cash" column. The remaining 60% of the ESIP is delivered in deferred shares which vest in future tranches, as shown in the "ESIP – Deferred Shares" column. Executives requested that awards due in cash from ESIP 2020 were instead delivered in deferred shares which was supported by the Committee.

5. The last vesting from the legacy long-term incentive plan was in March 2020. The values shown have been restated from that disclosed in the 2019 Annual Report to show the actual share price on the vesting date (16 March 2020), with an associated update to the total single figure value. The share price on vesting was £3.37 compared to the average share price for the final quarter of 2019 of £4.63 (as used as an estimate within the single figure table for the 2019 disclosure).

6. This relates to dividends during the year on shares awarded under the legacy Long-Term Incentive Plan.

NON-EXECUTIVE DIRECTORS' REMUNERATION AS A SINGLE FIGURE

The tables below report a single figure for total remuneration for each Non-Executive Director for the years ended 31 December 2020 and 31 December 2019. Figures for 2020 reflect the temporary reduction in fees agreed during Q2 2020 of 20%.

	Year	Fees £'000s
David Lowden	**2020**	**203.1**
	2019	213.8
Simon Boddie	**2020**	**66.0**
	2019	69.5
Patrick De Smedt	**2020**	**61.3**
	2019	64.5
Michelle Healy	**2020**	**52.7**
	2019	55.5
Sylvia Metayer	**2020**	**52.7**
	2019	55.5
Angela Seymour-Jackson	**2020**	**66.0**
	2019	69.5

There were no payments to past Directors or any payments for loss of office during 2020.

DETERMINING AWARDS UNDER 2020 ESIP

We considered the following questions as a Committee as a framework to support our decision making:

What was the formulaic outcome under the plan?	What was the approach to bonuses throughout the organisation?
Our findings included: • A formulaic outcome of 28.1% of maximum for the CEO and 27.9% for the CFO (see full disclosure later) • This included strong delivery against strategic objectives set for each Executive Director • This was derived from strategic performance linked to 2020, and Gross Profit Performance against a comparator group for the period 2018-2020	**Our findings included:** • The business did not award annual cash bonuses to the core employee population in 2020 • Forward looking awards under LTIP arrangements were made to senior leaders in the normal way in March 2020 (and will be again in March 2021) • The Board have made the decision to repay money accessed through the UK furlough scheme in 2021
What has been the experience for investors and wider stakeholders over the past 12 months?	**What was the ESIP as a structure designed to do?**
Our findings included: • Share price at start of the year was £5.25 and was £4.47 on 31 December 2020 (-15%) • Dividends were waived in March 2020 • PageGroup made use of Government backed schemes including the use of the furlough scheme in the UK (during Q2 only). • PBT for the Group for 2020 was £15.5m compared to £144.2m in 2019	**Our findings included:** • ESIP is a single incentive structure in contrast to the mix of annual bonus and LTIP used across many organisations • This is designed to reduce volatility in reward through the economic cycle and align Executives through shareholding

As a Committee we made the following decisions:

	Decision	Committee Rationale
1	**To confirm the formulaic outcome of the ESIP against the targets that were set.**	• We wanted to ascertain and disclose the total performance against the targets set.
2	**To apply discretion to exclude from the calculation of awards amounts linked to the achievement against targets for 2020. In this case this means using discretion to reduce the performance earned under the strategic metrics to nil.**	• 2020 was an exceptionally challenging year for the business. Strategic performance has been achieved but against the overall financial outcome for the business and shareholder experience it did not feel appropriate to include this element of performance.
3	**To include performance linked to the 3-year period**	• Targets were set and communicated in early 2018 and Gross Profit performance led to a formulaic outcome over the period.
4	**To agree to the request from Executives that any award be delivered fully in shares with no cash element.**	• This was an amendment requested by Executives and leads to a delay in delivery of value to the executive and greater longer-term alignment through shareholding. • We supported the request from the Executives and agreed with their rationale that it did not feel appropriate to deliver cash awards under the ESIP in a year where annual cash bonuses would not be delivered across the organisation.

The Committee considers that with these amendments to the structure of the ESIP, the overall remuneration outcomes for both CEO and CFO fairly represent the achievements over the respective performance period.

DIRECTORS' REMUNERATION REPORT

LINKAGE OF COMPANY PERFORMANCE INTO ESIP OUTCOMES.

PBT: The Group's PBT for 2020 was £15.5m compared to £144.2m in 2019. The reduction in PBT is reflective of the difficult market conditions experienced throughout 2020 across the business.

Strategic Performance: Full details of the strategic objectives set for each Executive Director and the associated performance against them is shown on page 88. Performance has been assessed against the objectives that were set for the Executives and the formulaic outcome of this process is disclosed within this report. It is noted that objectives were set before the impact of COVID-19 could have been foreseen on the business and the wider global economy. In addition to the performance documented against these objectives, the Executives have led the business through unprecedented events, focussing on protecting the welfare of colleagues around the business and the PageGroup platform, and taking positive actions to ensure the business can recover quickly and be stronger as a result.

EPS: Between 2018 and 2020 PageGroup delivered cumulative EPS of 62.9p with EPS performance in 2020 of (1.8)p.

Relative Gross Profit: The Committee determined awards under this metric using all publicly available data as at 11 February (the date of the respective Remuneration Committee meeting). The peer group contains organisations with different year-ends with different timings of scheduled announcements, and potential for variation in timings due to COVID-19. This was the approach adopted by the Committee when the ESIP structure (and use of this metric) was decided in 2017 and has been applied consistently since the ESIP has been in operation. This meant that full data was publicly available for all of the peer group other than one company (where the last quarter 2020 data was used).

PageGroup delivered gross profit performance between median and upper quartile levels against the peer group resulting in an award of 82.3% of maximum for this metric. In each of the individual years 2018 and 2019 the business had the strongest relative gross profit of the peer group.

FORMULAIC BREAKDOWN OF 2020 ESIP (AUDITED)

Performance Metrics	Weighting	Target and Outcome	Achievement (% of max)	
			CEO	CFO
Annual Performance Metrics – 2020				
Profit Before Tax	**30%**	We discussed setting targets for this metric at multiple Committee meetings. Ultimately, due to forward looking uncertainty and rapidly changing market conditions no target was set, and the Committee determined that no award would be applicable under this metric.	**Award Level 0%**	
Strategic Metrics	**15%**	See breakdown in table below	**77.5%**	**76.3%**
3-year Performance Metrics (Jan 2018 to Dec 2020)				
Cumulative EPS	**35%**	Threshold EPS = 88.3p (25% vesting) through to Stretch EPS = 106.1p (100% vesting) Actual EPS = 62.9p	**Award Level = 0%**	
Relative Gross Profit Growth	**20%**	Based on average growth over the 3-year period compared to peer group. Median = 25% vesting through to Upper quartile = Full vesting PageGroup Actual = (2.4)%. Median was (3.8)%, Upper Quartile (2)%	**Award Level = 82.3%**	
Overall (% maximum)			**28.1%**	**27.9%**

DISCRETION APPLIED BY COMMITTEE

The Committee exercised discretion to exclude the impact of performance achieved in relation to strategic targets linked to 2020 performance. Whilst there was clear achievement against the strategic targets (as evidenced within this disclosure) the Committee felt it right to exclude this element of performance given the overall level of financial achievement for the year. The impact of this, and the subsequent final ESIP award is as follows:

	CEO	CFO
Exclusion of Strategic Metrics (% of maximum)	(11.6%)	(11.4%)
Final Award (% of maximum)	16.5%	16.5%

FINAL AWARD CALCULATION AND DELIVERY (AUDITED)

	CEO	CFO
Maximum Opportunity (% salary)	375%	325%
Final Award (% of maximum)	16.5%	16.5%
Final Award (% of salary)	61.7%	53.5%
Salary as at 1 January 2020	£629,800	£366,300
Final Award Value	**£388,744**	**£195,952**

The ESIP design is for 40% of the resultant award to be delivered in cash and the balance in deferred shares. At the request of the Executive Directors, this award will be made fully in shares that will vest equally on the 2nd and 3rd anniversary of award respectively, subject to the rules of the ESIP approved by shareholders.

STRATEGIC OBJECTIVES AND OUTCOMES WITHIN 2020 ESIP AWARD (AUDITED)

CEO – STEVE INGHAM

Theme	Weighting	Target	Key Achievements	Achievement (% of max)
Total				**77.5%**
Strategic Market Development	25%	Appropriate levels of headcount and investment into Large High Potential markets (LHPM)	• Increase in % of Group year on year • Smaller headcount reduction in these markets and targeted investment in key strategic sectors and capabilities.	85%
Productivity	25%	Key productivity initiatives agreed with Board, and subsequent measurement and review to measure change	• New system rollout (Customer Connect) now live in a number of key markets • New reporting and KPIs used at Executive Board • Increased process automation and new customer survey developed	70%
Talent Development and Inclusion	25%	Strategic development of senior leadership team to accelerate potential for succession into bigger or different roles. Delivery of diversity and inclusion initiatives across the Group	• Executive Board reconfigured with effect from 1 January 2021 and associated improvement in gender diversity • Development and review of YSC programme to support senior leadership development	75%
Cost Control	25%	Cost saving initiatives designed to address shortfall in gross profit due to COVID-19. Delivery of savings in 2020 with ongoing realisation beyond year end.	• Cost reductions of (21)% in Q2 and (15)% in Q3 through structured programme of cost containment.	80%

* Constant currency growth rates

DIRECTORS' REMUNERATION REPORT

CFO – KELVIN STAGG

Theme	Weighting	Measure	Key Achievements	Achievement (% of max)
Total				**76.3%**
Strategic Market Development	25%	Appropriate levels of headcount and investment into Large High Potential markets (LHPM)	• Increase in % of Group year on year • Smaller headcount reduction in these markets and targeted investment in key strategic sectors and capabilities	85%
Productivity	25%	Key productivity initiatives agreed with Board, and subsequent measurement and review to measure change	• New system rollout (Customer Connect) now live in a number of key markets • New reporting and KPIs used at Executive Board • Increased process automation and new customer survey developed	70%
Talent Development and Inclusion	25%	Strategic development of senior Finance leadership team to accelerate potential for succession into bigger or different roles. Delivery of diversity and inclusion initiatives across all non-operational areas	• Amended finance structure changes made effective end 2020 • New Regional Finance Director position filled	70%
Cost Control	25%	Cost saving initiatives designed to address shortfall in gross profit due to COVID-19. Delivery of savings in 2020 with ongoing realisation beyond year end.	• Cost reductions of (21)% in Q2 and (15)% in Q3 through structured programme of cost containment.	80%

* Constant currency growth rates

CHANGE IN BOARD'S REMUNERATION COMPARED TO OTHER EMPLOYEES

The following table shows the percentage change from 2019 to 2020 for salary, benefits and annual cash incentives for all Directors, compared to the average percentage change for employees (excluding Directors) of the listed parent company on a FTE basis.

	Change in Salary / Fees 2020 vs 2019	Change in Benefits [2] 2020 vs 2019	Change in Annual Cash Incentive 2020 vs 2019
Steve Ingham	(5%)	(90)%	(100%)
Kelvin Stagg	(5%)	0%	(100%)
Simon Boddie	(5%)	n/a	n/a
Patrick De Smedt	(5%)	n/a	n/a
Michelle Healy	(5%)	n/a	n/a
David Lowden	(5%)	n/a	n/a
Sylvia Metayer	(5%)	n/a	n/a
Angela Seymour-Jackson	(5%)	n/a	n/a
Wider PageGroup Employees[1]	(5%)	0%	(100%)

1. Represents average UK increase.
2. Excludes pensions

This shows the contrast of changes of reward elements between 2019 and 2020. The wider PageGroup employees reflects all employees of Michael Page International Recruitment Limited as at 31 December 2020. Calculations have been derived on a full-time equivalent (FTE) basis to enable effective comparison.

WHAT THE EXECUTIVE DIRECTORS CAN EARN IN 2021

The structure of remuneration for 2021 will consist of the following elements:

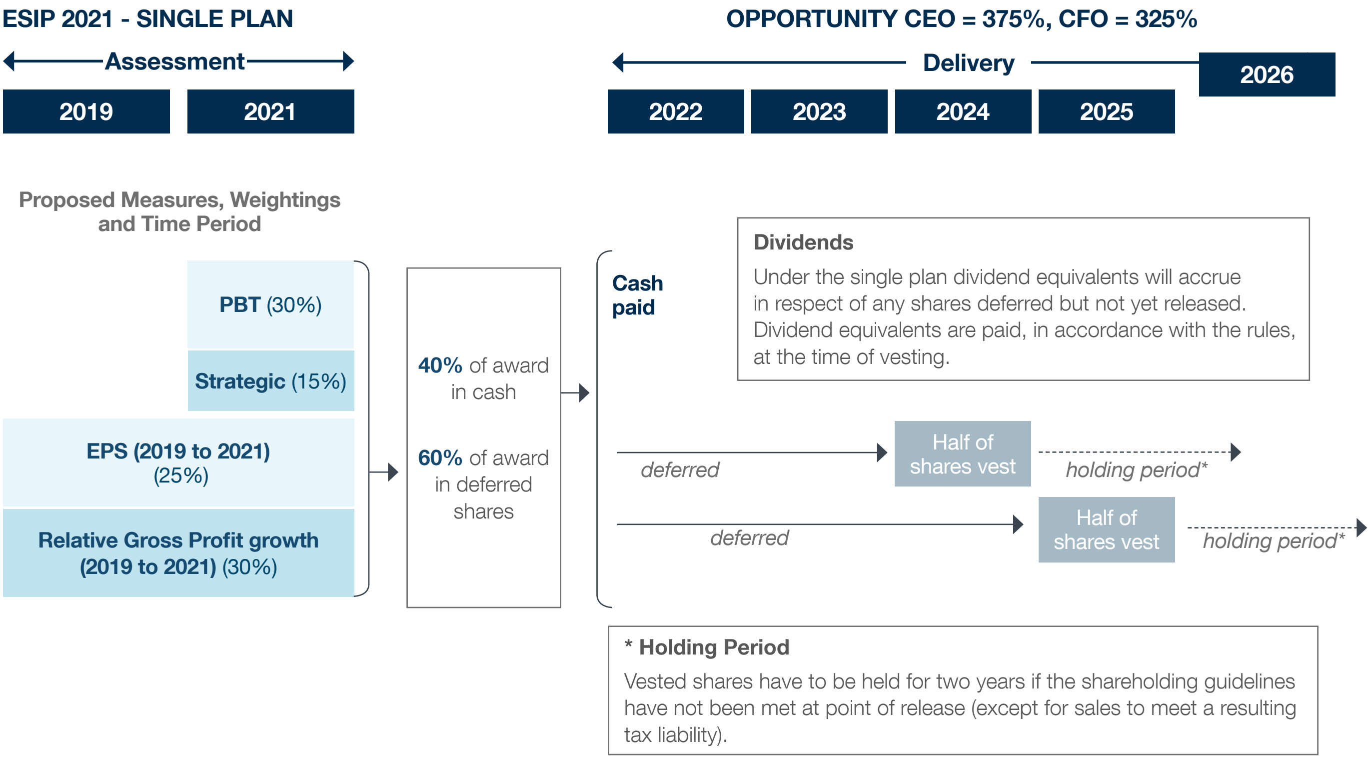
Salary – Base salaries were reviewed with reference to the level of salary increases agreed for the wider UK population which was 1.5%. Annual salary levels for the CEO will increase to £639,200 and the CFO to £371,800 effective 1 January 2021. This follows no increases in salary at the same stage in the previous year.

Benefits – No changes to benefits provided compared to 2020.

Pensions – As outlined in our Remuneration Policy agreed in June 2020, pensions will be fixed at the absolute level paid to Executives in 2019 and paid monthly alongside salaries. For the CEO this will equate to an annual value of £157,450 and for the CFO £73,260. This approach will apply in 2021 and 2022 with allowances aligned to our UK workforce from 1 January 2023.

ESIP – We are making some changes to the way we will implement the ESIP structure for 2021, which will continue to operate fully within the terms of the Remuneration Policy agreed by shareholders at the 2020 AGM. The way the ESIP will be implemented is shown in the following diagram:

ESIP 2021 OPERATION



RELATIVE GROSS PROFIT GROWTH

Assessed against comparator group: Current list of companies: SThree, Robert Half, Randstad, Robert Walters, Adecco, Hays, Manpower

Performance range: Below median = no award. Median = 25% of award through to 100% of award for upper quartile performance or above.

In the event of material change of one of the companies within the comparator group (e.g., due to M&A activity) the Committee retains flexibility to adjust the peer group with a stated desire to capture organic growth only.

Measurement in constant currency.

DIRECTORS' REMUNERATION REPORT

EPS TARGETS – APPROACH AND APPLICATION

We look to set EPS targets at the start of the respective 3-year performance period. Outlined below are all the EPS targets that have been set by the Committee for the ongoing operation of the ESIP.

ESIP Scheme	EPS Period	Agreed Cumulative EPS Range (p)	Equivalent Annual Growth %
ESIP 2020	January 2018 - December 2020	88.3p - 106.1p	5.4% to 15.1%
ESIP 2021	January 2019 - December 2021	109.7p - 132.2p	6% to 16%
ESIP 2022	January 2020 - December 2022	106.6p to 128.6p	5% to 15%

As disclosed in last year's Directors' Remuneration Report, for the operation of the ESIP for 2022 and beyond (assessment of EPS beginning on 1 January 2020) the EPS calculation will be determined on a constant currency basis.

We have now set targets for EPS for the period 2021-2023 with a cumulative EPS range of 48p to 72p. These have been set at a time where the future economic outlook remains uncertain. We believe that it is important that Executive Directors are incentivised to grow the business strongly through recovery, and we believe that the actions taken to date through the pandemic are appropriate and will enable a strong recovery. The associated performance range reflects the EPS outturn for 2020 and looks at the trajectory of recovery. The performance range was determined based on assumptions around future trading performance and having considered the range of expectations that exist.

We believe the range set above is stretching, would demonstrate a robust path out of the current pandemic, and would appropriately incentivise Executives to drive the business forward.

FEE LEVELS FOR THE CHAIRMAN AND NON-EXECUTIVE DIRECTORS FOR 2021

The average salary increase that will be applied for UK based staff from 1 January 2020 is 1.5%. It was agreed to increase the Chairman fee and the basic fee for Non-Executives by this level effective 1 January 2021. The Senior Independent Director fee was increased by £1k from 1 January 2021.

	Year ending 31 December 2020[1]	Effective from 1 January 2021
Chairman	£213,800	£217,000
Non-Executive basic fee	£55,500	£56,300
Additional fees payable		
Senior Independent Director	£9,000	£10,000
Chair of the Audit Committee	£14,000	£14,000
Chair of the Remuneration Committee	£14,000	£14,000

[1] Levels shown for 2020 are before any temporary reduction in fees during Q2 2020. Actual fee levels received by Non-Executive Directors are disclosed on page 87 in this report.

SHARES AWARDED IN 2020 (AUDITED)

Conditional awards of deferred shares were made in March 2020 in relation to awards made in respect of the 2019 ESIP.

	Number of shares awarded	Face value at date of award	Vesting
Steve Ingham	320,951	£1,068,128	Shares vest in three tranches on the first, second and third anniversary of award, subject to continued employment.
Kelvin Stagg	159,419	£530,549	

Awards were made on 13 March 2020. The share price used to make awards was £3.328 being the closing share price on 12 March 2020. The Committee was comfortable that the price used to make awards was appropriate, calculated in line with the ESIP structure and plan rules, and represents delivery of performance already attained and determined by the Executives.

The share price at the start of the year was £5.23 and was £4.47 on 31 December 2020. The low and high share prices during the year were £2.79 and £5.27 respectively.

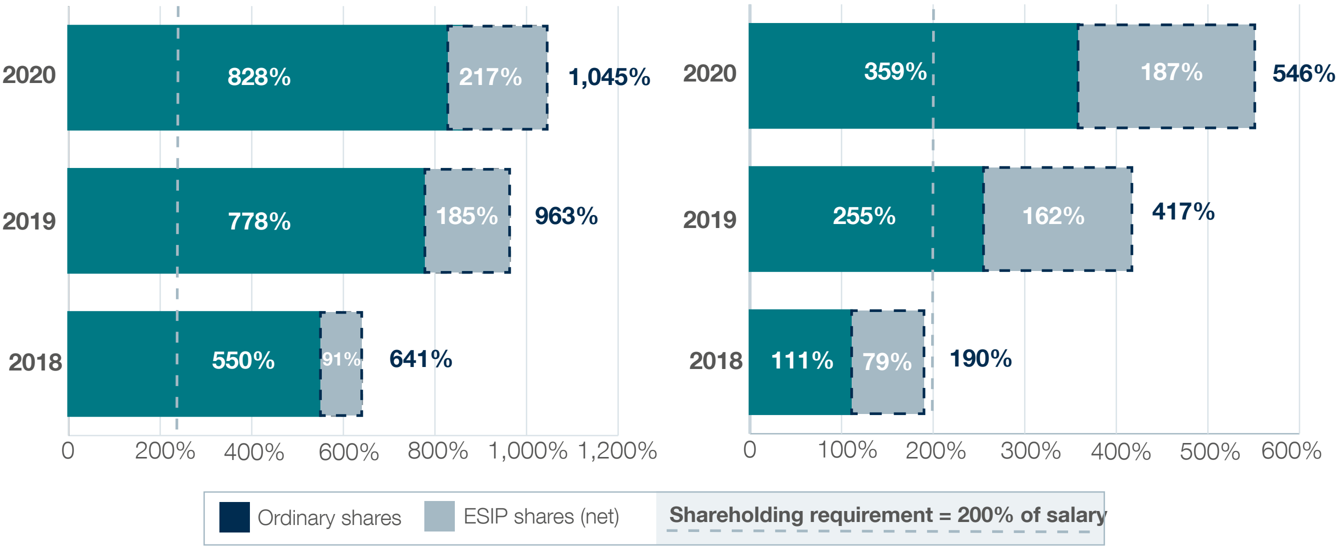
EXECUTIVE SHAREHOLDING AND ALIGNMENT TO THE ORGANISATION

Details of all outstanding share awards are provided later in the report.

The table does not include interests in shares which are subject to ongoing Company performance conditions but does include shares awarded but not yet vested under the ESIP.

Shareholding as percentage of salary
CEO: Steve Ingham

Shareholding as percentage of salary
CFO: Kelvin Stagg



This shows shareholding by each Executive Director well in excess of the mandatory shareholding requirement of 200% of salary. Share price movement leads to a variation in the overall holding by each executive.

	Calculated shareholding level if share price were to fall by 50p	Shareholding as a percentage of salary at 31 December 2020 (based on share price of £4.47)	Calculated shareholding level if share price were to increase by 50p
Steve Ingham	928%	1045%	1161%
Kelvin Stagg	485%	546%	607%

OUTSTANDING SHARE AWARDS

This section sets out the share interests of the Executive Directors as at 31 December 2020 under the Executive Single Incentive Plan, the 2009 Share Option Scheme and the legacy Long-Term Incentive Plan.

STEVE INGHAM

ESIP

Grant Date	Number of shares at 1 January 2020	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2020	Vesting
15 March 2018	77,636	-	(77,636)[1]	-	-	16 March 2020
15 March 2018	77,636	-	-	-	77,636	15 March 2021
12 March 2019	88,369	-	(88,369)[2]	-	-	12 March 2020
12 March 2019	88,370	-	-	-	88,370	12 March 2021
12 March 2019	88,370	-	-	-	88,370	14 March 2022
13 March 2020	-	106,983	-	-	106,983	15 March 2021
13 March 2020	-	106,984	-	-	106,984	14 March 2022
13 March 2020	-	106,984	-	-	106,984	13 March 2023
Total	**420,381**	**320,951**	**(166,005)**	**-**	**575,327**	**-**

1. A sufficient number of shares were sold to cover applicable taxes with the balance of 41,055 shares held

2. A sufficient number of shares were sold to cover applicable taxes with the balance of 46,731 shares held

DIRECTORS' REMUNERATION REPORT

LONG TERM INCENTIVE

Grant date	Number of shares at 1 January 2020	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2020	Vesting date
16 March 2017	276,387		(265,332)[1]	(11,055)	Nil	16 March 2020
TOTAL	**276,387**	**-**	**(265,332)**	**(11,055)**	**Nil**	**-**

1. A sufficient number of shares were sold to cover applicable taxes with the balance of 140,313 shares held

KELVIN STAGG

ESIP

Grant Date	Number of shares at 1 January 2020	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2020	Vesting
15 March 2018	40,597	-	(40,597)[1]	-	-	16 March 2020
15 March 2018	40,598	-	-	-	40,598	15 March 2021
12 March 2019	44,088	-	(44,088)[2]	-	-	12 March 2020
12 March 2019	44,088	-	-	-	44,088	12 March 2021
12 March 2019	44,088	-	-	-	44,088	14 March 2022
13 March 2020	-	53,139	-	-	53,139	15 March 2021
13 March 2020	-	53,140	-	-	53,140	14 March 2022
13 March 2020	-	53,140	-	-	53,140	13 March 2023
Total	**213,459**	**159,419**	**(84,685)**	**-**	**288,193**	**-**

1.A sufficient number of shares were sold to cover applicable taxes with the balance of 21,468 shares held

2 A sufficient number of shares were sold to cover applicable taxes with the balance of 23,314 shares held

LONG TERM INCENTIVE

Grant date	Number of shares at 1 January 2020	Granted during the year	Vested during the year	Lapsed during the year	Number of shares at 31 December 2020	Vesting date
16 March 2017	140,662		(133,523)[1]	(7,139)	Nil	16 March 2020
TOTAL	**140,662**	**-**	**(133,523)**	**(7,139)**	**Nil**	**-**

1. A sufficient number of shares were sold to cover applicable taxes with the balance of 70,609 shares held

SHARE OPTIONS

Details of options granted under The Michael Page 2009 Share Option Scheme that remain outstanding at 31 December 2020 are as follows:

The Michael Page 2009 Share Option Scheme

Executive	Grant date	Number of options at 1 January 2020	Exercised during the year	Lapsed during the year	Number of options at 31 December 2020	Exercise price (p)	Exercise period
Kelvin Stagg	11 March 2011	30,000	-	-	30,000[1]	491.0	2014-2021
Kelvin Stagg	12 March 2012	30,000	-	-	30,000[2]	477.0	2015-2022
Total		**60,000**	**-**	**-**	**60,000**	**-**	**-**

1. At 31 December 2020, 12,052 of the options granted to Kelvin Stagg on 11 March 2011 had vested and were available for exercise

2. At 31 December 2020, all of the options granted to Kelvin Stagg on 12 March 2012 had vested and were available for exercise

Steve Ingham does not hold any options under The Michael Page 2009 Share Option Scheme.

STATEMENT OF DIRECTORS' SHAREHOLDINGS (AUDITED)

It is the Company's policy that Executive Directors are required to build and hold a direct beneficial holding in the Company's Ordinary shares of an amount equal to two times their base salary. The beneficial interests of the Directors who served during 2020, and their connected persons, in the Ordinary shares of the Company are shown in the table below. The table does not include interests in shares which are subject to ongoing Company performance conditions but does include shares awarded but not yet vested under the ESIP.

	Ordinary shares held as at 31 Dec 2020	Unvested Share Award (ESIP) as at 31 Dec 2020	% of salary held [1]	Shareholding requirement	Ordinary shares held as at 31 Dec 2019
Executives					
Steve Ingham	1,165,546	575,327	1045%	200%	937,447
Kelvin Stagg	294,028	288,193	546%	200%	178,637
Non-Executives					
Simon Boddie	-	n/a	n/a	n/a	-
Patrick De Smedt	-	n/a	n/a	n/a	-
Michelle Healy	-	n/a	n/a	n/a	-
David Lowden	10,000	n/a	n/a	n/a	10,000
Sylvia Metayer	-	n/a	n/a	n/a	-
Angela Seymour-Jackson	915	n/a	n/a	n/a	915

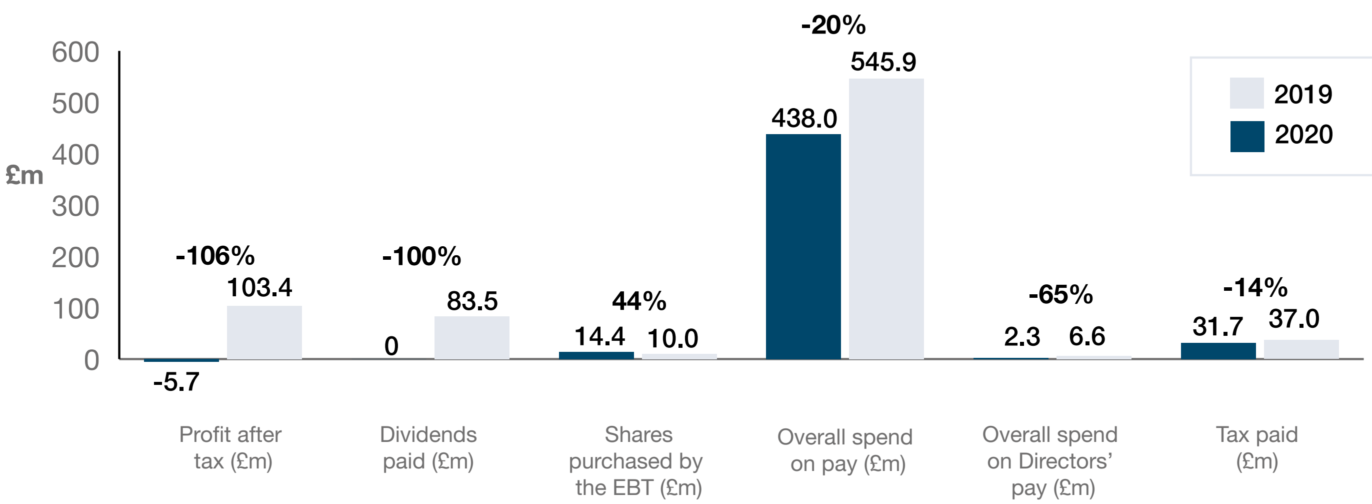
Notes:

1. This uses the closing share price on 31 December 2020 of £4.47 per share and includes unvested shares awarded under the ESIP calculated on a post-tax basis. The highest and lowest share prices during the year were £5.27 and £2.79 respectively

There were no changes in the Directors' interests between 31 December 2020 and the date of this report.

RELATIVE IMPORTANCE OF SPEND ON PAY

The graph below shows details of the Company's retained profit after tax, distributions by way of dividend, shares purchased by the Michael Page Employee Benefit Trust, overall spend on pay to all employees (see Note 4 in the financial statements on page 126), overall spend on Directors' pay as included in the single figure table on page 87 and the tax paid in the financial year. The percentage change to the prior year is also shown.



DIRECTORS' REMUNERATION REPORT

SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

All Executive Directors' service contracts contain a twelve-month notice period. The service contracts also contain restrictive covenants preventing the Executive Directors from competing with the Group for six months following the termination of their employment and preventing the Executive Directors from soliciting key employees, clients and candidates of the employing company and Group companies for twelve months following termination of employment. The Remuneration Committee has the right to exercise mitigation in the event of termination.

Non-Executive Directors, including the Chairman of the Board, are engaged under letters of appointment and do not have service contracts with the Company. They are appointed for a fixed term of three years, during which period the appointment may be terminated by either party upon giving one month's written notice or in accordance with the provisions of the Articles of Association of the Company. There are no provisions on payment for early termination in the letters of appointment. After the initial three-year term, Directors may be reappointed for a further term of three years, subject to annual re-election at each year's Annual General Meeting.

Where any Director's letter of appointment was renewed during the year they were not entitled to vote on their own appointment. Copies of the service contracts and letters of appointment are available for inspection during normal business hours at the Company's registered office.

Executive Director	Service Contract Date	Unexpired Term	Notice Period
Steve Ingham	31 December 2010	No specific term	12 months
Kelvin Stagg	27 July 2014	No specific term	12 months

Non-Executive Directors	Letter of Appointment/ Reappointment Date	Unexpired Term at 31 December 2020 [1]
Simon Boddie	18 July 2018	9 months
Patrick De Smedt	18 July 2018	7 months
Michelle Healy	2 October 2019	21 months
David Lowden	18 July 2018	8 months
Sylvia Metayer	5 August 2020	32 months
Angela Seymour-Jackson	5 August 2020	33 months
Ben Stevens	23 December 2020	36 months

Notes:

1. In the case of Non-Executive Directors, appointments are renewed with effect from the date within the month that the original appointment took effect.

STATEMENT OF VOTING AT THE ANNUAL GENERAL MEETING

At the Company's Annual General Meeting held on 4 June 2020, shareholders approved the existing Remuneration Policy. The table below shows the results of the binding voting on the Remuneration Policy and the advisory vote on the Directors' Remuneration Report put to shareholders at the 2020 Annual General Meeting. Each resolution required a simple majority of the votes cast to be in favour in order for each of the resolutions to be passed.

Resolutions	AGM	Votes For	%	Votes Against	%	Votes Withheld
Remuneration Policy	4 June 2020	250,926,751	90.71	25,689,170	9.29	15,928,893
Directors' Remuneration Report	4 June 2020	277,840,849	94.97	14,700,676	5.03	3,288

TOTAL SHAREHOLDER RETURN

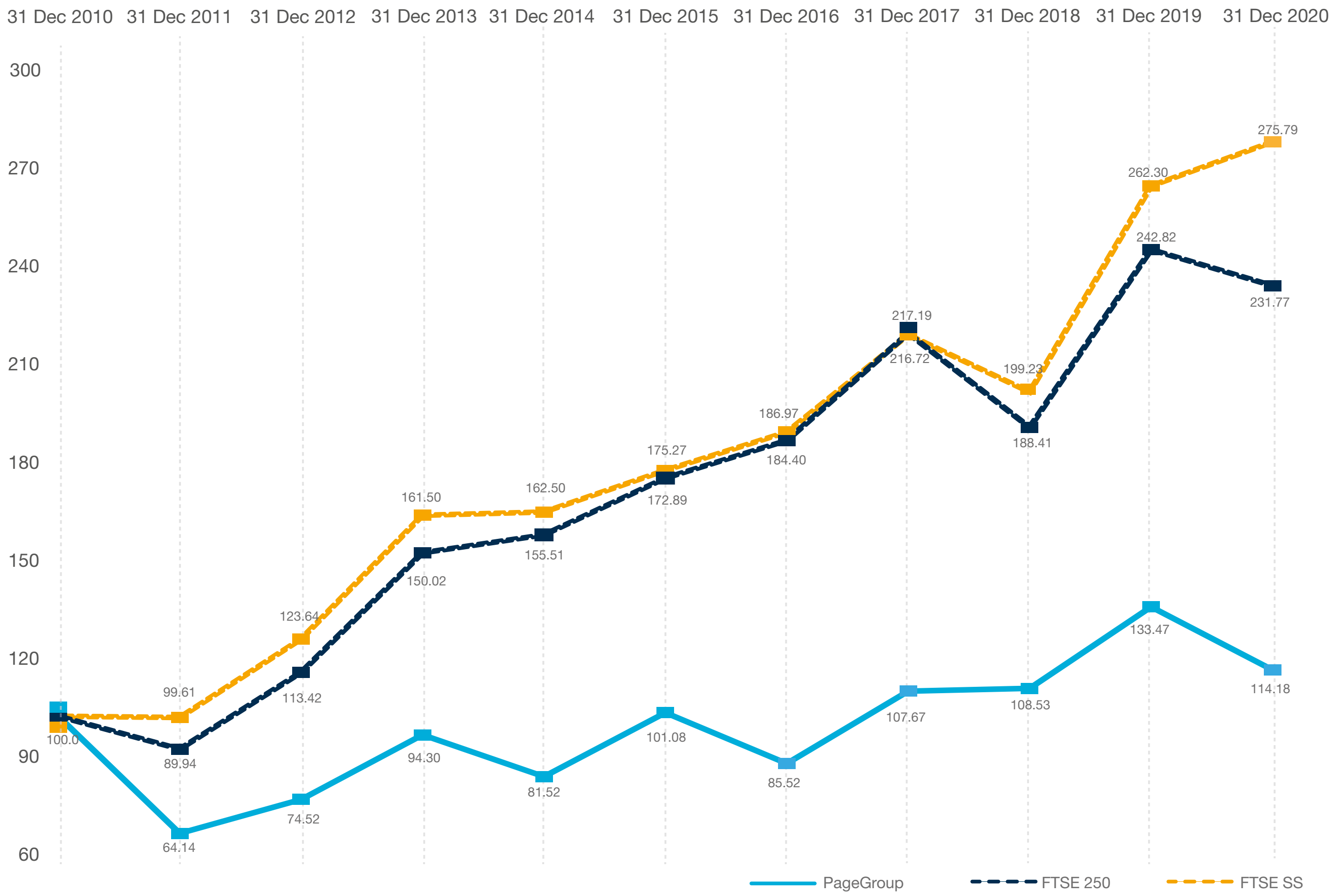
The performance graph below shows the movement in the value of £100 invested in the shares of the Company compared to an investment in the FTSE 250 index and the FTSE Support Services index over the period 31 December 2010 to 31 December 2020. The graph shows the Total Shareholder Return generated by the movement in the share price and the reinvestment of dividends.

The FTSE 250 index and the FTSE Support Services index have been selected as the Company was a member of each index throughout the period. The table below shows the total remuneration of the Chief Executive Officer over the same ten-year period.

CEO	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Single remuneration total	£1,647k	£2,723k	£1,318k	£1,494k	£2,074k	£2,089k	£3,660k	£4,340k	£3,771k	£1,171k
Short-term incentives (% of maximum) (note 1)	n/a	n/a	58%	71%	68%	60%	n/a	n/a	n/a	n/a
Long-term incentives (% of maximum)	n/a	n/a	n/a	n/a	n/a	60%	55.35%	96.1%	96%	n/a
Executive Single Incentive Plan (% of maximum)	n/a	n/a	n/a	n/a	n/a	n/a	91%	87.7%	75.4%	16.5%

Notes:

1. Prior to 2012 the Company operated uncapped incentives which, by definition, did not have the concept of "maximum". As a result, it is not possible to provide this information historically. However, following the changes in 2012 it is possible to provide this information for the years 2013, 2014, 2015 and 2016



EXTERNAL DIRECTORSHIPS

No Executive Directors earned any fees from external directorships during the year ending 31 December 2020.

DIRECTORS' REMUNERATION REPORT

SECTION 4: REMUNERATION FOR EMPLOYEES BELOW THE BOARD

Our remuneration philosophy is cascaded through the organisation and we focus on rewarding collective achievement and team-based success. At senior levels we use a combination of shares and cash to achieve this and drive alignment with the business. At more junior levels variable reward is delivered through cash only.

Overall reward is benchmarked on a regular basis to the respective local market and is linked to skill and experience in role. We offer a wider range of benefits that evolves over time. This includes Company provided benefits, but also extends to a range of policies to support work-life balance and wellbeing.

The Company does not formally consult with employees on remuneration matters to consider executive pay or Remuneration Policy design but does review information on employee satisfaction with reward throughout the organisation, including reviewing results to reward questions from surveys run throughout employees' lifecycle.

REWARD ACROSS THE PAGEGROUP BUSINESS

We operate within a broad reward framework across our organisation, designed to enable effective progression of talent and grow our own pipeline of talent for the future. We focus on how we drive team-based behaviours to create better customer relationships to support our strategy of organic growth.

Employees typically receive salary and a range of benefits driven by local market norms and practice. Most of our employees also have access to variable pay schemes linked to the success they help create.

Our regular activities to engage with our staff (see pages 32 to 33) give us valuable insight of our reward offer and areas of reward that are working and opportunities for change. We discuss our overall approach as a Board and the way that reward may be expected to change as someone progresses through the organisation.

BASE SALARY	Salaries are set with reference to the skills and experience of the individual and reflect the local market ranges. The career journey of the fee earning population enables regular pay reviews on achievement of performance-based targets which will contribute to the success of the team. For others, salaries are usually reviewed annually and adjusted in consideration of business affordability, individual performance and local market rates of pay.
BENEFITS	We operate across a range of countries where we see very different practices in terms of benefit provision. Our benefits typically include items such as pension provision, life insurance and medical cover. The levels of contribution or investment in benefits will be driven by local market factors rather than a single global approach.
VARIABLE PAY	The variable pay of the consultant population broadly takes two approaches. Some work on an individual commission basis which promotes individual performance that contributes to the success of the wider team. Others participate in bonus structures which deliver cash awards based on the success of their respective team. Amounts of bonuses awarded will be influenced by the performance of the team as well as the performance of the individual. At a leadership level we also offer deferred cash incentives to drive retention of talent, in addition to the bonus structures available. At senior leadership levels we provide access to share-based incentives, designed to enable individuals to build up a holding in Company shares and fully align them to the shareholder experience.

COMMITTEE INSIGHT AND FOCUS

The Committee received an overview of the reward structure in place across the organisation during 2020. Subsequent discussion included the following themes and responses:

Theme	Findings
Linkage of reward with performance assessment	• All colleagues participate in performance management processes which give clarity over both what someone is expected to accomplish and how this should be achieved • It is achieved through the combination of: o **Goals:** expected outputs over the review period o **KPIs:** actions and metrics expected in pursuit of the goals o **Behaviours:** that should be demonstrated in pursuit of the above • Specific behaviours are based around defined criteria linked to seniority of role • Overall attainment is directly linked to awards under variable plans and any future salary adjustments.
Provision of benefits across a global organisation	• Regular assessments are made of market competitiveness of benefits within our key markets, using external benchmark data. • Benefits do vary between countries reflecting different market norms. • Any proposed changes to benefits offered is done through engagement with the regional HR and finance leaders, with proposals reviewed centrally depending on the level of cost investment.
Way that awards under variable pay plans are governed through the business	• Funding of bonus pools is managed with finance teams with central oversight. • Country leaders make proposals on allocation of bonuses which are reviewed by their respective managers • All proposals are collated centrally to review levels of spend and affordability
Alignment to culture and linkage to diversity and inclusion	• There is a demonstrable cascade of key objectives through the organisation. As an example, all Managing Directors have designated targets within variable incentive plans requiring progress on key diversity and inclusion metrics.
Ways that the organisation gains insight into employee satisfaction with reward	• Questions are included within the “Have Your Say” engagement survey and the employee lifecycle surveys linked to pay and benefits and trends tracked over time. • Discussion of reward can occur within many of the existing forums within the business (e.g., Page networks such as Women@page, Unity@page etc.) • Pulse surveys and use of internal technology (e.g., Yammer) monitors responses to key questions and tracks changes • Engagement sessions with staff members, including those attended by Non-Executive Directors. • Feedback from employees who choose to leave us (gained through exit surveys)

CEO PAY RATIO

This is the second year that we have disclosed the ratio of CEO remuneration to that of our employees in the UK.

		CEO Pay Ratio		
	Calculation Method	25th Percentile	Median	75th Percentile
2020	Option A	43:1	27:1	17:1
2019	Option A	160:1	105:1	64:1

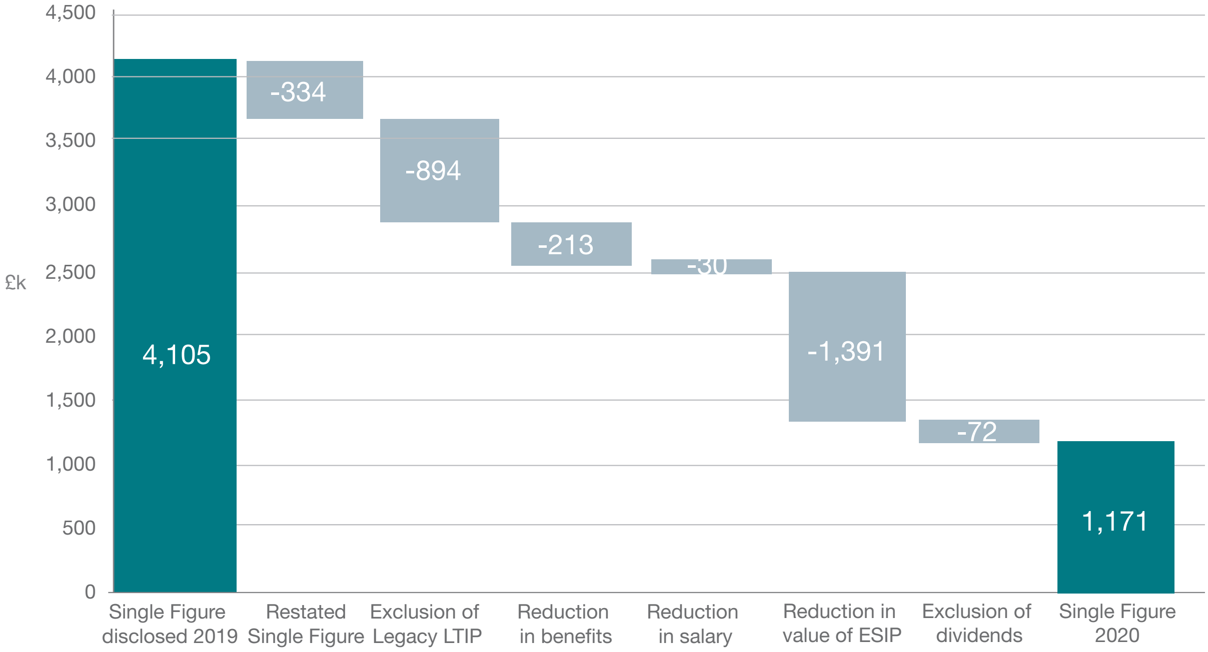
We believe that the median ratio is consistent with the Company’s wider policies on employee reward, pay and progression. The significant reduction in the single figure and CEO pay ratio from 2019 to 2020 reflects the higher weighting towards variable reward for Executive Directors compared to other employees across the organisation and is broken down in more detail on the following page.

DIRECTORS' REMUNERATION REPORT

COMMENTARY ON THE RATIO

There has been a significant fall in the CEO pay ratio between 2019 and 2020. This is primarily linked to the change in the CEO single figure as explained below

Change in CEO Single Figure 2019 to 2020 (£k)



Reward Change	Commentary
Restated Single Figure	The single figure value in the 2019 Annual Report used an assumption for the share price to determine the final value of the legacy long-term LTIP. This value has been restated (see page 87) reflecting the lower actual share price at the time of vest
Exclusion of the Legacy LTIP	In addition, the 2019 single figure included the value of the legacy award that vested in March 2020 (as well as the value of shares to be awarded under the 2019 ESIP). This is a consequence of the way that the regulations require these values to be disclosed within the single figure table and reflected the end of the transition from former reward arrangements to the ESIP structure.
Salary	Reflects voluntary waiver of 20% of salary during Q2 of 2020.
Benefits	The benefits figure for the CEO included additional medical payments, designed to facilitate a return to work after a skiing accident.
ESIP Outcome	Variable compensation outcomes: after discretion exercised by the Committee the award under the ESIP for 2020 was 16.5% of maximum.
Dividends	Dividends included in the 2019 single figure related to shares awarded under the legacy LTIP in place prior to the introduction of the ESIP in 2017.

APPROACH AND CALCULATION

We have elected to use Option A to calculate the ratio as we believe this gives the most accurate insight into employee pay and benefits and closest comparison to the CEO single figure value. The calculation is effective 31 December 2020 and calculations for employees have been produced on a full-time equivalent basis consistent with the single figure total. The reward structure for our CEO is weighted far more towards variable reward than most of our employees within the UK. Therefore, we expect future changes to this ratio to be linked to changes in variable award levels under the ESIP and future share price movement.

We also recognise that the earnings profile across our UK employees and that both the mean and median can be useful measures of dispersion. We have provided two supplementary ratios for illustration as follows:

Scenario	Resulting CEO Single Figure	Resulting CEO Pay to Median Ratio
CEO "On-Target" Remuneration compared to 2020 UK Median FTE Reward	£2,004k	51:1
CEO single figure compared to UK mean FTE earnings	£1,171k (as disclosed)	21:1

The employee figures for our UK workforce to calculate the ratios are as follows:

	25th Percentile	Median	75th Percentile
Total pay and benefits – 2020	£27,431	£43,245	£68,694
Change on 2019	7.1%	10.6%	6.9%
Total salary	£26,000	£35,000	£50,000
Change on 2019	6.1%	14.4%	12.9%

These values are calculated on a full-time equivalent basis as required under the regulations, based on our UK workforce as at 31 December 2020.

SECTION 5: OUR REMUNERATION POLICY

Our Remuneration Policy was approved by Shareholders at the 2020 AGM held on 4 June 2020. The Policy is designed to enable us to attract, retain and fairly reward high calibre Executive Directors and drive meaningful and lasting alignment between achieved performance and reward outcomes.

Our full remuneration policy is set out in the Directors' Remuneration Report 2019 and can be found on our website www.page.com. Central to the Policy is the use of the Executive Single Incentive Plan (ESIP) as an incentive structure. The ESIP provides a structure that:

- firmly aligns pay with performance;
- recognises the cyclical nature of the industry;
- reduces undue volatility to drive performance and retention of Executives throughout all stages of the economic cycle; and
- ensures that Executives build up meaningful shareholdings to align with shareholders.

PageGroup Strategic Priorities	Current ESIP Performance Measures*
Organic, high margin and diversified growth	Annual PBT Performance 3-year EPS growth Gross Profit growth relative to defined peer group
Efficiently scalable and highly flexible to react to market conditions	
Nurture and develop people	Strategic Measures
Innovation	Strategic Measures

*as used for operation of ESIP 2020

The ESIP structure rewards Executives for the appropriate delivery of our strategy and value to shareholders. The Committee believes this model is an appropriate fit for the PageGroup business – ultimately our key responsibility in considering reward. The ESIP recognises the cyclical nature of the recruitment sector, and as a way of motivating leaders, drives superior business outcomes and acts as a retention mechanism through the economic cycle.

Changes made to the operation of the ESIP when the Policy was approved in 2020 included:

- prospective disclosure of all long-term targets;
- extension of vesting period;
- increase minimum portion of assessment linked to long-term metrics; and
- simplification and consolidation of performance measures.

The ESIP is motivational, trusted by our Executives and has subsequently been cascaded to lower levels of leaders within the business to drive alignment and consistency in the way we operate reward.

It allows us to implement a pay for performance philosophy without undue volatility, drives higher levels of shareholding in the business and ensures alignment of Executives with the experience of shareholders. The phased nature of share vesting further supports alignment and management of reward volatility.

Our Remuneration Policy aligns with Provision 40 of the UK Corporate Governance Code 2018 as explained below:		
Clarity We actively engage with shareholders and demonstrate how their views and perspectives are considered in the development of our Policy.	**Simplicity** We look to describe the structure of reward clearly to both participants and shareholders through effective disclosures. Target documents are issued to Executives each year to ensure clear understanding of the way reward will be delivered and assessed.	**Alignment to culture** The Policy aligns to our business model and reflects alignment to our strategy. Measures used to determine awards link to our Strategic Priorities.
Predictability Examples of the range of outcomes under the Policy are shown within the scenario graphs. This demonstrates the way that different performance levels change reward outcomes for individuals and the associated impact of changes in the Company share price.	**Proportionality** A significant proportion of the total reward opportunity is performance driven, with clear linkage between business metrics and variable reward outcomes. Metrics for variable awards are key KPI measures for the business and align to delivery of strategy and performance against goals set. A significant proportion of variable awards are delivered in shares and Executives are required to develop and maintain a material shareholding in the business to fully align to the shareholder experience.	**Risk** The Committee retains ultimate discretion to vary outcomes from formulaic results if they do not judge this to accurately reflect underlying business performance. Malus and Clawback provisions apply to all awards and we operate post-cessation shareholding requirements to further align Executives to long-term business performance.

A summary of our Policy is provided on the following pages.

DIRECTORS' REMUNERATION REPORT

EXECUTIVE DIRECTORS' POLICY

	Base Salary	Benefits	Pension	Incentives	Shareholding
Purpose	Attract, retain and reward high calibre Executive Directors.	Attract, retain and reward high calibre Executive Directors. Provision of opportunities for connecting with clients, investors and staff to facilitate growth strategy.	Attract, retain and fairly reward high calibre Executive Directors.	Rewards both short and long-term performance. Aligns interests of Executive Directors with shareholders.	To align Executives to Company performance through meaningful levels of mandatory shareholding. Post-cessation Policy to align Executives beyond termination of employment.
Operation	Salary levels (and subsequent increases) are set after reviewing various factors including individual and Company performance, role and responsibility, internal relativities such as the increases awarded to other employees and prevailing market levels for Executive Directors at companies of comparable status and market value, considering the total remuneration package. Salaries are normally reviewed annually. Salary is paid monthly, and increases are generally effective from 1 January.	Competitive benefits including car allowance or company car (including running costs), private medical insurance for the individual and family, permanent health insurance and four times salary life assurance. Provision of relocation assistance and any associated costs or benefits (including but not limited to housing benefits, personal tax advice and school fees) upon appointment if/when applicable. The Company may also provide tax equalisation arrangements.	Executive Directors may receive a defined contribution pension benefit or cash supplement.	Awards are paid in cash (40%) and deferred shares (60%) vesting at defined future dates subject to continued employment. The plan consists of metrics linked to annual performance only, and other metrics that consider performance over a 3-year period. At least 50% of any award will depend on assessment against longer term metrics. Performance will be measured against a balanced scorecard, to support the Company's strategy. Performance targets will be a mix of financial and strategic targets which may comprise, but are not limited to, the following: PBT; key strategic projects; people development; cost management; relative Gross Profit vs a comparator group; and EPS. A maximum of 25% vesting will apply for threshold performance. A post-vesting holding period applies. Directors who have not reached the shareholding requirement of 200% of base salary will be required to hold vested shares from each tranche of the ESIP for a further two years post-vesting, except for sales for the purposes of meeting tax liabilities on vesting and exercise. A minimum of 80% of the possible award will normally be linked to financial metrics. Dividend equivalents accrue during the vesting period but are only released to the extent awards vest. Malus and clawback provisions will apply to the total award, including cash and deferred portions, for misstatement of performance, substantial failure of risk control, and gross misconduct.	Shareholding requirements are operated to align Executive Directors' interests with those of shareholders. The current requirement is 200% of base salary. A new post-cessation shareholding policy will require leavers to hold 2x salary for the first 12 months post cessation and 1x salary for the subsequent 12 months.

EXECUTIVE DIRECTORS' POLICY TABLE (CONTINUED)

	Base Salary	Benefits	Pension	Incentives
Maximum	Salaries will not normally increase by more than RPI +5% except increases in excess of this may be awarded in the case of new Executive Directors where it is appropriate to offer a below market salary initially on appointment and a series of staged increases, subject to performance and experience in role, to bring to a market competitive salary. Aim for market competitive salaries	Competitive benefits in line with market practice.	New appointments at the Executive Director level will receive a cash allowance in line with the wider UK workforce. Pension contribution levels for incumbent Executive Directors will be frozen at the level received in 2019 through to the end of 2022 and then replaced to align to the prevailing rate of the wider UK workforce from 1 January 2023.	Maximum award for CEO = 375% of salary. Maximum award for CFO = 325% of salary.

NON-EXECUTIVE DIRECTORS' POLICY

The Board Chairman and Non-Executive Directors receive a fee for their services and do not receive any other benefits from the Group, nor do they participate in any of the bonus or share schemes. The fees recognise the responsibility of the role and the time commitments required and are not performance related or pensionable. They are paid monthly in cash and there are no other benefits.

Non-Executive Directors, including the Chairman of the Board, are engaged under letters of appointment and do not have service contracts with the Company. They are appointed for a fixed term of three years, during which period the appointment may be terminated by either party upon one month's written notice or in accordance with the Articles of Association of the Company. There are no provisions on payment for early termination in the letters of appointment. After the initial three-year term, they may be reappointed for a further term of three years, subject to annual re-election at Annual General Meetings.

Element	Purpose and Link to Strategy	Operation	Maximum Opportunity
Fees	Attract, retain and fairly reward high calibre individuals.	Reviewed by the Board after recommendation by the Chairman and Chief Executive Officer (and by the Committee in the case of the Chairman) considering individual responsibilities, such as Committee Chairmanship, time commitment, general employee pay increases, and prevailing market levels at companies of comparable status and market value. Fee increases are normally reviewed annually and are generally effective from 1 January. Non-Executive Directors also receive reimbursement of reasonable expenses incurred in connection with Company business and the Company may settle any tax incurred in relation to these.	The maximum aggregate fees for Directors allowed by the Company's Articles of Association is £600,000. Current fee levels are set out in the Directors' Annual Remuneration Report.

The Directors' Remuneration Report has been approved and signed on behalf of the Board of Directors.

Angela Seymour-Jackson
Chair of the Remuneration Committee

2 March 2021

DIRECTORS' REPORT

Kaye Maguire,
General Counsel &
Company Secretary

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The Directors present their Report together with the consolidated financial statements for the year ended 31 December 2020.

Certain information that fulfils the requirements of the Directors' Report can be found elsewhere in this document as noted in the table opposite. This information is incorporated into this Directors' Report by reference. Pages 68 to 80, 105 to 107 and 146 to 149 also comprise the Directors' Report for the year ended 31 December 2020.

DIRECTORS

There have been no changes to the Board in the year under review. The Directors who served throughout the year were David Lowden, Simon Boddie, Patrick De Smedt, Steve Ingham, Michelle Healy, Kelvin Stagg, Sylvia Metayer and Angela Seymour-Jackson. Ben Stevens was appointed to the Board on 1 January 2021.

RESULTS AND DIVIDENDS

The results for the year are set out in the Consolidated Income Statement on page 113. An analysis of revenue, profit and net assets by region is shown in Note 2 on pages 123 to 124.

Following the difficult trading conditions across the Group as a result of the global pandemic, the proposed 2019 Final dividend of £30.2m announced with the Group's preliminary results announcement was subsequently withdrawn. In light of the ongoing level of uncertainly that has been generated by the pandemic, the Board has taken the decision to suspend the Company's dividend policy. It is the intention of the Board to return to making shareholder returns when conditions improve.

SHARE CAPITAL

As at 31 December 2020 the Company's issued capital comprised a single class of 328,618,744 Ordinary shares of 1p each, totalling £3,286,187.44. At the Annual General Meeting held on 4 June 2020 the shareholders authorised the Company to purchase up to a maximum of 10% of the issued share capital in the market. No shares were repurchased during the year. Shareholders also authorised the Directors to allot shares up to an aggregate nominal value of £1,095,395.91. Further resolutions in respect of these matters will be put to shareholders at the forthcoming Annual General Meeting.

During the year 15,000 shares were issued to satisfy share options exercised. The Company reviews the award of shares made under the various employee and executive share plans in terms of their effect on dilution limits and complies with the dilution limits recommended by The Investment Association.

STAKEHOLDERS AND EMPLOYMENT POLICY AND EMPLOYEE INVOLVEMENT

Pages 51 to 53 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 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 Group's employment policy includes the continued employment of those who may become disabled during their employment, and the provision of training and career development and promotion.

The Directors have also engaged with employees and taken their interests into account in respect of decision making. The Group is committed to employee involvement throughout the business. Employees are kept well informed of the performance and strategy of the Group through personal video briefings, regular online interactive briefings, Yammer (the Group's internal social collaboration site), emails and other communications from the Chief Executive Officer and members of the Executive Board. Further details of employment policies and employee involvement can be found in the Strategic Report on pages 27 to 38.

DIRECTORS' INDEMNITIES

The Company purchased and maintained Directors' and Officers' Liability Insurance throughout the period under review, which gives appropriate cover for legal actions brought against the Directors. The Company granted separate indemnities to the Directors to cover liabilities arising from third parties. The extent of the indemnities provided is as permitted under law.

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Details of the Group's use of financial instruments, including financial risk management objectives and policies of the Group, and exposure of the Group to certain financial risks can be found in Note 21 on pages 140 to 144.

SIGNIFICANT AGREEMENTS CONTAINING CHANGE OF CONTROL PROVISIONS

The Company has an invoice discounting facility that terminates on a change of control, with prepaid amounts being repayable.

Directors' and employees' contracts do not normally provide for payment for loss of office or employment as a result of a change of control. However, the Company operates several share and share option schemes for the benefit of its Executive Directors and employees, the rules of which contain provisions which may cause options and share awards granted to vest on a change of control.

POLITICAL CONTRIBUTIONS

No political contributions were made during the year. The Company has a policy of not making political donations to political organisations or independent election candidates anywhere in the world as defined by the Political Parties, Election and Referendums Act 2000.

POST BALANCE SHEET EVENTS

There have been no significant post balance sheet events since 31 December 2020.

LISTING RULE 9.8.4

There is no information required to be disclosed under Listing Rule 9.8.4., save that for the purposes of Listing Rule 9.8.4(5) the Directors waived emoluments from the Company as further described in the Directors' Remuneration Report.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held on 3 June 2021.The notice of meeting will be made available on the Company's website **www.page.com** and posted separately to shareholders that have requested this.

By order of the Board

Kaye Maguire

General Counsel & Company Secretary

2 March 2021

SUBSTANTIAL SHAREHOLDERS

At 31 December 2020 the Company had been notified, in accordance with the FCA Disclosure Guidance and Transparency Rules, of the undermentioned noted interests in its Ordinary share capital. The percentage of voting rights shown below are as at the date of notification.

Shareholder	No. of Ordinary shares	% of voting rights
Liontrust Investment Partners LLP	33,299,147	10.13%
The Capital Group Companies, Inc	16,455,148	5.01%
Heronbridge Investment Management LLP	16,303,888	4.96%
Franklin Templeton Institutional LLC	16,104,930	4.93%
Tameside MBC re Greater Manchester Pension Fund	9,940,870	3.03%

The following notifications were received during the period 1 January 2021 to 2 March 2021:

Shareholder	No. of Ordinary shares	% of voting rights
Liontrust Investment Partners LLP	36,137,014	11.00%

Since the date of disclosure, the above shareholdings may have changed.

DIRECTORS' REPORT

DIRECTORS' STATEMENTS OF RESPONSIBILITY

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable law and regulations. Detailed below are statements made by the Directors in relation to their responsibilities, disclosure of information to the Company's auditor and going concern.

1. FINANCIAL STATEMENTS AND ACCOUNTING RECORDS

Company law of England and Wales requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and parent company financial statements in accordance with International Financial Reporting Standards ('IFRSs') in conformity with the Companies Act 2006. Under company law the Directors must not approve the Group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group and the Company for that period.

Under the Financial Conduct Authority's Disclosure Guidance and Transparency Rules, Group financial statements are required to be prepared in accordance with IFRSs adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- in respect of the Group financial statements, state whether IFRSs in conformity with the Companies Act 2006 and IFRSs adopted pursuant to Regulation(EC) No 1606/2002 as it applies in the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- in respect of the parent company financial statements, state whether IFRSs in conformity with the Companies Act 2006, 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 appropriate to presume that the Company and/or the Group will not continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Company and the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Report that comply with that law and those regulations.
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

2. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm, to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with IFRSs in conformity with the Companies Act 2006 and IFRSs adopted pursuant to Regulation(EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the parent company and undertakings included in the consolidation taken as a whole; and
- that the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

3. DISCLOSURE OF INFORMATION TO THE AUDITOR

Having made the requisite enquiries, so far as the Directors are aware as at the date of this Statement, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the Company's auditor is unaware and the Directors have taken all the steps they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Kelvin Stagg

Chief Financial Officer

2 March 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAGEGROUP PLC

OPINION

In our opinion:

- PageGroup plc's Group financial statements and Parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No.1606/2002 as it applies in the European Union;
- the Parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of PageGroup plc (the 'Parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise:

Group	Parent company
Consolidated income statement for the year ended 31 December 2020	
Consolidated statement of comprehensive income for the year then ended	
Consolidated balance sheet as at 31 December 2020	Balance sheet as at 31 December 2020
Consolidated statement of changes in equity for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of cash flows for the year then ended	Statement of cash flows for the year then ended
Related notes 1 to 24 to the financial statements, including a summary of significant accounting policies	Related notes 1 to 24 to the financial statements including a summary of significant accounting policies

The financial reporting framework that has been applied in their preparation is applicable law and International Accounting Standards in conformity with the requirements of the Companies Act 2006 and, as regards to the Group financial statements, International Financial Reporting Standards adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union and as regards the Parent company financial statements, as applied in accordance with section 408 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 Group 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 as applied to listed public interest entities, 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. Our evaluation of the directors' assessment of the Group and Parent company's ability to continue to adopt the going concern basis of accounting included:

- We confirmed our understanding of management's going concern assessment process, performed our own related risk assessment, and engaged with management early to ensure all key factors were considered in their assessment.
- We obtained management's going concern assessment, including the cash forecast for the going concern period to 31 March 2022 (the review period), being at least 12 months from the date of approval of the Annual Report. The Group has modelled a Base Case scenario and a Downside case designed to assess the impact of a severe but plausible scenario. We assessed whether the Downside assumptions reflected sufficiently the severity of likely COVID-19 restrictions and impact on trading.
- We tested the key assumptions in the forecasts by reference to historical trends, independent sector forecasts and other information where available, taking into account the impact of COVID-19. We tested the methodology and calculations employed by the model to determine if they were appropriate to make the assessment for the Group.
- We considered the mitigating factors included in the cash forecasts that are within control of the Group. This included review of the Company's non-operating cash outflows and evaluating the Company's ability to control these outflows as mitigating actions if required.
- We also verified the existence and availability of the BBVA Revolving Credit Facility, associated terms and confirmed all covenants are waived to maturity.
- We reviewed the Group's going concern disclosures included in the Annual Report in order to assess that the disclosures were appropriate and in conformity with the reporting standards and FRC guidance.

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 Group and Parent company's ability to continue as a going concern for the review period to 31 March 2022. In relation to the Group and Parent company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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 Group's or Parent company's ability to continue as a going concern.

OVERVIEW OF OUR AUDIT APPROACH

Audit scope	• We performed an audit of the complete financial information of 6 components and audit procedures on specific balances for a further 5 components. • The components where we performed full or specific audit procedures accounted for 85% of Profit before tax, 82% of Revenue and 76% of Total assets.
Key audit matters	• Revenue recognition for permanent and temporary placements
Materiality	• Overall Group materiality of £5m which represents 5% of 2020 normalised profit before tax. We used professional judgement to determine materiality given the impact of COVID-19 on the Group's results.

AN OVERVIEW OF THE SCOPE OF THE GROUP AUDIT

TAILORING THE SCOPE

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of group-wide controls, changes in the business environment and other factors such as recent Internal audit results when assessing the level of work to be performed at each component.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 37 reporting components of the Group, we selected 11 components covering entities within the United Kingdom, France, the United States, Germany, China, Hong Kong, Australia, Italy, Spain, Netherlands and Belgium which represent the principal business units within the Group.

Of the 11 components selected, we performed an audit of the complete financial information of 6 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 5 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

The reporting components where we performed audit procedures accounted for:

		2020	2019
Revenue	Full scope components	58%	59%
	Specific scope components	24%	23%
	Total	**82%**	**82%**
Profit before tax	Full scope components	99%	64%
	Specific scope components	(14%)	21%
	Total	**85%**	**85%**
Total assets	Full scope components	59%	54%
	Specific scope components	17%	18%
	Total	**76%**	**72%**

*Significant change in the percentage contribution from prior year is due to the mix of profit and loss between the components due to COVID-19

Of the remaining 26 components that together represent 18% of the Group's revenue, none are individually greater than 3% of the Group's revenue. For these components, we performed other procedures, including analytical review procedures on a country-by-country basis, obtaining an understanding of the Group-wide entity level controls over all components and assessing the results of the Internal Audit reviews to identify any potential risks of material misstatement to the Group financial statements. We have also verified bank reconciliations to test cash balances, performed data analytics to test the correlation between revenue, accounts receivable and cash and revenue cut-off procedures around year-end at some of the larger locations within these remaining 26 components.

INVOLVEMENT WITH COMPONENT TEAMS

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. For the six full scope and five specific scope components, audit procedures were performed by component audit teams. Procedures on the Group's Head Office were performed directly by the primary audit team. For all full and specific scope components, where the work was performed by component auditors, we determined the appropriate level of Group team involvement as described below to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

IMPACT OF COVID-19 PANDEMIC

The Group audit team intended to complete site visits to the UK Shared Service Centre (SSC) which accounts for the UK and US businesses, Germany, France and the EMEA SSC based in Spain. The planned site visits had to be adjusted and replaced by virtual meetings due to the travel restrictions imposed by the COVID-19 outbreak.

The virtual meetings involved discussing the audit approach with the component teams and any issues arising from their work, reviewing key audit working papers on risk areas. The Senior Statutory Auditor and Group audit senior manager attended the virtual audit closing meeting for the UK and the US components with the local management. The Group audit team led video conference calls with all the component teams to discuss key audit procedures over significant risks and key judgements, with the Senior Statutory Auditor leading 9 of the 11 calls. The independent partner had calls with 7 of the 11 component Audit Partners. The Group audit team led 3 regional audit closing meetings held via video conference with regional management and the Group CFO, at which key areas of local judgement and audit findings were discussed.

For all components, the year-end review of relevant audit work papers was facilitated by the EY electronic audit file platform, screen sharing or the provision of copies of work papers direct to the Group audit team.

The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed key working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

REVENUE RECOGNITION FOR PERMANENT AND TEMPORARY PLACEMENTS

Refer to the Audit Committee Report (page 78); Accounting policies (page 119); and Note 2 of the Consolidated Financial Statements (page 123).

The Risk	Our response to the risk	Key observations communicated to the Audit Committee
The Group has reported permanent placement revenue of £441.5million (2019: £649.9million) and temporary placement revenue of £863.3million (2019: £1,004million). For permanent placements there is a risk around the timing of revenue recognition as revenue is recognised when customer and candidate agreement is achieved, which may be several months in advance of the start of employment. Consequently, there is a risk that: • recognition occurs before revenue recognition criteria have been met; • period end cut-off is performed incorrectly; or • management judgement is incorrectly applied in estimating the level of provision required for potential revenue reversals when placements are not taken up as agreed. • Temporary placement revenue is recognised when the customer has approved the timesheet. Consequently, there is a risk that: • revenue is recognised before an approved timesheet has been submitted; or • that period end cut-off is performed incorrectly. For both permanent and temporary placements we have identified the risk of management override by manipulation of revenue through management initiated or top-side journals.	We performed the following full and specific scope audit procedures over this risk area at 11 components, which covered 82% of the revenue balance: • For permanent and temporary revenue streams, we identified and assessed the design of key controls to validate that revenue recognition was appropriate and applied in accordance with the Group's accounting policies. • For all 11 components, we used data analytics covering all revenue transactions in the year to test the correlation between revenue, accounts receivable and cash. • Performed period-end cut off testing for a sample of revenue transactions to check all revenue recognition criteria for the permanent and temporary placements had been met and that revenue had been recognised in the correct period. • Compared the level of permanent placement revenue reversals over the last 12 months, which occur as a result of non-completion of contractual placements, to the provision recorded against accrued income and trade receivables to determine if the assumptions used to calculate the provision were appropriate. We also re-performed the provision calculation to confirm its accuracy. • Performed testing of cash collections made post year-end for a sample of balances to validate the existence of accrued revenue and trade receivable balances. For those transactions not collected in cash we verified documents to check all revenue recognition criteria had been met. • To address the risk of management override, we performed journal entry testing over revenue, focusing on management initiated entries and top-side adjustments specifically around year end. For all other components which represent 18% of the revenue balance: • For three components representing greater than 2% each of the Group's revenue we used data analytics to test the correlation between revenue, accounts receivable and cash; performed period-end cut off testing for a sample of revenue transactions to check that all revenue recognition criteria for the permanent and temporary placements had been met; and that revenue had been recognised in the correct period. • We performed audit procedures centrally on a country-by-country basis to address the risk of an undetected material error occurring in all other components representing 18% of the Group's revenue. These comprised analytical review of revenue and gross profit, and ratio analysis of key performance indicators including revenue and gross profit per fee earner.	We concluded that revenue recognised for permanent and temporary placements is correctly recorded in accordance with the Group's revenue recognition criteria and IFRS, and that the provision for expected revenue reversals was appropriate.

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £5 million (2019: £7.1 million), representing 5% of 2020 normalised profit before tax (2019 – 5% of Profit Before Tax). This approach is a change from the prior year to reflect the volatility in the results of the Group arising from the impact of COVID-19. Normalised profit before tax for 2020 was set at 2016 profit before tax of £100m due to similar levels of revenue and gross profit during the year.

We determined materiality for the Parent company to be £6.7 million (2019: £5.7 million), which is 0.5% of total assets (2019: 0.5% of total assets). We believe that total assets is an appropriate basis to determine materiality given the nature of the Parent company as the holding company of the Group. The materiality was capped at the Group allocated materiality of £0.8 million (2019: 1.1 million).

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2019: 75%) of our planning materiality, namely £3.8m (2019: £5.1m). We have set performance materiality at this percentage due to lower likelihood of misstatements.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £0.8m to £2.3m (2019: £1.1m to £2.9m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.25m (2019: £0.36m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

OTHER INFORMATION

The other information comprises the information included in the Annual Report and Accounts set out on pages 1 to 149 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.

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, the part of the directors' remuneration report to be audited has been properly prepared in accordance with 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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the Parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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 by the Parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent company financial statements and the part of the Directors' Remuneration Report to be audited 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.

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 49;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 50;

- Directors' statement on fair, balanced and understandable set out on page 72;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 71;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 41 to 42; and
- The section describing the work of the audit committee set out on page 76.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 107, 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 Group and Parent 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 Group or the Parent 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.

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 company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (IFRS, the Companies Act 2006 and UK Corporate Governance Code) and the relevant tax compliance regulations in the jurisdictions in which the Group operates and the EU General Data Protection Regulation (GDPR). There are no significant, industry specific laws or regulations that we considered in determining our approach.
- We understood how PageGroup plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee, as well as consideration of the results of our audit procedures across the Group to either corroborate or provide contrary evidence which was then followed up. 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 Group's financial statements to material misstatement, including how fraud might occur, by meeting with management from various parts of the business to understand where it considered there was susceptibility to fraud. We engaged our forensics specialists in assisting our assessment of the susceptibility of the Group's financial statements to fraud. We considered the programmes and controls that the Group 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 non-compliance with such laws and regulations that could give rise to a material misstatement in the financial statements, including instructions to full and specific scope component teams. Our procedures included enquires of Group management, legal counsel and Internal Audit; 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.

OTHER MATTERS WE ARE REQUIRED TO ADDRESS

- We were appointed by the company in June 2011 to audit the financial statements for the year ended 31 December 2011 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 10 years, covering the years ending 31 December 2011 to 2020.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent company and we remain independent of the Group and the Parent company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

USE OF OUR REPORT

This report is made solely to the Parent 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 Parent company and the Parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Bob Forsyth (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
3 March 2021

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Revenue	2	**1,304,791**	1,653,948
Cost of sales		**(694,542)**	(798,498)
Gross profit	2	**610,249**	855,450
Administrative expenses		**(593,221)**	(708,781)
Operating profit	2	**17,028**	146,669
Financial income	5	**588**	494
Financial expenses	5	**(2,072)**	(2,918)
Profit before tax	2	**15,544**	144,245
Income tax expense	6	**(21,286)**	(40,800)
(Loss)/profit for the year	3	**(5,742)**	103,445
Attributable to:			
Owners of the parent		**(5,742)**	103,445
Earnings per share			
Basic earnings per share (pence)	9	**(1.8)**	32.2
Diluted earnings per share (pence)	9	**(1.8)**	32.2

The above results relate to continuing operations.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	2020 £'000	2019 £'000
(Loss)/Profit for the year	**(5,742)**	103,445
Other comprehensive income/(loss) for the year		
Items that may subsequently be reclassified to profit and loss:		
Currency translation differences	**5,945**	(14,842)
Loss on hedging instruments	**–**	(939)
Total comprehensive income for the year	**203**	87,664
Attributed to:		
Owners of the parent	**203**	87,664

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS

As at 31 December 2020

		Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Non-current assets						
Property, plant and equipment		10	**26,401**	31,925	**–**	–
Right-of-use assets		11	**95,414**	120,246	**–**	–
Intangible assets	- Goodwill and other intangibles	12	**2,097**	2,087	**–**	–
	- Computer software (including assets held under construction)	12	**39,708**	36,967	**–**	–
Investments		13	**–**	–	**534,795**	529,520
Deferred tax assets		17	**17,688**	18,915	**–**	–
Other receivables		14	**13,169**	15,036	**–**	–
			194,477	225,176	**534,795**	529,520
Current assets						
Trade and other receivables		14	**252,476**	365,555	**808,610**	607,159
Current tax receivable		7	**16,889**	13,008	**–**	–
Cash and cash equivalents		20	**165,987**	97,832	**–**	–
			435,352	476,395	**808,610**	607,159
Total assets		2	**629,829**	701,571	**1,343,405**	1,136,679
Current liabilities						
Trade and other payables		15	**(184,022)**	(215,811)	**(1,026,656)**	(962,363)
Lease liabilities		11	**(32,711)**	(29,139)	**–**	–
Current tax payable		7	**(12,365)**	(19,110)	**–**	–
			(229,098)	(264,060)	**(1,026,656)**	(962,363)
Net current assets/(liabilities)			**206,254**	212,335	**(218,046)**	(355,204)
Non-current liabilities						
Other payables		15	**(12,483)**	(11,613)	**–**	–
Lease liabilities		11	**(70,758)**	(99,473)	**–**	–
Deferred tax liabilities		17	**(1,589)**	(2,038)	**–**	–
			(84,830)	(113,124)	**–**	–
Total liabilities		2	**(313,928)**	(377,184)	**(1,026,656)**	(962,363)
Net assets			**315,901**	324,387	**316,749**	174,316
Capital and reserves						
Called-up share capital		18	**3,286**	3,286	**3,286**	3,286
Share premium		19	**99,564**	99,507	**99,564**	99,507
Capital redemption reserve		19	**932**	932	**932**	932
Reserve for shares held in the employee benefit trust		19	**(55,498)**	(47,662)	**–**	–
Currency translation reserve		19	**25,320**	19,375	**–**	–
Retained earnings			**242,297**	248,949	**212,967**	70,591
Total equity			**315,901**	324,387	**316,749**	174,316

The financial statements of PageGroup plc (Company Number 3310225) set out on pages 113 to 145 were approved by the Board of Directors and authorised for issue on 2 March 2021. The Company's profit for the financial year amounted to £137.1m (2019: £2.4m loss).

Signed on behalf of the Board of Directors

Steve Ingham,
Chief Executive Officer

Kelvin Stagg,
Chief Financial Officer

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2020

2019	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Reserve for shares held in the employee benefit trust £'000	Currency translation reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2019		**3,284**	**98,502**	**932**	**(50,673)**	**34,217**	**232,319**	**318,581**
Loss on adoption of IFRS 16		–	–	–	–	–	(1,450)	(1,450)
Balance at 1 January 2019 (restated)		**3,284**	**98,502**	**932**	**(50,673)**	**34,217**	**230,869**	**317,131**
Currency translation differences		–	–	–	–	(14,842)	–	(14,842)
Net loss recognised directly in equity		–	–	–	–	(14,842)	–	(14,842)
Loss on hedging instruments		–	–	–	–	–	(939)	(939)
Profit for the year		–	–	–	–	–	103,445	103,445
Total comprehensive (expense)/income for the year		**–**	**–**	**–**	**–**	**(14,842)**	**102,506**	**87,664**
Purchase of shares held in the employee benefit trust		–	–	–	(10,000)	–	–	(10,000)
Exercise of Share Plans		2	1,005	–	–	–	6,236	7,243
Transfer from reserve for shares held in the employee benefit trust		–	–	–	13,011	–	(13,011)	–
Credit in respect of share schemes		–	–	–	–	–	5,790	5,790
Credit in respect of tax on share schemes		–	–	–	–	–	28	28
Dividends	8	–	–	–	–	–	(83,469)	(83,469)
		2	1,005	–	3,011	–	(84,426)	(80,408)
Balance at 31 December 2019 and 1 January 2020		**3,286**	**99,507**	**932**	**(47,662)**	**19,375**	**248,949**	**324,387**
2020								
Currency translation differences		–	–	–	–	5,945	–	5,945
Net income recognised directly in equity		–	–	–	–	5,945	–	5,945
Loss for the year		–	–	–	–	–	(5,742)	(5,742)
Total comprehensive income/(expense) for the year		–	–	–	–	5,945	(5,742)	203
Purchase of shares held in the employee benefit trust		–	–	–	(14,369)	–	–	(14,369)
Exercise of share plans		–	57	–	–	–	330	387
Transfer from reserve for shares held in the employee benefit trust		–	–	–	6,533	–	(6,533)	–
Credit in respect of share schemes		–	–	–	–	–	5,275	5,275
Credit in respect of tax on share schemes		–	–	–	–	–	18	18
		–	57	–	(7,836)	–	(910)	(8,689)
Balance at 31 December 2020		**3,286**	**99,564**	**932**	**(55,498)**	**25,320**	**242,297**	**315,901**

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

For the year ended 31 December 2020

Company	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2019		**3,284**	**98,502**	**932**	**150,634**	**253,352**
Loss for the year		–	–	–	(2,364)	(2,364)
Total comprehensive income for the year		**–**	**–**	**–**	**(2,364)**	**(2,364)**
Exercise of share plans		2	1,005	–	–	1,007
Credit in respect of share schemes		–	–	–	5,790	5,790
Dividends	8	–	–	–	(83,469)	(83,469)
		2	1,005	–	(77,679)	(76,672)
Balance at 31 December 2019 and 1 January 2020		**3,286**	**99,507**	**932**	**70,591**	**174,316**
2020						
Profit for the year		–	–	–	137,101	137,101
Total comprehensive income for the year		**–**	**–**	**–**	**137,101**	**137,101**
Exercise of share plans		–	57	–	–	57
Credit in respect of share schemes		–	–	–	5,275	5,275
		–	57	–	5,275	5,332
Balance at 31 December 2020		**3,286**	**99,564**	**932**	**212,967**	**316,749**

CONSOLIDATED AND PARENT COMPANY CASH FLOW STATEMENTS

For the year ended 31 December 2020

	Note	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Profit/(loss) before tax	2	**15,544**	144,245	**137,101**	(2,364)
Depreciation and amortisation charges	10/11/12	**61,782**	57,500	**–**	–
Loss on sale of property, plant and equipment, and computer software		**262**	21	**–**	–
Share scheme charges		**5,275**	5,790	**–**	–
Net finance cost		**1,484**	2,424	**–**	–
Operating cash flow before changes in working capital		**84,347**	209,980	**137,101**	(2,364)
Decrease/(Increase) in receivables		**124,370**	(37,934)	**(201,452)**	35,696
(Decrease)/Increase in payables		**(39,760)**	22,036	**64,294**	49,130
Cash generated from operations		**168,957**	194,082	**(57)**	82,462
Income tax paid		**(31,747)**	(36,960)	**–**	–
Net cash from operating activities		**137,210**	157,122	**(57)**	82,462
Cash flows from investing activities					
Purchases of property, plant and equipment	10	**(4,892)**	(9,615)	**–**	–
Purchases of intangibles	12	**(17,770)**	(16,735)	**–**	–
Proceeds from the sale of property, plant and equipment, and computer software		**918**	1,740	**–**	–
Interest received		**588**	494	**–**	–
Net cash used in investing activities		**(21,156)**	(24,116)	**–**	–
Cash flows from financing activities					
Dividends paid		**–**	(83,469)		(83,469)
Interest paid		**(413)**	(953)	**–**	–
Lease liability principal repayment		**(39,234)**	(38,215)	**–**	–
Issue of own shares for the exercise of options		**387**	7,243	**57**	1,007
Purchase of shares held in the employee benefit trust		**(14,369)**	(10,000)	**–**	–
Net cash used in financing activities		**(53,629)**	(125,394)	**57**	(82,462)
Net increase in cash and cash equivalents		**62,425**	7,612	**–**	–
Cash and cash equivalents at the beginning of the year		**97,832**	97,673	**–**	–
Exchange gain/(loss) on cash and cash equivalents		**5,730**	(7,453)	**–**	–
Cash and cash equivalents at the end of the year	20	**165,987**	97,832	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

PageGroup plc is a company incorporated in the United Kingdom under the Companies Act.

The Group financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards adopted pursuant to Regulation (EC) No.1606/2002 as it applies in the European Union.

The Parent company financial statements have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006 as applied in accordance with section 408 of the Companies Act 2006

Basis of preparation

The financial statements of PageGroup plc consolidate the results of the Company and all its subsidiary undertakings. As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the Company has not been included as part of these financial statements. The Company's profit for the financial year amounted to £137.1m (2019: £2.4m loss). The increase in the Company's profit this year is as a result of increased dividend income. The prior year comparator also included a £52.3m impairment charge to the intercompany receivable from the Employee Benefit Trust. This was to impair the receivable to the market value of the PageGroup Plc shares the Employee Benefit Trust held.

Basis of consolidation

(i) Subsidiaries

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iii) Employee Benefit Trust

Shares in PageGroup plc held by the trust are shown as a reduction in shareholders' funds.

(iv) Changes in accounting policy – new accounting standards, interpretations and amendments

The accounting policies adopted are consistent with those of the previous financial years except for the following amendments to IFRS effective as of 1 January 2020:

- Amendments to IFRS 3: Definition of a Business;
- Amendments to IAS 1 and IAS 8: Definition of Material

The adoption of these accounting standards or interpretations did not have any impact on the accounting policies, financial position or performance of the Group.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- IBOR Reform and its Effects on Financial Reporting - Phase 2; effective date 1 January 2021
- Reference to the Conceptual Framework - Amendments to IFRS 3; effective date 1 January 2022
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16; effective date 1 January 2022
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37; effective date 1 January 2022
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter; effective date 1 January 2022
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities; effective date 1 January 2022
- IFRS 17 Insurance Contracts; effective date 1 January 2023
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current; effective date 1 January 2023

The amendments are not expected to have a material impact on the Group.

Going concern

The Board has undertaken a review of the Group's forecasts and associated risks and sensitivities, considering the expected impact of COVID-19 on trading in the period from the date of approval of these financial statements to 31 March 2022 (the review period).

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.

The Group had £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 2022 with all covenants waived until the expiry of the facility), an uncommitted £300m government CCFF (available to March 2022 if drawn in March 2021), 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 Group has adequate resources to continue in operational existence for the period through to March 2022.

a) Revenue and income recognition

Revenue, which excludes value added tax (VAT), constitutes the value of services undertaken by the Group 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 revenue anticipated, but not invoiced, at the balance sheet date, which is correspondingly accrued on the balance sheet within accrued income. A provision is made against accrued income for possible cancellations of placements prior to, or shortly after, the commencement of employment; and
- revenue from amounts billed to clients for expenses incurred on their behalf (principally advertisements) is recognised when the expense is incurred.

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

b) Cost of sales

Cost of sales consists of the salary cost of temporary staff and costs incurred on behalf of clients, principally advertising costs.

c) Gross profit

Gross profit represents revenue less cost of sales and consists of the total placement fees of permanent candidates, the margin earned on the placement of temporary candidates and the margin on advertising income.

d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated 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 the respective functional currency 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 income statement.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates; and
- all resulting exchange differences are recognised in other comprehensive income.

e) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on the acquisition of subsidiaries is included in intangible assets. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised, but is tested at least annually for impairment (see accounting policy h). Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Computer software

Computer software acquired separately is measured on initial recognition at cost. Computer software developed by the Group is measured at the cost incurred in relation to the development of software and related applications. Costs are capitalised when they fulfil the criteria in IAS 38 regarding internally developed intangible assets. The Group applies judgement, which is not considered as significant, in capitalising the development cost by assessing if it will generate probable future economic benefits. Costs which are incurred after the release of software or costs which are incurred in order to enhance existing products are expensed in the period in which they are incurred.

(iii) Software under construction

Software under construction relates to cost capitalised in relation to the development of a new operating system and related applications. Costs are capitalised when they fulfil the criteria in IAS 38 regarding internally developed intangible assets. While still under construction, assets are tested for impairment annually. Assets are moved from software under construction to computer software when they become available for use.

(iv) 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 intangible.

(v) Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Goodwill has an indefinite useful life. Computer software is amortised at 20% per annum unless it is considered to have a shorter life, in which case the period of amortisation is reduced. The cumulative amount of goodwill written off directly to retained earnings in respect of acquisitions prior to 31 December 1997 is £311.7m (2019: £311.7m)

f) Property, plant and equipment

Property, plant and equipment are stated at original cost less accumulated depreciation. 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:

Leasehold improvements 10% per annum or period of lease if shorter

Furniture, fixtures and equipment 10-20% per annum

Motor vehicles 25% per annum

g) Investments

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

h) Impairment of assets

Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. 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).

Financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

i) Taxation

Income tax expense represents the sum of the current 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 the income statement 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 Group'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 Group 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 the income statement, 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 Group intends to settle its current tax assets and liabilities on a net basis.

j) Pension costs

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension costs charged to the income statement represent the contributions payable by the Group to the funds during each period.

k) Leases

i) Right-of-use assets

The Group 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 Group 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.

ii) Lease liabilities

At the commencement date of the lease, the Group 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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group 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 Group 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.

iii) Short-term leases and leases of low-value assets

The Group 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 lease of 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 expense on a straight-line basis over the lease term.

iv) Judgement in determining the lease term of contracts with renewal options

The Group 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 Group has the option, under some of its leases to lease the assets for additional terms of three to ten years. The Group 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 Group 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).

l) Segment reporting

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board to allocate resources to the segments and to assess their performance. Information provided to the Board is focused on regions and as a result, reportable segments are on a regional basis. Transactions between segments are recorded and allocated on an arms-length basis.

m) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by (for final dividends) or paid to (for interim dividends) the Company's shareholders.

n) Share-based compensation

The Group operates a number of equity-settled, share-based compensation plans. The accounting treatments for the Group and parent company are described below:

(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 in the income statement of the Group with a corresponding adjustment to equity. In the parent company, it is capitalised as an investment, 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 Group 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) Management Incentive Plan and Long-Term Incentive Plan

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 of the Group on a straight-line basis over the vesting period to which the award relates. In the Parent Company, it is capitalised as an investment in the subsidiary that is receiving the employee service, with a corresponding adjustment to equity.

(iii) Employee Single Incentive Plan (ESIP)

Awards under the ESIP are paid in cash (40%) and Shares (60%), which vest in 3 tranches over a 3 year period. The value of expected award is charged to the income statement of the Group relative to these vesting periods.

iv) Tax on share schemes

Where options or shares are net settled in respect of withholding tax obligations, these are accounted for as equity settled transactions. Payments to local tax authorities are accounted for as a deduction from equity for the shares withheld.

o) Deferred cash bonus

The Group 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.

p) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including any directly attributable costs, is recognised as a change in equity.

q) Provisions

A provision is recognised in the balance sheet when the Group 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.

r) Financial assets and liabilities

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The Group's financial assets at amortised cost includes trade and other receivables.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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 Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Prepayments and Accrued Income are held at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and derivative financial instruments.

Financial liabilities are classified, at initial recognition, as financial liabilities through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group has derivative contracts at the balance sheet date that have been valued at fair value through the income statement.

s) Hedge accounting

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised as Other Comprehensive Income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

t) Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS 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.

There are no accounting areas which require significant judgements. Information about significant areas of estimation uncertainty 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 13 – Trade and other receivables

There is uncertainty regarding customers who may not be able to pay as their invoices fall due as at 31 December 2020. In total the Group holds £197.2m of Gross Trade Receivables. A provision for £11.1m has been recognised based on the expected credit losses, revenue reversals or balances which are in litigation.

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. Whilst no debtor constitutes more than 3% of the total balance there is a risk that if the economic climate were to deteriorate across a number of countries the portfolio could be impaired by an amount greater than materiality. This scenario is however considered sufficiently remote such that no reasonably possible changes in assumptions are likely to cause material further impairment next year. Please see note 21 for an analysis of expected credit losses and revenue reversals.

Deferred Tax

At 31 December 2020, PageGroup's deferred tax assets are £17.7m (2019: £18.9m). The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or in which tax losses can be utilised. The tax effect of deductible temporary differences and unused tax losses are recognised as a deferred tax asset when it becomes probable that the tax losses and deductible temporary differences will be utilised. In making assessments regarding deferred tax assets, management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, the availability to carry back losses and tax planning strategies.

At 31 December 2020, based upon the projections for future taxable income over the periods in which deferred tax assets are deductible, management believes that it is more likely than not that PageGroup will realise the benefits of these deductible differences. The amount of deferred tax assets considered realisable could however be reduced in subsequent years if estimates of future taxable income during their carry forward periods are reduced, or rulings by the tax authorities are unfavourable. Estimates are therefore subject to change due to both market-related and government related uncertainties, as well as PageGroup's own future decisions.

Uncertain tax positions

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Uncertain tax positions are assessed and measured on an issue by issue basis within the jurisdictions that we operate using management's estimate of the most likely outcome. Where management determines that a greater than 50% probability exists that the tax authorities would accept the position taken in the tax return, amounts are recognised in the consolidated financial statements on that basis. Where the amount of tax payable or recoverable is uncertain, the Group recognises a liability or asset based on either: management's judgement of the most likely outcome; or, when there is a wide range of possible outcomes, a probability weighted average approach. The Group recognises interest on late paid taxes as part of financing costs. The Group recognises penalties, if applicable, as part of administrative and other expenses.

These estimates include significant management judgements about the probable outcome of uncertain tax positions. Management base their judgements on the latest information available about the positions expected to be taken by each tax authority. Actual outcomes and settlements may differ significantly from the estimates recorded in these consolidated financial statements. This may affect income tax expense reported in future years' consolidated income statements. The uncertain tax position provision recognised as at 31 December 2020 is £2.3m.

u) Exceptional items

Exceptional items are those items the Group considers to be one-off or material in nature that should be brought to the reader's attention in understanding the Group's financial performance.

v) Employee Benefit Trust

The Employee Benefit Trust is considered a separate legal entity and not an extension of the parent company. It is included in the consolidated results of the Group as it is deemed to have control of the entity.

w) 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.

2. SEGMENT REPORTING

All revenues disclosed are derived from external customers.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1. Segment operating profit represents the profit earned by each segment including allocation of central administration costs. This is the measure reported to the Group's Board, the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance. Segments are aggregated in accordance with management ownership, determined by the possession of similar characteristics such geography, market maturity and economic environment. No judgements were applied to identify the reportable segments.

(a) Revenue, gross profit and operating profit by reportable segment

2020	Revenue 2020 £'000	Gross profit 2020 £'000	Operating profit 2020 £'000
EMEA	**717,294**	**319,360**	**30,605**
Asia Pacific	**215,959**	**121,113**	**3,789**
Americas	**154,257**	**88,791**	**(7,021)**
United Kingdom	**217,281**	**80,985**	**(10,345)**
Operating profit	**–**	**–**	**17,028**
Financial expense	**–**	**–**	**(1,484)**
Revenue/gross profit/profit before tax	**1,304,791**	**610,249**	**15,544**

2019	Revenue 2019 £'000	Gross profit 2019 £'000	Operating profit 2019 £'000
EMEA	861,827	418,328	90,333
Asia Pacific	273,437	163,255	19,810
Americas	205,074	138,791	19,268
United Kingdom	313,610	135,076	17,258
Operating profit	–	–	146,669
Financial expense	–	–	(2,424)
Revenue/gross profit/profit before tax	1,653,948	855,450	144,245

The above analysis by destination is not materially different to the analysis by origin.

The analysis below is of the carrying amount of reportable segment assets, liabilities and non-current assets. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The individual reportable segments exclude income tax assets and liabilities. Non-current assets include property, plant and equipment, computer software, goodwill and other intangibles.

(b) Segment assets, liabilities, non-current assets and capital expenditure by reportable segment

	Total assets		Total liabilities	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
EMEA	**230,350**	294,597	**163,961**	196,473
Asia Pacific	**111,090**	119,110	**54,899**	45,832
Americas	**80,662**	111,649	**41,071**	53,288
United Kingdom	**190,838**	163,207	**41,632**	62,481
Segment assets/liabilities	**612,940**	688,563	**301,563**	358,074
Income tax	**16,889**	13,008	**12,365**	19,110
	629,829	701,571	**313,928**	377,184

The analyses in notes (d) revenue and gross profit by discipline (being the professions of candidates placed) and (e) revenue and gross profit by strategic market have been included as additional disclosure over and above the requirements of IFRS 8 "Operating Segments". Strategic markets are defined in the Strategic Review on pages 15 and 16.

	Property, plant and equipment		Intangible assets	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
EMEA	**10,810**	12,732	**2,666**	2,818
Asia Pacific	**4,451**	5,560	**371**	495
Americas	**6,052**	7,471	**120**	162
United Kingdom	**5,088**	6,162	**38,648**	35,579
	26,401	31,925	**41,805**	39,054

	Right-of-use assets		Lease liabilities	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
EMEA	**47,941**	63,270	**51,070**	65,676
Asia Pacific	**13,924**	11,981	**14,532**	13,027
Americas	**14,862**	20,878	**17,590**	23,725
United Kingdom	**18,687**	24,117	**20,277**	26,184
	95,414	120,246	**103,469**	128,612

	Property, plant and equipment		Intangible assets	
Capital expenditure	2020 £'000	2019 £'000	2020 £'000	2019 £'000
EMEA	**1,341**	3,760	**40**	458
Asia Pacific	**1,558**	1,270	**36**	166
Americas	**1,107**	2,500	**206**	91
United Kingdom	**886**	2,085	**17,488**	16,020
	4,892	9,615	**17,770**	16,735

The below analysis in note (c) relates to the requirement of IFRS 15 to disclose disaggregated revenue streams.

(c) Revenue and gross profit generated from permanent and temporary placements

	Revenue		Gross profit	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Permanent	**441,467**	649,948	**436,689**	643,787
Temporary	**863,324**	1,004,000	**173,560**	211,663
	1,304,791	1,653,948	**610,249**	855,450

(d) Revenue and gross profit by discipline

	Revenue		Gross profit	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Accounting and Financial Services	**528,202**	662,458	**212,243**	298,648
Legal, Technology, HR, Secretarial and other	**374,406**	442,648	**166,249**	212,244
Engineering, Property & Construction, Procurement & Supply Chain	**273,771**	359,216	**141,829**	203,275
Marketing, Sales and Retail	**128,412**	189,626	**89,928**	141,283
	1,304,791	1,653,948	**610,249**	855,450

(e) Revenue and gross profit by strategic market

	Revenue		Gross profit	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Large, Proven markets	**728,736**	962,424	**289,202**	426,178
Large, High Potential markets	**397,166**	478,950	**218,196**	298,139
Medium and Small, High Margin markets	**178,889**	212,574	**102,851**	131,133
	1,304,791	1,653,948	**610,249**	855,450

3. PROFIT FOR THE YEAR

	2020 £'000	2019 £'000
Profit for the year is stated after charging:		
Employment costs (Note 4)	**438,111**	545,872
Net exchange losses	**4,937**	1,764
Depreciation of property, plant and equipment – owned (Note 10)	**9,864**	10,316
Amortisation of intangibles (Note 12)	**14,653**	10,594
Expected credit losses and provision for revenue reversals (Note 21)	**27,773**	24,068
Loss on sale of property, plant and equipment and computer software	**262**	21
Depreciation of right-of-use assets (Note 11)	**37,265**	36,600
Fees payable to the Company's auditor:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**463**	226
Fees payable to the Company's auditor and associates for other services:		
– The audit of the Company's subsidiaries pursuant to legislation	**755**	558
Total audit fees	**1,218**	784
– Audit related assurance services	**52**	52
– Other non-audit services	**32**	7
Total non-audit fees	**84**	59
Total fees	**1,302**	843

4. EMPLOYEE INFORMATION

The average number of employees (including Executive Directors) during the year and total number of employees (including Executive Directors) at 31 December 2020 were as follows:

	2020 Average No.	2019 Average No.	At 31 Dec 2020 No.	At 31 Dec 2019 No.
Management	**341**	332	**339**	334
Client services	**5,030**	5,764	**4,806**	5,693
Administration	**1,559**	1,699	**1,549**	1,671
	6,930	7,795	**6,694**	7,698

Employment costs (including Directors' emoluments) comprised:

	2020 £'000	2019 £'000
Wages and salaries	**364,686**	464,880
Social security costs	**48,816**	52,828
Pension costs – defined contribution plans	**16,731**	17,312
Share-based payments and deferred cash plan	**7,878**	10,852
	438,111	545,872

During the year the Group utilised various Government support schemes around the world in response to the COVID-19 pandemic. In accordance with IAS 20 - Government Grants and Disclosure of Government Assistance, the income received from these grants is presented net against the payroll expenses within wages and salaries in the Consolidated Income Statement. The total income recognised in the year was £11.2m.

No staff are employed by the parent company (2019: none) hence no remuneration has been disclosed for the Company. Remuneration for Directors for their services on behalf of the parent company are included in the Directors' Remuneration Report on pages 83 to 104.

5. FINANCIAL INCOME/(EXPENSES)

	2020 £'000	2019 £'000
Financial income		
Interest receivable	**588**	494
	588	494
Financial expenses		
Interest payable	**(413)**	(953)
Interest on lease liabilities	**(1,659)**	(1,965)
	(2,072)	(2,918)

6. INCOME TAX EXPENSE

The charge for taxation is based on the effective annual tax rate of 136.9% on profit before tax (2019: 28.3%).

Analysis of charge in the year	2020 £'000	2019 £'000
UK income tax at 19.00% (2019: 19.00%) for year	**(3,897)**	9,064
Overseas income tax	**25,290**	35,382
Adjustments in respect of prior years	**(164)**	(2,808)
	21,229	41,638
Deferred tax		
Adjustment in respect of prior years	**2,823**	1,402
Origination and reversal of temporary differences	**(6,908)**	(1,646)
Recognition of previously unrecognised losses and other tax attributes	**3,480**	(329)
Impact of tax rate changes	**662**	(265)
Deferred tax income	**57**	(838)
Total tax expense in the income statement	**21,286**	40,800

The amounts disclosed in 2019 for the analysis of the tax charge have been represented to align with the presentation followed in the current year. A similar change in the presentation was made in respect of the deferred tax reconciliation.

Reconciliation of effective tax rate	2020 £'000	%	2019 £'000	%
Profit before taxation	**15,544**		144,245	
Profit before tax multiplied by the standard rate of corporation tax in the UK	**2,952**	**19.0**	27,406	19.0
Effects of:				
Disallowable items and other permanent differences	**1,947**	**12.5**	2,094	1.5
Unrelieved overseas losses	**1,954**	**12.5**	2,292	1.6
Derecognition/(recognition) of overseas losses and other tax attributes	**1,525**	**9.8**	(35)	-
Other tax movements	**694**	**4.5**	(26)	-
Higher tax rates on overseas earnings	**2,038**	**13.1**	4,239	2.9
Other tax overseas	**6,855**	**44.1**	6,501	4.5
Movement of rate difference	**662**	**4.3**	(265)	(0.2)
Adjustment to tax charge in respect of prior periods	**2,659**	**17.1**	(1,406)	(1.0)
Tax expense and effective rate for the year	**21,286**	**136.9**	40,800	28.3

Tax recognised directly in equity	2020 £'000	2019 £'000
Relating to settled transactions	**18**	28

We have generated profits in overseas countries which have higher rates and we have been subject to additional taxes on profits which have contributed 61.7% to the tax rate in 2020. Losses arose in the year that we could not recognise due to the requirement to have profits against which to offset in the foreseeable future. In addition, we wrote off deferred tax assets on losses which expired in the period as well as deferred tax assets on deductible temporary differences and losses where we do not consider it probable that there will be taxable profits to support their recovery in future periods. Together, these two categories increased the tax rate by 22.4%. Disallowable and other permanent differences are broadly in line with 2019, though with the significant reduction in PBT, the impact on the rate has been much greater. Similarly to 2019, adjustments in respect of prior periods were one-off in nature, and again have a higher impact on the rate due to the lower PBT in 2020. Finally there have been changes to the substantively enacted tax rates which apply to the calculation of deferred tax, predominantly in the UK (moving from 17% to 19%). Collectively, these two categories increased the tax rate by 33.9%.

These factors add to the basic UK rate of 19% to give the total effective tax rate of 136.9%.

7. CURRENT TAX ASSETS AND LIABILITIES

The current tax asset of £16.9m (2019: £13.0m), and current tax liability of £12.4m (2019: £19.1m) for the Group, and current tax asset and liability of £nil (2019: £nil) for the parent company, represent the amount of income taxes recoverable and payable in respect of current and prior periods. The Group maintains a provision in relation to disputes and uncertain tax positions, including transfer pricing, which is included in the current tax liability.

8. DIVIDENDS

	2020 £'000	2019 £'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend for the year ended 31 December 2019 of 0.00p per Ordinary share (2018: 9.00p)	–	28,978
Interim dividend for the year ended 31 December 2020 of 0.00p per Ordinary share (2019: 4.30p)	–	13,759
Special dividend for the year ended 31 December 2020 of 0.00p per Ordinary share (2019: 12.73p)	–	40,732
		83,469
Amounts proposed as distributions to equity holders in the year:		
Proposed final dividend for the year ended 31 December 2020 of 0.00p per Ordinary share (2019: 9.40p)	–	30,154

The proposed final dividend for 2019 of 9.40p per ordinary share, or £30.2m, which was due for payment in June 2020, was cancelled as a result of the ongoing uncertainty as a result of the COVID-19 pandemic.

9. EARNINGS PER ORDINARY SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2020 £'000	2019 £'000
Earnings		
Earnings for basic and diluted earnings per share (£'000)	**(5,742)**	103,445
Number of shares	**number**	number
Weighted average number of shares used for basic earnings per share ('000)	**319,664**	320,789
Dilutive effect of share plans ('000)	**925**	375
Diluted weighted average number of shares used for diluted earnings per share ('000)	**320,589**	321,164
	pence	pence
Basic earnings per share	**(1.8)**	32.2
Diluted earnings per share	**(1.8)**	32.2

The above results relate to continuing operations.

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Ordinary shares in issue during the year, excluding unallocated Ordinary shares purchased by the Employee Benefit Trust and held in the reserve.

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of Ordinary shares outstanding to assume conversion of all dilutive potential Ordinary shares. This calculation determines the number of shares that could have been acquired at fair value (determined as the average market price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of shares calculated in the basic earnings per share is then adjusted to reflect the number of shares deemed to be issued for nil consideration as a result of the potential exercise of existing share options.

The remaining share options that are currently not dilutive and hence excluded from the dilutive earnings per share calculation remain potentially dilutive until they are either exercised or they lapse.

10. PROPERTY, PLANT AND EQUIPMENT

	2020			
Group	Leasehold improve-ments £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January	**46,953**	**48,191**	**1,428**	**96,572**
Additions	**2,579**	**1,568**	**745**	**4,892**
Disposals	**(1,721)**	**(9,523)**	**(489)**	**(11,733)**
Effect of movements in foreign exchange	**314**	**814**	**(45)**	**1,083**
At 31 December	**48,125**	**41,050**	**1,639**	**90,814**
Depreciation				
At 1 January	**28,932**	**34,642**	**1,073**	**64,647**
Charge for the year	**5,153**	**4,333**	**378**	**9,864**
Disposals	**(1,306)**	**(9,206)**	**(423)**	**(10,935)**
Effect of movements in foreign exchange	**276**	**620**	**(59)**	**837**
At 31 December	**33,055**	**30,389**	**969**	**64,413**
Net book value				
At 31 December	**15,070**	**10,661**	**670**	**26,401**

	2019			
Group	Leasehold improvements £'000	Furniture, fixtures and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 January	45,020	49,441	2,102	96,563
Additions	5,474	3,701	440	9,615
Disposals	(1,817)	(2,918)	(967)	(5,702)
Effect of movements in foreign exchange	(1,724)	(2,033)	(147)	(3,904)
At 31 December	46,953	48,191	1,428	96,572
Depreciation				
At 1 January	26,682	33,230	1,087	60,999
Charge for the year	4,896	4,941	479	10,316
Disposals	(1,657)	(2,142)	(416)	(4,215)
Effect of movements in foreign exchange	(989)	(1,387)	(77)	(2,453)
At 31 December	28,932	34,642	1,073	64,647
Net book value				
At 31 December	18,021	13,549	355	31,925

11. LEASES

Group	Property £'000	Motor Vehicles £'000	Other assets £'000	Total £'000
Right-of-use assets				
At 1 January 2019	**110,558**	**15,192**	**439**	**126,189**
Additions	27,866	7,034	774	35,674
Disposals	(577)	–	–	(577)
Depreciation expense	(27,639)	(8,545)	(416)	(36,600)
Effect of movements in foreign exchange	(4,440)	–	–	(4,440)
At 31 December 2019 and 1 January 2020	**105,768**	**13,681**	**797**	**120,246**
Additions	13,377	3,412	919	17,708
Disposals	(3,947)	(3,281)	–	(7,228)
Depreciation expense	(28,969)	(7,678)	(618)	(37,265)
Effect of movements in foreign exchange	1,370	583	–	1,953
At 31 December 2020	**87,599**	**6,717**	**1,098**	**95,414**

Lease liabilities	2020 £'000	2019 £'000
As at 1 January	**(128,612)**	(134,479)
Additions	**(17,794)**	(35,768)
Disposals	**7,467**	667
Interest expense	**(1,659)**	(1,965)
Payments	**39,234**	38,215
Effect of movements in foreign exchange	**(2,105)**	4,718
As at 31 December	**(103,469)**	(128,612)

12. INTANGIBLE ASSETS

2020

Group	Computer software £'000	Computer software, assets under construction £'000	Subtotal £'000	Goodwill £'000	Trademark £'000	Subtotal £'000	Total £'000
Cost							
At 1 January	**106,029**	**498**	**106,527**	**1,539**	**1,313**	**2,852**	**109,379**
Additions	**15,163**	**2,460**	**17,623**	**–**	**147**	**147**	**17,770**
Disposals	**(62,210)**	**(131)**	**(62,341)**	**–**	**–**	**–**	**(62,341)**
Effect of movements in foreign exchange	**151**	**(40)**	**111**	**–**	**–**	**–**	**111**
At 31 December	**59,133**	**2,787**	**61,920**	**1,539**	**1,460**	**2,999**	**64,919**
Amortisation							
At 1 January	**69,560**	**–**	**69,560**	**–**	**765**	**765**	**70,325**
Charge for the year	**14,516**	**–**	**14,516**	**–**	**137**	**137**	**14,653**
Disposals	**(61,959)**	**–**	**(61,959)**	**–**	**–**	**–**	**(61,959)**
Effect of movements in foreign exchange	**95**	**–**	**95**	**–**	**–**	**–**	**95**
At 31 December	**22,212**	**–**	**22,212**	**–**	**902**	**902**	**23,114**
Net book value							
At 31 December	**36,921**	**2,787**	**39,708**	**1,539**	**558**	**2,097**	**41,805**

2019

Group	Computer software £'000	Computer software, assets under construction £'000	Subtotal £'000	Goodwill £'000	Trademark £'000	Subtotal £'000	Total £000
Cost							
At 1 January	89,105	3,616	92,721	1,539	1,139	2,678	95,399
Additions	16,463	98	16,561	–	174	174	16,735
Disposals	(2,137)	–	(2,137)	–	–	–	(2,137)
Transfers	3,183	(3,183)	–	–	–	–	–
Effect of movements in foreign exchange	(585)	(33)	(618)	–	–	–	(618)
At 31 December	106,029	498	106,527	1,539	1,313	2,852	109,379
Amortisation							
At 1 January	61,344	–	61,344	–	659	659	62,003
Charge for the year	10,488	–	10,488	–	106	106	10,594
Disposals	(1,862)	–	(1,862)	–	–	–	(1,862)
Effect of movements in foreign exchange	(410)	–	(410)	–	–	–	(410)
At 31 December	69,560	–	69,560	–	765	765	70,325
Net book value							
At 31 December	36,469	498	36,967	1,539	548	2,087	39,054

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to the country of operation. A summary of the goodwill allocation is presented below:

	2020 £'000	2019 £'000
UK	**1,274**	1,274
USA	**214**	214
Singapore	**51**	51
	1,539	1,539

In assessing value in use, the estimated future cash flows are calculated by preparing cash flow forecasts derived from the most recent financial budget, management projections for five years, followed by an assumed growth rate of 0%, which does not exceed the long-term average growth rate of the relevant markets and reflects long-term wage inflation fee growth. Management applied a discount rate of 8%, representing the weighted average cost of capital for the Group, to the estimated future cash flows to calculate the terminal value of those cash flows. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense. Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of goodwill allocated to any CGU to materially exceed its recoverable amount.

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. It is the opinion of the Directors that at 31 December 2020 there was no impairment of goodwill.

13. INVESTMENTS

Company	Subsidiary undertakings £'000
Cost at 1 January 2020	**529,520**
Transactions relating to share plans for subsidiaries' employees	**5,275**
Cost at 31 December 2020	**534,795**

The Company's subsidiary undertakings at 31 December 2020, their principal activities and countries of incorporation are set out below:

Name of undertaking	**Country of incorporation**	**Principal activity**	**Registered office**
Michael Page International Argentina SA	Argentina	Recruitment Consultancy	Carlos Pellegrini 1265, Piso 12, Ciudad de Buenos Aires, C1009ABY, Argentina
Page Personnel Argentina Servicios Eventuales SA	Argentina	Recruitment Consultancy	Carlos Pellegrini 1265, Piso 12, Ciudad de Buenos Aires, C1009ABY, Argentina
Michael Page International (Australia) Pty Limited	Australia	Recruitment Consultancy	Level 32, 225 George Street, Sydney, NSW 2000, Australia
Michael Page International (Austria) GmbH	Austria	Recruitment Consultancy	Second floor, Gumpendorfer Straße 72, Wien, Austria
Michael Page International (Belgium) NV/SA	Belgium	Recruitment Consultancy	Place du Champ de Mars 5 , 1050 Brussels, Belgium
Page Interim (Belgium) NV/SA	Belgium	Recruitment Consultancy	Place du Champ de Mars 5 , 1050 Brussels, Belgium
Michael Page International Do Brasil - Recrutamento Especializado Ltda	Brazil	Recruitment Consultancy	Rua Funchal 375, 7th Floor Vila Olimpia, CEP 04551-060, Sao Paulo, Brazil
Page Interim Do Brasil - Recrutamento Especializado Ltda	Brazil	Recruitment Consultancy	Av. das Nações Unidas, 10.989 - 4º Andar , Conjunto 41 - Edifício Mendes Caldeira, CEP 04578-900, São Paulo - SP, Brazil
Page Personnel Do Brasil - Recrutamento Especializado e servicos corporativos Ltda	Brazil	Recruitment Consultancy	Av. Engenheiro Luis Carlos Berrini, 716, 1º andar - CJ.12 - Cidade Monções, CEP 04571-000, São Paulo - SP, Brazil
Michael Page International Canada Limited	Canada	Recruitment Consultancy	130 Adelaide Street West, 21st Floor, Toronto, Ontario, M5H 1J8, Canada

Name of undertaking	Country of incorporation	Principal activity	Registered office
Michael Page International Chile Ltda	Chile	Recruitment Consultancy	Magdelan 181, Piso 16, Las Condes, Santiago 7550055, Chile
Page Personnel International Chile Ltda	Chile	Recruitment Consultancy	Magdalena 181, Piso 1, Las Condes, Santiago 7550055, Chile
Page Consulting Chile Ltda	Chile	Recruitment Consultancy	Magdalena 181, Piso 16, Las Condes, Santiago 7550055, Chile
Empresa de Servicios Transitorios Page Interim Chile Limitada	Chile	Recruitment Consultancy	Magdalena 181, Piso 1, Las Condes, Santiago 7550055, Chile
Michael Page (Beijing) Recruitment Co., Ltd	China	Recruitment Consultancy	Room 1009 1012, 10/F, West Tower, World Financial Centre, No.1 East 3rd Ring Middle Road, Chaoyang District, Beijing, China 100020
Michael Page (Shanghai) Recruitment Co., Ltd	China	Recruitment Consultancy	Level 18, HKRI Taikoo Hui Tower2, 288 Shimen Yi Road, JingAn District, Shanghai 200041, China
Michael Page International (Shanghai) Consulting Limited	China	Non-Trading	Suite 1010, Shanghai Kerry Centre, 1515 Nanjing West Road, Shanghai, China
Page Contracting (Shanghai) Co. Ltd	China	Recruitment Consultancy	Room 20108, 20/F, No.288 Shimen Yi Road, Shanghai, 200041, China
Michael Page International Colombia SAS	Colombia	Recruitment Consultancy	Av. Calle 82 No. 10-33 - Oficina 801, Colombia
Page Interim Colombia SAS	Colombia	Non-Trading	Av. Calle 82 No. 10-33 - Oficina 801, Colombia
Michael Page Czech Republic s.r.o	Czech Republic	Recruitment Consultancy	Pobřežní 249/46, Karlín, Praha 8, Czech Republic
Michael Page Partnership Limited	England and Wales	Non-Trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page Employment Services Limited	England and Wales	Recruitment Consultancy	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
LPM (Professional Recruitment) Limited	England and Wales	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Accountancy Additions Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Slamway Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
(The) Assessment Centre Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
LPM (Group Services) Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
(The) Page Partnership Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Sales Recruitment Specialists Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International 1982 Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International Investment Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International Finance Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Page Personnel (UK) Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page Holdings Limited	England and Wales	Support services	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK

Name of undertaking	Country of incorporation	Principal activity	Registered office
Michael Page International Holdings Limited	England and Wales	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International Recruitment Limited*	England and Wales	Recruitment Consultancy	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International Southern Europe Limited*	England and Wales	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page UK Limited	England and Wales	Non-trading	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page Recruitment Group Limited	England and Wales	Holding company	Page House, 1 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey KT15 2QW, UK
Michael Page International (France) SAS	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
MP Financial Services France SAS	France	Support services	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Page Personnel SAS	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Business Services SARL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Ingenieurs et Informatique SARL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Page Formation SARL	France	Support Services	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Tertiaire EURL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Nord SARL	France	Recruitment Consultancy	1, Rue Esquermoise, 59800 Lille, France
Michael Page Sud SARL	France	Recruitment Consultancy	48, Rue de la République, 69002 Lyon, France
MP Advertising SAS	France	Support Services	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Page Consulting SARL	France	Recruitment Consultancy	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page EDP SARL	France	Support Services	164 Avenue Achille Peretti, 92522 Neuilly-sur-Seine, Paris, France
Michael Page Monaco SARL	France	Recruitment Consultancy	7 Rue de l'Industrie, 98000 Monaco
Michael Page International (Deutschland) GmbH	Germany	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Page Personnel Services GmbH	Germany	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Page Personnel (Deutschland) GmbH	Germany	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Michael Page Interim GmbH	Germany	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Michael Page International (Hong Kong) Limited	Hong Kong	Recruitment Consultancy	Suite 1701, 17F Central Tower, 28 Queen's Road Central, Central Hong Kong
Michael Page International Recruitment Pvt Ltd	India	Recruitment Consultancy	5th Floor, 2 North Avenue, Maker Maxity, Bandra-Kurla Complex, Bandra (E), Mumbai 400051, India

Name of undertaking	Country of incorporation	Principal activity	Registered office
PT Michael Page Internasional Indonesia	Indonesia	Recruitment Consultancy	One Pacific Place, Suites B-F, Level 12, Sudirman Central Business District, Jl. Jend. Sudirman Kav 52-53, Jakarta 12190, Indonesia
Michael Page International (Ireland) Limited	Ireland	Recruitment Consultancy	c/o Mason Hayes & Curran, Southbank House, Barrow Street, Dublin 4, Ireland
Michael Page International Italia Srl	Italy	Recruitment Consultancy	Via Spadari 1, 20123 Milan, Italy
Page Personnel Italia SpA	Italy	Recruitment Consultancy	Via Spadari 1, 20123 Milan, Italy
Michael Page International (Japan) K.K.	Japan	Recruitment Consultan	6F Hulic Kamiyacho Building, 4-3-13 Toranomon, Minato-ku, Tokyo 105-0001, Japan
Agensi Pekerjaan Michael Page International (Malaysia) SDN BHD	Malaysia	Recruitment Consultancy	10th Floor, Wisma Hamjah-Kwong Hing, No.1 Leboh Ampang, 50100 Kuala Lumpur
Michael Page (Mauritius) Limited	Mauritius	Recruitment Consultancy	La Chaussee Office 530 & 531, Medine Mews, Port-Louis, Mauritius
Michael Page International (Mauritius) Limited	Mauritius	Recruitment Consultancy	Corner of Suffren and Eugene Laurent Streets, 5th Floor, Atchia Building, Port-Louis, Mauritius
Michael Page International Mexico Reclutamiento Especializado, S.A. de C.V.	Mexico	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Michael Page International Mexico Servicios Corporativos SA de CV	Mexico	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Page Interim Mexico Servicios SA de CV	Mexico	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Michael Page International (Maroc) SARL AU	Morocco	Recruitment Consultancy	Residence Plein Ciel 9, Angle rue Mahassine Arrouyani et Ali Abderrazak, Quartier Racine-20, 100 Casablanca, Morocco
Michael Page International (Nederland) B.V.	Netherlands	Recruitment Consultancy	World Trade Center, Strawinskylaan 421, 107XX, Amsterdam, Netherlands
Page Interim B.V.	Netherlands	Recruitment Consultancy	World Trade Center, Strawinskylaan 421, 107XX, Amsterdam, Netherlands
Michael Page International (NZ) Limited	New Zealand	Recruitment Consultancy	Part Level 6, 41 Shortland Street, Auckland, New Zealand 1010
Michael Page International Panama S.A.	Panama	Recruitment Consultancy	Punta Pacifica, Blvrd Pacifica Oceania Business Plaza, Torre 2000, Piso 43, Panama
Michael Page International Peru SRL	Peru	Recruitment Consultancy	Calle Las Orquídeas 665 esq. Andrés Reyes - Piso 2, Oficina 201 San Isidro, Peru
Page Personnel Services Temporales Peru S.R.L.	Peru	Recruitment Consultancy	Calle Las Orquídeas 665 esq. Andrés Reyes - Piso 2, Oficina 201 San Isidro, Peru
Michael Page International Recruitment (Philippines) Inc.	Philippines	Recruitment Consultancy	20th Floor, Citibank Center Building, 8741 Paseo de Roxas, Bel-Air, City of Makati, NCR, Fourth District, Philippines
Michael Page International (Poland) Sp.z.o.o	Poland	Recruitment Consultancy	ul. Zlota 59, 00-120 Warsaw, Poland
Michael Page International Empressa de Trabalho Temporário e Serviços de Consultadoria Lda	Portugal	Recruitment Consultancy	Avenida da Liberdade n 180A, 1250-146 Lisboa, Portugal
MICPAGE Services Lda	Portugal	Recruitment Consultancy	Avenida da Liberdade n 180A, 1250-146 Lisboa, Portugal

Name of undertaking	Country of incorporation	Principal activity	Registered office
Michael Page International (UAE) Limited – QFC Branch	UAE	Recruitment Consultancy	Qatar Financial Centre, Office 2, Ground Floor, Tornado Tower, West Bay, PO Box 23153, Doha, Qatar
Michael Page International Pte Limited*	Singapore	Recruitment Consultancy	One Raffles Place, #09-61 Office Tower Two, Singapore 048616
Page Personnel Recruitment Pte Ltd	Singapore	Recruitment Consultancy	One Raffles Place, #09-61 Office Tower Two, Singapore 048616
Michael Page International (SA) (Pty) Limited	South Africa	Recruitment Consultancy	PO Box 653555, Benmore 2010, South Africa
Michael Page Africa (SA) (Pty) Limited	South Africa	Non-trading	PO Box 653555, Benmore 2010, South Africa
Michael Page Holding (España) SL	Spain	Holding company	Paseo de la Castellana 28 -3ª, 28046 Madrid, Spain
Michael Page AD SL	Spain	Recruitment Consultancy	Paseo de la Castellana 28 -3ª, 28046 Madrid, Spain
Page Group Europe SL	Spain	Support Services	Plaza Europa 21-23 5ª, 08908 Hospitalet de Llobregat (Barcelona), Spain
Page Group Spain Recursos Humanos ETT SA	Spain	Recruitment Consultancy	Calle Julian Camarillo 42-4, 28037 Madrid, Spain
Michael Page International (Sweden) AB	Sweden	Recruitment Consultancy	Master Samuelsgatan 42, l4tr 111 57 Stockholm, Sweden
Michael Page International (Switzerland) SA	Switzerland	Recruitment Consultancy	Quai de la Poste 12, CH-1204 Geneva, Switzerland
Taiwan Michael Page International Co Ltd	Taiwan	Recruitment Consultancy	8F-1 Shin Kong Xin Yi Financial Building, 36-1 Songren Road Xin-Yi District, Taipei City, Taiwan 110
Michael Page Limited	Thailand	Holding company	17th Floor, ITF Tower, No 140/36-37 Silom Road, Kwaeng Suriawong, Khet Banrak, Bangkok, Thailand
Michael Page International Recruitment (Thailand) Limited	Thailand	Recruitment Consultancy	Unit 3076, 30th Floor Bhiraji Tower, EmQuartier, 689 Sukhumvit Road, Klongton Nuea, Vadhanna, Bangkok 10110, Thailand
Michael Page International NEM İst. Dan. Ltd. Şti	Turkey	Recruitment Consultancy	Buyukdere Caddesi, Kanyon Ofis, Binasi No. 185, Kat 5 34394 Levent, Istanbul, Turkey
MPI Yönetim Servisleri ve Dan. Ltd. Şti.	Turkey	Recruitment Consultancy	Buyukdere Caddesi, Kanyon Ofis, Binasi No. 185, Kat 5 34394 Levent, Istanbul, Turkey
Michael Page International (Vietnam) Co. Limited	Vietnam	Recruitment Consultancy	Level 9, Saigon Centre, Tower 2, 67 Le Loi Street, Ben Nhge Ward, District 1, Ho Chi Minh City, Vietnam
Michael Page International (UAE) Limited	United Arab Emirates	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 Inc.*	United States	Recruitment Consultancy	622 Third Avenue, 29th Floor, New York, NY10017, USA

*The equity of these subsidiary undertakings is held directly by PageGroup plc. All companies have been included in the consolidation and operate principally in their country of incorporation.

The percentage of the issued share capital held is equivalent to the percentage of voting rights held. The Group holds 100% of all classes of issued share capital. The share capital of all the subsidiary undertakings comprise Ordinary shares.

The following subsidiaries are exempt from the requirements of the Companies Act 2006 relating to the audit of accounts under section 479A of the Act:

- Michael Page International Southern Europe Limited
- Michael Page International Holdings Limited
- LPM (Professional Recruitment) Limited
- Michael Page Partnership Limited
- Michael Page Employment Services Limited

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Current				
Trade receivables	**197,195**	281,176	–	–
Less allowance for expected credit losses and revenue reversals	**(11,061)**	(10,081)	–	–
Net trade receivables	**186,134**	271,095	–	–
Amounts due from Group companies	–	–	**808,610**	607,159
Other receivables	**4,393**	10,643	–	–
Accrued Income (net of revenue reversals)	**51,282**	70,421	–	–
Prepayments	**10,667**	13,396	–	–
	252,476	365,555	**808,610**	607,159
Non-current				
Other receivables	**13,169**	15,036	–	–

The fair values of trade and other receivables are not materially different to those disclosed above.

The Group's exposure to credit and currency risks and impairment losses related to trade and other receivables is disclosed in Note 21.

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

15. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Current				
Trade payables	**3,993**	6,702	–	–
Amounts owed to Group companies	–	–	1,026,516	962,221
Other tax and social security	**44,890**	51,687	–	–
Other payables	**35,664**	31,216	–	–
Accruals	**99,475**	126,206	140	142
	184,022	215,811	**1,026,656**	962,363
Non-current				
Accruals	**11,836**	10,330	–	–
Other tax and social security	**647**	1,283	–	–
	12,483	11,613	–	–

The fair values of trade and other payables are not materially different to those disclosed above.

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

The total liability relating to other tax and social security includes a balance of £0.6m (2019: £1.3m) relating to social charges on share-based payments.

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 21.

16. BANK OVERDRAFTS

No bank overdrafts were utilised in respect of the year ended 31 December 2020 (2019: £Nil).

At 31 December 2020, the Group had available £20m (2019: £20m) of undrawn uncommitted overdraft facility with HSBC, £1m elsewhere in the Group, £30m of committed RCF facility with BBVA and £300m available through the "Covid Corporate Financing Facility" commercial paper programme. There is also £2.46m of undrawn borrowing facilities under the Invoice Discounting arrangement with HSBC. Under the terms of the Invoice Discount Facility we are able to borrow up to £50m depending on the level of UK trade receivables held at any one time. Based on the carrying amount of trade receivables at the year-end we were able to borrow £2.46m of the £50m and hence no actual amount was drawn down on the facility at the year end. The Group utilised the facilities during the year on an ad-hoc basis.

All other bank overdrafts and facilities are repayable on demand. The Group's exposure to interest rate, foreign currency and liquidity risk for financial assets and liabilities is disclosed in Note 21.

17. DEFERRED TAX

The following are the major deferred tax (assets)/liabilities recognised by the Group, and the movements thereon, during the current and prior reporting periods.

	Share-based payments £'000	Tax losses £'000	Provisions £'000	Related party transactions £'000	Other £'000	Total £'000
At 1 January 2020	**1,150**	**1,940**	**5,345**	**4,730**	**3,712**	**16,877**
Recognised in equity for the year	**67**	–	–	–	–	**67**
Recognised in profit or loss for the year	**(728)**	**495**	**(664)**	**(2,024)**	**2,864**	**(57)**
Exchange differences	**1**	**(247)**	**21**	**40**	**(603)**	**(788)**
At 31 December 2020	**490**	**2,188**	**4,702**	**2,746**	**5,973**	**16,099**
At 1 January 2019	2,258	2,794	5,015	4,540	2,250	16,857
Recognised in equity for the year	(240)	–	–	–	264	24
Recognised in profit or loss for the year	(869)	(657)	608	226	1,541	849
Exchange differences	1	(197)	(278)	(36)	(343)	(853)
At 31 December 2019	1,150	1,940	5,345	4,730	3,712	16,877

The amounts disclosed in 2019 for the analysis of the deferred tax assets and liabilities have been represented to align with the presentation followed in the current year. Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for balance sheet purposes:

	2020 £'000	2019 £'000
Deferred tax assets	**17,688**	18,915
Deferred tax liabilities	**(1,589)**	(2,038)
	16,099	16,877

No deferred tax liability has been recognised in respect of £149.7m (2019: £129.3m) of unremitted earnings of subsidiaries because the Group is in a position to control the timing of the reversal of the temporary difference and it is not probable that such differences will materialise in the foreseeable future. The potential deferred tax liability not recognised is £1.2m (2019: £0.1m).

The timing differences shown under "Other" predominantly includes such differences in relation to fixed assets, differences between the Group GAAP, IFRS, and the local GAAP of each country in which PageGroup operates and differences between recognition of income and expense for accounting and tax purposes.

The realisation of the deferred tax asset in respect of losses is dependent upon generating future taxable profits in the territories in which the deferred tax assets has arisen. At 31 December 2020, £27.4m (2019: £14.9m) of deductible temporary differences, unused tax losses and tax credits have not been recognised due to uncertainty over the taxable profits available to support the realisation of these attributes. The tax effected balances are £8.1m (2019: £4.5m).

18. CALLED-UP SHARE CAPITAL

	2020		2019	
	£'000	Number of shares	£'000	Number of shares
Allotted, called-up and fully paid Ordinary shares of 1p each				
At 1 January	**3,286**	**328,603,774**	3,284	328,339,724
Shares issued	**–**	**15,000**	2	264,050
At 31 December	**3,286**	**328,618,774**	3,286	328,603,774

Shares issued in the year related to the Executive Share Option Scheme.

Share option plans

The Group has share option awards currently outstanding under an Executive Share Option Scheme (ESOS) and a Share Option Scheme (SOS). These plans are described below.

At 31 December 2020 the following options had been granted and remained outstanding in respect of the Company's Ordinary shares of 1p under both the Michael Page Executive Share Option Scheme and the Share Option Scheme. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Year of grant	Balance at 1 January 2020	Granted in year	Exercised in year	Lapsed in year	No. of options outstanding at 31 December 2020	Base EPS/ OP range†	Exercise price per share	Exercise period
2010 (Note 1)*	15,427	–	(15,000)	(427)	–	6.6	381.5p-383.0p	March 2013 – March 2020
2011 (Note 2)	1,535,952	–	–	(105,162)	1,430,790	OP range	491.0p-492.9p	March 2014 – March 2021
2012 (Note 2)*	504,013	–	–	(2,160)	501,853	OP range	477.0p	March 2015 – March 2022
2013 (Note 2)*	563,149	–	–	(17,500)	545,649	OP range	442.0p	March 2016 – March 2023
2014 (Note 2)*	933,333	–	–	(45,000)	888,333	OP range	484.0p	March 2017 – March 2024
2015 (Note 2)*	1,040,000	–	–	(135,000)	905,000	OP range	526.0p-534.0p	March 2018 – March 2025
2016 (Note 2)*	687,915	–	(30,000)	(30,000)	627,915	OP range	406.0p-427.0p	March 2019 – March 2026
2017 (Note 2)*	1,580,000	–	(30,000)	(136,795)	1,413,205	OP range	435.44p	March 2020 – March 2027
2018 (Note 2)	1,615,000	–	–	(95,135)	1,519,865	OP range	529.0p	March 2021 – March 2028
2019 (Note 2)	1,835,000	–	–	(75,000)	1,760,000	OP range	458.2-473.80p	March 2022 – March 2029
2020 (Note 2)	–	1,850,000	–	(10,000)	1,840,000	OP range	332.0-387.47p	March 2023 – March 2030
Total 2020	10,309,789	1,850,000	(75,000)	(652,179)	11,432,610			
Weighted average exercise price 2020 (£)	4.77	3.37	4.13	4.81	4.55			
Total 2019	10,596,497	1,900,000	(1,710,597)	(476,111)	10,309,789			
Weighted average exercise price 2019 (£)	4.70	4.60	4.21	4.52	4.77			

* These options have fully vested

† The Operating Profit ranges for each award are fully disclosed in Note 2 of this Note. 5,329,575 options were exercisable at the end of 2020 at a weighted average exercise price of £4.65 (2019: £4.76). The weighted average share price at the date of exercise was £4.13.

Note 1

Executive Share Option Scheme

Using the ESOS, awards of share options can be made to key management personnel and senior employees to receive shares in the Company.

No awards have been made under the ESOS since 2010 and this award has fully vested.

For grants under the ESOS, the performance condition is tested on the third anniversary and no retesting will occur thereafter. These options 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. The respective base earnings per share for each grant are shown in the table above.

Note 2

Share Option Scheme

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.

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. Based on 2020 Operating Profit, the performance criteria of this scheme has not yet been achieved.

For the 2019 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.

For the 2020 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.

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 Chief Executive Officer, Chief Financial Officer and other senior employees. Details of these plans are disclosed in the Directors' Remuneration Report and are settled by the physical delivery of shares, currently satisfied by shares held in the Employee Benefit Trust, to the extent that service and performance conditions are met. Movements on these plans are shown below:

	LTIP/ESIP	MIP
As at 1 January 2020	1,050,888	1,926,490
Granted	480,370	1,108,112
Lapsed	(18,193)	(138,521)
Exercised	(649,545)	(656,034)
As at 31 December 2020	**863,520**	**2,240,047**

Share option valuation and measurement

In 2020, options were granted on 13 March with the estimated fair value of the options granted on that day in the range of £0.91 to £1.07. In 2019, options were granted on 12 March with the estimated fair value 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 options outstanding at 31 December 2020 have an exercise price in the range of 332p to 529p and a weighted average contractual life of 4.55 years. The fair values of options and other share awards granted during the year were calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

	Share Option Plans		Management Incentive Plan	
	2020	2019	2020	2019
Share price (£)	**3.32**	4.58	**3.49**	4.55
Average exercise price (£)	**3.32**	4.58	**Nil**	Nil
Weighted average fair value (£)	**0.91**	0.68	**3.36**	4.55
Expected volatility	**35.84%**	23.20%	**35.84%**	23.20%
Expected life	**5 years**	5 years	**3 years**	3 years
Risk free rate	**0.26%**	1.16%	**0.26%**	1.16%
Expected dividend yield	**1.30%**	2.86%	**1.30%**	2.86%

Expected volatility was determined by reference to historical volatility of the Company's share price in the last 12 months. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. Expectations of early exercise are incorporated into the Black-Scholes option pricing model.

The Group recognised total expenses of £4.3m, including social security, (2019: £6.8m) related to share-based payment transactions during the year.

19. RESERVES

Share premium

The share premium account has been established to represent the excess of proceeds over the nominal value for all share issues, including the excess of the exercise share price over the nominal value of the shares on the exercise of share options.

Capital redemption reserve

The capital redemption reserve relates to the cancellation of the Company's own shares.

Reserve for shares held in the Employee Benefit Trust

At 31 December 2020, the reserve for shares held in the employee benefit trust consisted of 12,795,658 Ordinary shares (2019: 10,433,864 Ordinary shares) held for the purpose of satisfying awards made under the Management Incentive Share Plan, the ESIP and the SOS, representing 3.9% of the called-up share capital with a market value of £57.2m (2019: £54.6m).

There are 11,249,646 (2019: 7,960,864) of these shares held in the trust on which dividends are waived.

Currency translation reserve

Since first-time adoption of the International Financial Reporting Standards, the currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations that are integral to the operations of the Company.

20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Cash at bank and in hand	**108,849**	90,856	**–**	–
Short-term deposits	**57,138**	6,976	**–**	–
Cash and cash equivalents	**165,987**	97,832	**–**	–
Cash and cash equivalents in the statement of cash flows	**165,987**	97,832	**–**	–
Net funds	**165,987**	97,832	**–**	–

The Group operates multi-currency cash concentration and notional cash pools, and an interest enhancement facility. The Eurozone subsidiaries and the UK-based Group Treasury subsidiary participate in the cash concentration arrangement, the Group Treasury subsidiary retains the notional cash pool and the Asia Pacific subsidiaries operate the interest enhancement facility. The structures facilitate interest compensation of cash whilst supporting working capital requirements.

21. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

(i) credit risk

(ii) liquidity risk

(iii) market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from clients. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Trade and other receivables

Total trade receivables (net of allowances) held by the Group at 31 December 2020 amounted to £186.1m (2019: £271.1m).

An initial credit period is made available on invoices. No interest is charged on trade receivables from the date of the invoice during this credit period. An impairment analysis is performed at each reporting date using a provision matrix to measure the expected credit losses. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment. If there has been a significant increase in credit risk in a customer or group of customers the loss is recognised immediately based on the future credit losses over the life of the contract.

Included in the Group's trade receivables balance are debtors with a carrying amount of £66.7m (2019: £138.1m) that are past due at the reporting date for which the Group has not provided as the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The days' sales of these receivables at the year end is 38 days in excess of the initial credit period (2019: 52 days).

In the table below, the provision includes expected credit losses and provision for revenue reversals.

The ageing of trade receivables at the reporting date was:

	Gross trade receivables 2020 £'000	Provision 2020 £'000	Net trade receivables 2020 £'000	Gross trade receivables 2019 £'000	Provision 2019 £'000	Net trade receivables 2019 £'000
Not past due	**120,214**	**(764)**	**119,450**	133,281	(259)	133,022
Past due 0-30 days	**40,663**	**(259)**	**40,404**	76,682	(152)	76,530
Past due 31-150 days	**22,955**	**(146)**	**22,809**	56,546	(112)	56,434
More than 150 days	**13,363**	**(9,892)**	**3,471**	14,667	(9,558)	5,109
	197,195	**(11,061)**	**186,134**	281,176	(10,081)	271,095

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each client. The demographics of the Group's client base, including the country in which clients operate, also has an influence on credit risk. Less than 3% of the Group's revenue is attributable to sales transactions with a single client. The geographic diversification of the Group's revenue also reduces the concentration of credit risk.

The majority of the Group's clients have been transacting with the Group for several years, with losses rarely occurring. In monitoring client credit risk, clients are grouped according to their credit characteristics, including geographic location, industry, ageing profile, maturity and existence of previous financial difficulties.

Movement in the allowance for expected credit losses and revenue reversals:

	2020 £'000	2019 £'000
Balance at beginning of the year	**10,081**	9,174
Expected credit losses and provision for revenue reversals recognised on receivables	**27,773**	24,068
Amounts written off as uncollectable	**(285)**	(923)
Amounts recovered/reversed during the year	**(26,508)**	(22,238)
Balance at end of the year	**11,061**	10,081

The allowance for expected credit losses represents a provision for debts which the Group estimate may be irrecoverable, including £6.3m (2019: £4.7m) of debts in litigation.

The impairment recognised represents the difference between the carrying amount of these trade receivables and the present value of the expected liquidation proceeds. The Group does not hold any collateral over these balances.

Exposure to credit risk

The maximum exposure to credit risk for net trade receivables at the reporting date by geographic region was:

	Carrying amount 2020 £'000	2019 £'000
EMEA	**118,327**	165,081
United Kingdom	**21,805**	37,426
Asia Pacific	**23,159**	33,333
Americas	**22,843**	35,255
	186,134	271,095

The maximum exposure to credit risk for net accrued income at the reporting date by geographic region was:

	Carrying amount 2020 £'000	2019 £'000
EMEA	**19,591**	15,789
United Kingdom	**7,173**	11,034
Asia Pacific	**14,746**	17,081
Americas	**9,772**	26,517
	51,282	70,421

The entire accrued income balance is not past due. The fair values of trade and other receivables are not materially different to those disclosed above and in note 14. There is no material effect on pre-tax profit if the instruments are accounted for at fair value or amortised cost.

(ii) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board, which has built an appropriate liquidity risk management framework that aims to ensure that the Group has sufficient cash or credit facilities at all times to meet all current and forecast liabilities as they fall due. It is the Directors' intention to continue to finance the activities and development of the Group from retained earnings.

Cash surpluses were invested in short-term deposits, with any working capital requirements being provided from Group cash resources, Group facilities, or by local overdraft facilities. The Group also operates a multi-currency notional cash pool to facilitate interest and balance compensation of cash and bank overdrafts.

The following are the contractual maturities of financial liabilities:

2020	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
Lease liabilities*	**2,298**	**5,990**	**24,423**	**70,758**
Trade payables	**3,738**	**111**	**144**	**–**
Accruals and other payables	**87,597**	**15,591**	**31,046**	**905**

2019	Less than 1 month £'000	1-3 months £'000	3-12 months £'000	More than 12 months £'000
Lease liabilities*	2,262	5,173	23,390	102,950
Trade payables	6,037	602	63	–
Accruals and other payables	102,344	20,254	34,824	–

*The above lease liabilities are the contractual undiscounted cashflows before discounting at the incremental borrowing rate.

Capital is equity attributable to the equity holders of the parent. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders through share repurchases with subsequent cancellation, or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2020 and 31 December 2019.

(iii) Market risk and sensitivity analysis

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates, but these risks are not deemed to be material. However, a sensitivity analysis showing hypothetical fluctuations in Pounds Sterling against the Group's main exposure currencies is shown on the next page. There has been no material change in the Group's exposure to market risks or the manner in which it manages and measures the risk.

Interest rate risk management

Borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk. The Group does not consider this risk as significant. The benchmark rates for determining floating rate liabilities are based on relevant national LIBOR equivalents.

The Group's only interest bearing assets and liabilities at 31 December 2020 relate to cash and bank overdrafts. The average interest rate payable on bank overdrafts was 2.51% (2019: 3.00%).

Currency rate risk

The Group publishes its results in Pounds Sterling and conducts its business in many foreign currencies. As a result, the Group is subject to foreign currency exchange risk due to exchange rate movements. The Group is exposed to foreign currency exchange risk as a result of transactions in currencies other than the functional currencies of some of its subsidiaries and the translation of the results and underlying net assets of foreign subsidiaries.

The main functional currencies of the Group are Sterling, Euro, Chinese Renminbi, Swiss Franc, Singapore Dollar, Hong Kong Dollar, Australian Dollar and US Dollar. The Group does not have material transactional currency exposures. The Group is exposed to foreign currency translation differences in accounting for its overseas operations. The Group policy is not to hedge translation exposure.

In certain cases, where the Company gives or receives short-term loans to and from other Group companies with different reporting currencies, it may use foreign exchange rate derivatives to manage the currency exposure that arises on these loans. It is the Group's policy not to seek to designate these derivatives as hedges.

All derivative financial instruments are classified as derivatives at fair value through the income statement. The Group does not use derivatives for speculative purposes. All transactions in derivative financial instruments are undertaken to manage the risks arising from underlying business activities.

Information on the fair value of derivative financial instruments held at the balance sheet date is shown in the table below.

Fair values are not adjusted for credit risk, as required by IFRS 13, because credit impact is not material given the low fair value levels. All derivative instruments are classified as level 2 instruments.

Derivative financial instruments

	Derivatives at fair value	
	2020 £m	2019 £m
Derivative assets	**0.3**	2.3
Derivative liabilities	**(2.0)**	(4.3)
Net derivative (liabilities)	**(1.7)**	(2.0)

Sensitivity analysis – currency risk

A 10% strengthening of Sterling against the following currencies at 31 December 2020 would have increased/(decreased) equity and profit or loss by the amounts shown over the page. This is reflective of the exchange rates movements experienced by the Group over the last 3 years. This analysis is applied currency by currency in isolation, i.e. ignoring the impact of currency correlation, and assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2019. The amounts generated from the sensitivity analysis are forward-looking estimates of market risk assuming certain adverse market conditions occur. Actual results in the future may differ materially from those projected, due to developments in the global financial markets which may cause fluctuations in interest and exchange rates to vary from the hypothetical amounts disclosed in the table over the page, which therefore should not be considered a projection of likely future events and losses.

	2020 equity £'000	2020 PBT £'000
Euro	**(12,877)**	**(470)**
Australian Dollar	**(1,238)**	**199**
Swiss Franc	**(350)**	**67**
Chinese Renminbi	**(658)**	**55**
Hong Kong Dollar	**(851)**	**27**
Singapore Dollar	**(1,488)**	**(23)**
United States Dollar	**(1,065)**	**(143)**
Other	**(1,663)**	**535**
	2019 equity £'000	2019 PBT £'000
Euro	(12,399)	(1,451)
Australian Dollar	(1,514)	(118)
Swiss Franc	(1,825)	75
Chinese Renminbi	(927)	12
Hong Kong Dollar	(930)	403
Singapore Dollar	(1,496)	(14)
Other	(4,342)	(284)

A 10% weakening of Sterling against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

22. COMMITMENTS AND CONTINGENT LIABILITIES

Capital Commitments

The Group had nil contractual capital commitments as at 31 December 2020 relating to property, plant and equipment (2019 nil). The Group had contractual capital commitments of nil as at 31 December 2020 relating to computer software (2019: nil).

Guarantees

The Company has provided guarantees to other Group undertakings amounting to £4.0m (2019: £1.0m) in the ordinary course of business. It is not anticipated that any material liabilities will arise from the contingent liabilities.

VAT Group registration

As a result of 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).

23. EVENTS AFTER THE BALANCE SHEET DATE

There were no shares options exercised from 31 December 2020 to 2 March 2021.

24. RELATED PARTY TRANSACTIONS

Identity of related parties

The Company has a related party relationship with its Directors and members of the Executive Committee, and subsidiaries (Note 12).

Transactions with key management personnel

Key management personnel are deemed to be the Directors and members of the Executive Committee as detailed in the biographies on pages 61 to 66. The remuneration of Directors and members of the Executive Committee is determined by the Remuneration Committee having regard to the performance of individuals and market trends. The transactions for the year were:

Related party transactions

	2020 £'000	2019 £'000
Wages and salaries	**3,270**	5,448
Social security costs	**232**	467
Short-term benefits	**432**	682
Pension costs – defined contribution plans	**231**	231
Share-based payments and deferred cash plan	**2,464**	4,225
	6,629	11,053

Company

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the parent company and subsidiary undertakings are shown below.

	Dividends received		Amounts owed by related parties		Amounts owed to related parties	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Transactions	**144,312**	49,927	**808,610**	607,159	**1,026,512**	962,221

FIVE-YEAR SUMMARY

	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000
Revenue	1,196,125	1,371,534	1,549,941	1,653,948	**1,304,791**
Gross profit	621,034	711,568	814,902	855,450	**610,249**
Operating profit	100,952	118,322	142,463	146,669	**17,028**
Profit before tax	99,996	118,162	142,275	144,245	**15,544**
Profit attributable to equity holders	72,096	83,080	103,703	103,445	**(5,742)**
Conversion†	16.3%	16.6%	17.5%	17.1%	**2.8%**
Basic earnings per share (pence)	23.1	26.5	32.5	32.2	**(1.8)**

* Includes exceptional items.

† Operating profit before exceptional items as a percentage of gross profit.

SHAREHOLDER INFORMATION AND ADVISERS

Annual General Meeting

To be held on 3 June 2021 at 9.30am at Page House, 1 Dashwood Lang Road, The Bourne Business Park, Addlestone, Surrey, KT15 2QW.

General Counsel & Company Secretary

Kaye Maguire

Company number

3310225

Registered office, domicile and legal form

The Company is a limited liability company incorporated and domiciled within the United Kingdom.

The address of its registered office is:

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

Auditor

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

Solicitors

Herbert Smith LLP
Exchange House
Primrose Street
London EC2A 2EG

Bankers

HSBC Bank plc
60 Queen Victoria Street
London EC4N 4TR

Joint corporate brokers

Citigroup
33 Canada Square
Canary Wharf
London E14 5LB

HSBC Bank plc
8 Canada Square
Canary Wharf
London E14 5HQ

Registrars

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds LS1 4DL

Financial PR

FTI Consultancy
200 Aldersgate
Aldersgate Street
London EC1A 4HD

ARTICLES OF ASSOCIATION

The following summarises certain provisions of the Company's Articles of Association (as adopted on 21 May 2010) and applicable English Law. The summary is qualified in its entirety by reference to the Companies Act 2006 of Great Britain (the "Act"), as amended, and the Company's Articles of Association. Under the Act, the Memorandum of Association of the Company has now become a document of record, and no longer contains any operative provisions.

Incorporation

The Company is incorporated under the name PageGroup plc and is registered in England and Wales with registered number 3310225.

Share capital

The Act abolished the concept of, and requirement for a company to have, an authorised share capital. As such, the Company no longer has an authorised share capital.

Alteration of capital

The Company may from time to time by ordinary resolution:

(a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(b) sub-divide its shares, or any of them, into shares of a smaller amount than its existing shares; and

(c) determine that, as between the shares resulting from such a sub-division, any of them may have any preference or advantage as compared with the others.

Subject to the provisions of the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account, in any way.

Purchase of own shares

Subject to the provisions of the Act, the Company may purchase its own shares, including redeemable shares. The Company proposes to renew its authority to purchase its own shares for another year in item 17 of the Annual General Meeting notice.

General meetings and voting rights

The Directors may call general meetings whenever and at whatever time and location they so determine. Subject to the provisions of the Act, an annual general meeting and all general meetings (which shall be called extraordinary general meetings) shall be called by at least 21 clear days' notice. Subject to the provisions of the Act, the Company may resolve to reduce the notice period for general meetings (other than annual general meetings) to 14 days on an annual basis. The Company proposes to renew its authority to hold general meetings on 14 days' notice for another year in item 18 of the Annual General Meeting notice. Two persons entitled to vote upon the business to be transacted shall be a quorum.

The Articles of Association provide that subject to any rights or restrictions attached to any shares, on a show of hands every member and every duly appointed proxy present shall have one vote. Every corporate representative present who has been duly authorised by a corporation has the same voting rights as the corporation would be entitled to. On a poll every member present in person or by a duly appointed proxy or corporate representative shall have one vote for every share of which he is a holder or in respect of which his appointment as proxy or corporate representative has been made. No member shall be entitled to vote in respect of any share held by him if any call or other sum payable by him to the Company remains unpaid.

If a member or any person appearing to be interested in shares held by a member has been duly served with a notice under the Act and is in default for the prescribed period in supplying to the Company information thereby required, unless the Directors otherwise determine, the member shall not be entitled in respect of the default shares to be present or to vote (either in person or by representative or proxy) at any general or class meeting of the Company or on any poll or to exercise any other right conferred by membership in relation to such meeting or poll. In certain circumstances, any dividend due in respect of the default shares shall be withheld and certain certificated transfers may be refused.

A member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way. A member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and speak and vote at a meeting of the Company. A proxy need not be a member. A member may appoint more than one proxy to attend on the same occasion. This does not preclude the member from attending and voting at the meeting or at any adjournment of it.

Limitations and non-resident or foreign shareholders

English law treats those persons who hold the shares and are neither UK residents nor nationals in the same way as UK residents or nationals. They are free to own, vote on and transfer any shares they hold.

Variation of rights

If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied either:

(a) in such manner (if any) as may be provided by those rights; or

(b) in the absence of any such provision, with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class,

but not otherwise, and may be so varied either whilst the Company is a going concern or during, or in contemplation of, a winding-up. At every such separate general meeting the necessary quorum shall be at least two persons together holding or representing by proxy at least one-third in nominal value of the issued shares of the class (excluding any shares of that class held as treasury shares), save that at any adjourned meeting any holder of shares of the class (other than treasury shares) present or by proxy shall be a quorum. Unless otherwise expressly provided by the rights attached to any class of shares, those rights shall be deemed not to be varied by the purchase by the Company of any of its own shares or the holding of such shares as treasury shares.

Dividend rights

Holders of the Company's ordinary shares may by ordinary resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors. If, in the opinion of the Directors, the profits of the Company available for distribution justify such payments, the Directors may, from time to time, pay interim dividends on the shares of such amounts and on such dates and in respect of such periods as they think fit. The profits of the Company available for distribution and resolved to be distributed shall be apportioned and paid proportionately to the amounts paid up on the shares during any portion of the period in respect of which the dividend is paid. The members may, at a general meeting declaring a dividend upon the recommendation of the Directors, direct that it shall be satisfied wholly or partly by the distribution of specific assets.

No dividend shall be paid otherwise than out of profits available for distribution as specified under the provisions of the Act.

Any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall, if the Directors so resolve, be forfeited and shall revert to the Company.

Calls on shares

Subject to the terms of allotment, the Directors may make calls upon members in respect of any amounts unpaid on their shares (whether in respect of nominal value or premium) and each member shall pay to the Company as required by the notice the amount called on his shares.

Transfer of shares

Any member may transfer all or any of his shares in certificated form by instrument of transfer in the usual common form or in any other form which the Directors may approve. The transfer instrument shall be signed by or on behalf of the transferor and, except in the case of fully-paid shares, by or on behalf of the transferee.

Where any class of shares is for the time being a participating security, title to shares of that class which are recorded as being held in uncertificated form, may be transferred (to not more than four transferees) by the relevant system concerned.

The Directors may in their absolute discretion refuse to register any transfer of shares (being shares which are not fully paid or on which the Company has a lien), provided that if the share is listed on the Official List of the UK Listing Authority such refusal does not prevent dealings in the shares from taking place on an open and proper basis.

The Directors may also refuse to register a transfer of shares (whether fully paid or not) unless the transfer instrument:

(a) is lodged at the registered office, or such other place as the Directors may appoint, accompanied by the relevant share certificate(s)

(b) is in respect of only one class of share

(c) is in favour of not more than four transferees

The Directors of the Company may refuse to register the transfer of a share in uncertificated form to a person who is to hold it thereafter in certificated form in any case where the Company is entitled to refuse (or is excepted from the requirements) under the Uncertificated Securities Regulations 2001 to register
the transfer.

Directors

The Company's Articles of Association provide for a Board of Directors, consisting of (unless otherwise determined by the Company by ordinary resolution) not fewer than two Directors, who shall manage the business of the Company. The Directors may exercise all the powers of the Company, subject to the provisions of the Articles of Association and any directions given by special resolution. If the quorum is not fixed by the Directors, the quorum shall be two.

Subject to the provisions of the Company's Articles of Association, the Directors may delegate any of their powers:

(a) to such person or committee

(b) by such means (including power of attorney)

(c) to such an extent

(d) in relation to such matters or territories

(e) on such terms and conditions

as in each case they think fit, and such delegation may include authority to sub-delegate all or any of the powers delegated, may be subject to conditions and may be revoked or varied.

The Directors may also, by power of attorney or otherwise, appoint any person, whether nominated directly or indirectly by the Directors, to be the agent of the Company for such purposes and subject to such conditions as they think fit, and may delegate any of their powers to such an agent.

The Articles of Association place a general prohibition on a Director voting on any resolution concerning a matter in which he has, directly or indirectly, a material interest (other than an interest in shares, debentures or other securities of, or otherwise in or through the Company), unless his interest arises only because the case falls within one or more of the following:

(a) the giving to him of a guarantee, security, or indemnity in respect of money lent to, or an obligation incurred by him for the benefit of, the Company or any of its subsidiary undertakings

(b) the giving to a third party of a guarantee, security, or indemnity in respect of an obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security

(c) the giving to him of any other indemnity which is on substantially the same terms as indemnities given or to be given to all of the other directors and/or the funding by the Company of this expenditure on defending proceedings or the doing by the Company of anything to enable him to avoid incurring such expenditure where all other directors have been given or are to be given substantially the same arrangements

(d) the purchase or maintenance for any director or directors of insurance against liability

(e) his interest arises by virtue of his being, or intending to become a participant in the underwriting or sub-underwriting of an offer of any shares in or debentures or other securities of the Company for subscription, purchase or exchange

(f) any arrangement for the benefit of the employees and directors and/or former employees and former directors of the Company or any of its subsidiaries and/or the members of their families or any person who is or was dependent on such persons, including but without being limited to a retirement benefits scheme and an employees' share scheme, which does not accord to him any privilege or advantage not generally accorded to employees and/or former employees to whom the arrangement relates

(g)any transaction or arrangement with any other company in which he is interested, directly or indirectly (whether as a director or shareholder or otherwise), provided that he is not the holder of or beneficially interested in at least 1% of any class of shares of that company (or of any other company through which his interest is derived), and is not entitled to exercise at least 1% of the voting rights available to members of the relevant company

If a question arises at a Directors' meeting as to the right of a Director to vote, the question may be referred to the Chairman of the meeting (or if the Director concerned is the Chairman, to the other Directors at the meeting), and his ruling in relation to any Director (or, as the case may be, the ruling of the majority of the other Directors in relation to the Chairman) shall be final and conclusive.

The Act requires a Director of a company who is in any way interested in a proposed transaction or arrangement with the company to declare the nature of his interest at a meeting of the Directors of the company (save that a director need not declare an interest if it cannot reasonably be regarded as giving rise to a conflict of interest). The definition of "interest" includes the interests of spouses, civil partners, children, companies and trusts.

Borrowing powers of the Directors

The Directors shall restrict the borrowings of the Company and exercise all powers of control exercisable by the Company in relation to its subsidiary undertakings so as to secure (as regards subsidiary undertakings so far as by such exercise they can secure) that the aggregate principal amount (including any premium payable on final repayment) outstanding of all money borrowed by the Group (excluding amounts borrowed by any member of the Group from any other member of the Group), shall not at any time, save with the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the aggregate of:

(a) the amount paid up on the share capital of the Company

(b) the total of the capital and revenue reserves of the Group, including any share premium account, capital redemption reserve, capital contribution reserve and credit balance on the profit and loss account, but excluding sums set aside for taxation and amounts attributable to outside shareholders in subsidiary undertakings of the Company and deducting any debit balance on the profit and loss account, all as shown in the latest audited consolidated balance sheet and profit and loss account of the Group, but adjusted as may be necessary in respect of any variation in the paid up share capital or share premium account of the Company since the date of that balance sheet and further adjusted as may be necessary to reflect any change since that date in the companies comprising the Group

Director's appointment, retirement and removal

At each annual general meeting, there shall retire from office by rotation:

(a) all Directors of the Company who held office at the time of the two preceding annual general meetings and who did not retire by rotation at either of them

(b) such additional number of Directors as shall, when aggregated with the number of Directors retiring under paragraph (a) above, equal either one third of the number of Directors, in circumstances where the number of Directors is three or a multiple of three, or in all other circumstances, the whole number which is nearest to but does not exceed one-third of the number of Directors (the "Relevant Proportion") provided that:

  (i) the provisions of this paragraph (b) shall only apply if the number of Directors retiring under paragraph (a) above is less than the Relevant Proportion

  (ii) subject to the provisions of the Act and to the relevant provisions of the Articles of Association, the Directors to retire under this paragraph (b) shall be those who have been longest in office since their last appointment or reappointment, but as between persons who became or were last reappointed Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot

If the Company, at the meeting at which a director retires by rotation, does not fill the vacancy the retiring Director shall, if willing to act, be deemed to have been reappointed unless a resolution not to fill the vacancy or not to reappoint that Director is passed.

In addition to any power of removal under the Act, the Company may, by special resolution, remove a director before the expiration of his period of office (without prejudice to any claim for damages for breach of any contract of service between the director and the Company) and, subject to the Articles of Association, may by ordinary resolution, appoint another person who is willing to act as a director, and is permitted by law to do so, to be a director instead of him. The newly appointed person shall be treated, for the purposes of determining the time at which he or any other director is to retire as if he had become a director on the day on which the director in whose place he is appointed was last appointed or reappointed as a Director.

A Director shall be disqualified from holding office as soon as:

(a) that person ceases to be a director under the provisions of the Act or is prohibited by law from being a Director

(b) a bankruptcy order is made against that person

(c) a composition is made with that person's creditors generally in satisfaction of that person's debts

(d) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have

(e) notification is received by the Company from that person that he is resigning or retiring from his office as director, and such resignation or retirement has taken effect in accordance with its terms

(f) in the case of an Executive Director, his appointment as such is terminated or expires and the Directors resolve that he should cease to be a Director

(g) that person is absent from Directors' meetings for more than six consecutive months (without permission of the other Directors) and the Directors resolve that he should cease to be a Director

(h) a notice in writing is served on him signed by all the Directors stating that that person shall cease to be a Director with immediate effect

There is no requirement of share ownership for a Director's qualification.

Amendments to the articles of association

Subject to the Act, the Articles of Association of the Company can be altered by special resolution of the members.

Winding-up

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law:

(a) divide among the members in kind the whole or any part of the assets of the Company and, for that purpose, set such values as he deems fair upon any property to be divided and determine how the division shall be carried out between the members

(b) vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit, but no member shall be compelled to accept any assets upon which there is a liability

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