

COMPANY NO: 05247149

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# **REED STAFFING SERVICES LIMITED**

## **ANNUAL REPORT**

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**◆ For the year ended 30th June 2023 ◆**

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**REED STAFFING SERVICES LIMITED**

**COMPANY INFORMATION**

Directors James Reed CBE, FCIPD, MBA, MA  
Ian Nicholas FCIPD, BSc

Registered office Academy Court  
94 Chancery Lane  
London  
WC2A 1DT

Company number 05247149

Independent Auditors PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

Bankers Barclays Bank PLC  
1 Churchill Place  
London  
E14 5HP

**REED STAFFING SERVICES LIMITED****STRATEGIC REPORT**

The Directors present their Strategic Report on Reed Staffing Services Limited (“the Company”) for the year ended 30th June 2023.

**Business review, principal activities, and future developments**

The Company's principal activity is that of the employment of temporary staff on behalf of group companies and the provision of payroll services to other group companies. The Reed Group (“Reed”) comprises Reed Global Limited and its subsidiaries, including Reed Specialist Recruitment Limited (“RSR”) and Reed Staffing Services Limited (the “Company”). The Company charges a margin on this activity. The Company is a private limited company incorporated in the United Kingdom limited by shares.

The Company's trading results and financial position for the year are set out on pages 22 and 23 respectively.

The Directors expect the Company to continue to trade in the same manner in the future.

<b>Key performance indicators (KPIs)</b>	<b>Year ended 30th June 2023</b>	Year ended 30th June 2022
Turnover (£000)	<b>222,157</b>	238,220
Average number of staff employed (Note 5)	<b>7,209</b>	8,288

**Principal risks and uncertainties facing the Company**

The Company depends on the business of another group company which operates entirely in the UK.

Any downturn in the economic environment has historically been the greatest risk to the service sector. The business is also exposed to changes in government policy in the markets in which it operates such as changes in the legislation around sensitive data management and employment laws.

The Directors continue to closely monitor weekly KPIs to assess any impact of the current economic climate within the UK, our primary area of operation, on our business.

*Consideration of climate change*

In preparing the financial statements we have considered the impact of climate change. There has not been a material impact on the financial reporting judgments and estimates from our considerations, consistent with our assessment that climate change is not expected to have a meaningful impact on the viability of the group in the medium term.

## REED STAFFING SERVICES LIMITED

### STRATEGIC REPORT (continued)

#### Principal risks and uncertainties facing the Company (continued)

##### *Financial risks*

The Company's operations expose it to a variety of financial risks including the effects of changes in interest rates, credit risk and liquidity risk.

The Company does not have material exposures in any of the areas identified above and consequently does not use derivative instruments to manage these exposures. The Company's principal financial instruments comprise trading balances with group undertakings.

The main risks arising from the Company's financial instruments can be analysed as follows:

##### *Interest rate risk*

The Company does not have any borrowings and only pays or receives interest on its intercompany balances with other group companies. The Company is not deemed to have a material exposure in this area.

##### *Credit risk*

The Company's principal financial asset is amounts owed by group undertakings, which represent the Company's major exposure to credit risk in relation to the financial assets. Reporting in this area covers weekly aged debt for every significant client as well as overall ledger profiles from the invoicing date taking into account any pre-agreed payment terms.

The Company itself has no significant credit risk, as the group undertaking with which it trades has its own exposure spread over a large number of customers. Also, the risk on liquid funds is minimised by the credit checking of these clients and a strong credit control function. Bad debt exposure is minimal due to the diverse spread of clients within the related group company.

##### *Liquidity risk*

The Company's policy has been to ensure continuity of funding through the operation of its treasury function. The Company participates in the Reed Group's (Reed) centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

#### **Section 172 Statement**

This Statement sets out how the Board of Directors ("the Board") of Reed Staffing Services Limited ("the Company") complies with the requirements of Section 172 of the Companies Act 2006 and how consideration of stakeholder interests has impacted the Board's activities and decision making during the financial year ending 30th June 2023 ("FY23").

## REED STAFFING SERVICES LIMITED

### STRATEGIC REPORT (continued)

#### Section 172 Statement (continued)

Section 172 of the Companies Act 2006 states that directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of the members as a whole, and in doing so have regard (amongst other matters) to:

- a) the likely consequences of any decision in the long term,
- b) the interests of the company's employees,
- c) the need to foster the company's business relationships with suppliers, customers, and others,
- d) the impact of the company's operations on the community and the environment,
- e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly between members of the company.

These duties are designed to ensure that directors act in such a way as to promote the long-term success of the company by delivering and creating sustainable shareholder value as well as contributing to wider society. The Reed Group ("Reed") comprises Reed Global Limited and its subsidiaries, including Reed Specialist Recruitment Limited ("RSR") and the Company. The Company is a wholly owned subsidiary of RSR, and the Company's directors are also directors of RSR.

Engaging with all our stakeholders to deliver long-term success is a key focus for the Board. The Board is very aware of the environment in which the Company operates and, in particular, the stakeholders it needs to engage with including but not limited to clients; employees; suppliers; central and local government; local communities; and shareholders. A Stakeholder Map, identifying the key internal and external stakeholders and how the Company interacts with them, has been created and may be found, along with other relevant statements, on the Company's 'Corporate Governance' page on Reed Global's website: <https://www.reed.com/corporate-governance>.

Reed is proud of its culture as a family business, and all Reed directors understand and adhere to the requirements of Section 172 due to the nature, ethos, purpose, vision and values of the Company. In addition, all Reed directors have received formal training on their responsibilities and accountabilities, and principal decisions have been defined and formalised as part of Board meetings. The structure of the Company means that matters of the Company are discussed and decided upon within Board meetings of RSR.

Principal decisions were taken by the Board across FY23 in response to improved market conditions in comparison to the previous year, balanced against the need of its stakeholders including temporary workers and shareholders.

## REED STAFFING SERVICES LIMITED

### STRATEGIC REPORT (continued)

#### Section 172 Statement (continued)

The Corporate Governance Statement within the Strategic Report and the Employee Engagement and Other Stakeholder Engagement Statements within the Directors' Report, further detail how the Board have considered and engaged with stakeholders in the light of their Section 172 duties.

#### Environment

The Board ensures that the Company operates in alignment with Reed's policy regarding the environment. This policy continues to be adopted by the Board as it ensures that we understand and effectively manage the actual and potential environmental impact of our activities in tandem with the other Reed companies. The Board ensures that the Company operates in a way that it complies with all legal requirements relating to the environment in all areas where it carries out its business.


During FY23, the Company did not incur any financial penalties or investigation for any breach of environmental regulations. The Board inputs into an overall Streamlined Energy and Carbon Report (SECR) for Reed, which may be found on Reed's website and in the financial statements of Reed Global Limited (10169598). Further details on how the Board pro-actively interacts and measures its engagement with the environment can be found within the 'Success with Environment and Communities' section of the Section 172 Statement within the Strategic Report.

#### Modern Slavery Statement

The Board has approved the Reed Group's Modern Slavery Statement which can be found on the Company's website.

#### Approval

The Strategic Report was approved by the Board on 17th November 2023 and signed on its behalf by:

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 17/11/2023 | 15:21 GMT  
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James Reed CBE, FCIPD, MBA, MA  
Director

## **REED STAFFING SERVICES LIMITED**

### **REPORT OF THE DIRECTORS**

The Directors submit their report together with the audited financial statements for the year ended 30th June 2023.

#### **Dividends**

No dividends were proposed or paid for the year (2022: £nil).

#### **Directors**

The Directors of the company who were in office during the year and up to the date of signing the financial statements are given on page 2. The Directors have no material interest in any contract subsisting during, or at the end of, the financial year.

The Statement of Directors' Responsibilities in respect of the financial statements may be found on page 16.

#### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Acts 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors with the cost being borne by Reed Global Limited.

#### **Employee Engagement Statement**

The Company values input and feedback from its temporary workers and has numerous processes in place to capture the thoughts and views of its workforce. These include a complaints policy, an Evaluation of Service process, and access to named recruitment consultants in RSR. Results are analysed, and actions are taken in response to trends or specific feedback. The Board delegates the collation and initial analysis of employee feedback to working groups, who present consolidated data to the RSR Board to enable appropriate decisions and actions to be taken.

The Company values diversity at work for its temporary workers through RSR's recruitment processes and those of its clients. The Company, through RSR, implemented a plan of work, following a consultancy project in the previous year, which is aimed at improving diversity awareness and practices internally, as well as becoming experts and thought leaders externally. Further information on Reed's commitment to diversity and inclusion can be found on the 'Diversity and Inclusion' page of the Company's website: <https://www.reed.com/diversity-and-inclusion>.

**REED STAFFING SERVICES LIMITED****REPORT OF THE DIRECTORS (continued)****Employee Engagement Statement (continued)**

The Board continues to advocate for improved standards in its industry for its temporary employees, in line with Reed's purpose of "Improving lives through work". The Company, via RSR, actively engaged with its regulators, including the UK government Department for Business and Trade, by responding to formal consultations. In addition, through RSR's relationships with its UK regulators, the Company was able to support improvements to guidance produced for keeping children safe in the Education sector, for example. These improvements ensure that recruitment standards in the Education sector are aligned, and temporary workers are treated fairly throughout their time working in the sector.

Further details on how the Company pro-actively interacts and measures its engagement with temporary workers may be found within the Stakeholder Map on the 'Corporate Governance' page of the Company's website and under 'Principle 6 - Stakeholder Engagement' within the Corporate Governance Statement in the Directors' Report.

**Other Stakeholder Engagement**

The Company values input and feedback from all stakeholders and has numerous processes in place to capture the thoughts and views from a diverse set of stakeholders. The stakeholder feedback received by the Board includes customer-based metrics on satisfaction levels and views of local communities. The Board delegates specific responsibilities and actions to a customer excellence function, which engages with other stakeholders and provides targeted feedback to the Board so that informed decisions and strategic policies may be implemented with other stakeholders' needs at heart.

As referenced in the Company's 'Employee Engagement Statement' above, the Board continues to advocate for improved standards in its industry for all stakeholders, in line with Reed's purpose of "Improving lives through work". In supporting improvements to guidance produced for keeping children safe in the Education sector, the Company has been able to ensure that recruitment standards in the Education sector are aligned and that clients and local communities are treated fairly.

Reed-wide consultancy project to review the status of Reed's environmental impact and initiatives and has already begun to work on implementing the project recommendations. These recommendations include refreshing Reed's environmental targets and commitments to ensure long-term, challenging yet achievable, sustainability goals. As well as an improved communications strategy to ensure all stakeholders are informed about the work that Reed is already doing to support the environment and has been since 2005.



## **REED STAFFING SERVICES LIMITED**

### **REPORT OF THE DIRECTORS (continued)**

#### **Other Stakeholder Engagement**

Further details on how the Company pro-actively interacts and measures its engagement with other stakeholder groups may be found within the Stakeholder Map on the 'Corporate Governance' page of the Company's website and under 'Principle 6 - Stakeholder Engagement' within the Corporate Governance Statement in the Directors' Report.

#### **Employees**

Employees are kept informed of Company developments via the online timesheet portal. The Company provides support for all employees where appropriate and gives a full and fair consideration to disabled applicants in respect of duties which may be effectively performed by a disabled person. Where existing employees become disabled, the Company will seek to continue employing them, bearing in mind their disability, and provided suitable duties are available.

#### **Charitable donations and political contributions**

No charitable donations were made in the year (2022: nil).

No political contributions were made in the year (2022: nil).

#### **Going concern basis**

The Company's business activities, together with the factors likely to affect its future development, its financial position, financial risk management objectives, and its exposures to credit and liquidity risk are described in the Strategic Report on pages 3 and 4.

The Directors of Reed Global Limited agreed after the balance sheet date that, should it be required, it intends to provide support for the meeting of liabilities as and when they fall due to Reed Staffing Services Limited to continue in operation until at least 31st December 2023. That support is intended to include assistance to meet the liabilities of payment of intercompany creditors until 31st December 2023.

After making enquiries, the Directors have formed a judgement that, at the time of approving the financial statements, there is reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

## REED STAFFING SERVICES LIMITED

### REPORT OF THE DIRECTORS (continued)

#### Corporate Governance Statement

##### Introduction

Reed Staffing Services Limited ("the Company") is committed to good corporate governance, which supports the running of a responsible business and the upholding of our values.

This Corporate Governance Statement explains how, for the year ended 30th June 2023, the Company has managed its corporate governance responsibilities by applying the Wates Corporate Governance Principles in compliance with The Companies (Miscellaneous Reporting) Regulations 2018.

##### Principle 1: Purpose and Leadership

In the early 1960s, Reed pioneered specialist recruitment in the UK. Seven decades on, we have become the world's largest family-run recruitment business, with offices spanning across the UK, Europe, and Asia. With access to the UK's largest candidate database and expertise across 20 specialist sectors, we are committed to ensuring that people are at the heart of everything we do to ensure we fulfil our purpose: improving lives through work.

The Reed Group ("Reed") is led by the Reed Global Limited Board, which defines Reed's purpose, values and strategy, and approves the strategies of subsidiary companies, including Reed Specialist Recruitment Limited ("RSR"). The Company is a wholly owned subsidiary company of RSR, and it is the company which employs all of Reed's temporary workers in the UK.

There are three core values at Reed:

##### We are Fair, Open and Honest

- we treat everyone with fairness and respect
- we act with integrity
- we are true to our commitments

##### We Take Ownership

- we respond swiftly to execute our promises
- we take responsibility for providing solutions
- we hold ourselves accountable for our actions

##### We Work Together

- we work in partnership and build sustainable trusted relationships
- we value a diverse workforce and respect the contributions of all
- we support our customers and colleagues in achieving their goals

## REED STAFFING SERVICES LIMITED

### REPORT OF THE DIRECTORS (continued)

#### **Principle 1: Purpose and Leadership (continued)**

The Company ensures its purpose and values are clearly articulated with effective channels of engagement with its temporary workers and other stakeholders. The Company's engagement channels include an online portal, as well as direct communication between RSR and temporary workers. In support of its fair, open, and honest culture, the Company operates a whistleblowing process to ensure transparency and openness.

#### **Principle 2: Board Composition**

The leadership and responsibility for the overall effective running of the Board sits with the Company Managing Director. The Board is comprised of two directors, including Reed's Chairman, James Reed.

The day-to-day operational management of Reed's temporary workers takes place through RSR. Meeting of the RSR Board include reference to any matters arising relating to the Company, as the directors of the Company are also directors of RSR.

A short biography for each Board member, detailing their appropriate skills, background, experience and knowledge is below:

#### **James Reed CBE, FCIPD, MBA, MA - Chairman and Chief Executive of Reed.**

James Reed is the Chairman and Chief Executive of Reed. He was appointed Chief Executive in 1997 and became Chairman in 2004 when he took over the role from his father, the founder of the Reed Group, Sir Alec Reed. James is a regular media commentator on work and labour market issues, with recent appearances including BBC News, Sky News, BBC Radio 2 and BBC Radio 4. He has contributed insight to a wide range of publications including the Financial Times, Harvard Business Review and The Sunday Times.

James is also a best-selling author of four books, *Life's Work: 12 Proven Ways to Fast-Track Your Career*, *The Happy Recruiter: The 7 Ways to Succeed*, *The 7 Second CV: How to Land the Interview*, and *Why You?: 101 Interview Questions You'll Never Fear Again*. He also co-authored *Put Your Mindset to Work* with Dr Paul Stoltz. James has an MA in Philosophy, Politics and Economics from Oxford University, an MBA from Harvard Business School and is a Fellow of the Chartered Institute of Personnel and Development (CIPD).

#### **Ian Nicholas BSc, FCIPD - Global Managing Director**

Ian was appointed as Global Managing Director of the Company in March 2020, transferring from his role as Chief HR Officer for Reed Global Limited, in which he was responsible for all people strategies across the group.

**REED STAFFING SERVICES LIMITED****REPORT OF THE DIRECTORS (continued)****Principle 2: Board Composition (continued)****Ian Nicholas BSc, FCIPD - Global Managing Director (continued)**

Ian joined Reed in 2004 as HRD of one of their businesses, and he also opened and ran a specialist HR recruitment arm. In 2007 the company merged its recruitment businesses and Ian was appointed as HRD for the newly formed Reed Specialist Recruitment Limited. In 2013, whilst retaining his HR responsibilities, he was appointed as MD for RSR Managed Services and during a two-year period of successful growth, he led the re-shaping of the business into what is now the highly regarded Reed Talent Solutions brand. In 2015, Ian was appointed to CHRO for the Reed Group, before taking up his current role as Global Managing Director.

Ian attained a BSc (Hons) at Liverpool University, subsequently gaining his CIPD qualification via Glamorgan University. He is Chartered FCIPD. In 2019, Ian was listed on the 'HR Most Influential' list by HR Magazine.

The Board are supported in their strategic management of the Company and its risks by Reed's risk management framework, led by Reed's Audit and Risk Committee ("ARC"), which reviews the comprehensiveness and reliability of assurances on governance, risk management, control environment, and the integrity of financial statements and the annual report. RSR has robust Compliance, Audit and Data functions managing and mitigating operational risk. The Board delegates day-to-day management and implementation of agreed risk strategies to these functions on behalf of the Company.

The Company is committed to ensuring that the composition of the Board continues to comprise directors who possess the diversity of skills and experience required to fulfil the role, and fully supports the professional development of all board members.

The RSR Board has adopted standardised documentation and receives key performance indicators in the form of Balanced Scorecards for the Company, covering financial, commercial, people, and social responsibility matters ahead of each Board meeting.

A regular formal effectiveness review of the Board takes place every other year, with the next scheduled for the end of 2023; assessing that the Board is competent and well run and has the potential to become more effective by taking forward some key observations which includes a deeper insight into risks and risk management via the ARC.

**Principle 3: Director responsibilities**

The Board normally has a programme of monthly meetings, plus an additional meeting for strategic planning.

**REED STAFFING SERVICES LIMITED****REPORT OF THE DIRECTORS (continued)****Principle 3: Director responsibilities (continued)**

The Board is responsible for establishing the culture, values and framework within which the Company operates, including the Company's strong values as defined under Principle 1. The Board upholds its responsibility to stakeholders for the direction and oversight of the Company to ensure its long-term success and considers stakeholder impact in its decision-making. It provides leadership, oversees strategy, ensures the necessary resources are available and sets policies, key operational initiatives and standards.

The Board delegates day-to-day management of operating divisions to the RSR Senior Leadership Team. Both statutory and non-statutory directors who attend Board meetings have annual appraisals and quarterly reviews of progress against targets to maintain accountability.

The Board relies on accurate and relevant information to make effective business decisions and is free to challenge decisions as it sees fit. The Board receives regular and timely business reports on areas such as financial performance, strategy, operations, and environmental impact to keep the Board informed of the Company's performance, position, and long-term sustainable success.

As part of every board meeting, conflict of interest is a standing agenda item where all members must declare any conflicts of interest which may impact their effective decision making, in line with Reed's conflicts of interest policy.

**Principle 4: Opportunity and Risk**

The Board focuses on future opportunities for innovation and entrepreneurship. Short-term to medium-term opportunities are highlighted through RSR Board meetings and executive reporting, whilst long-term strategic opportunities are reviewed through the annual strategic review process.

The RSR Board has responsibility for determining the nature and extent of the principal risks that both RSR and the Company are facing, the overall risk appetite and the Company's internal control framework. The Company has robust procedures to identify, monitor and manage risk via the RSR Operational Risk Group ("ORG"), which meets quarterly and receives reports on any emerging or established risks which are considered to have an impact on the Company's stakeholders, or which may impact the Company's business objectives. Throughout FY23 the RSR Board's oversight of risk has continued to evolve, including a greater consideration placed on climate-related risks as well as overall how RSR, and the Company, controls and mitigates its risks. In FY23, the RSR Board evaluated the impact of the principal risks identified by the parent company Reed Global Limited, on its own operations and outlined key mitigating activities. The RSR Board additionally oversees an internal audit function to test the mitigations and controls of principal risks.

## REED STAFFING SERVICES LIMITED

### REPORT OF THE DIRECTORS (continued)

#### **Principle 4: Opportunity and Risk (continued)**

RSR holds certifications for ISO 9001 and ISO 14001 and these are incorporated into the Company's approach to risk management.

#### **Principle 5: Remuneration**

Remuneration of the Board executives is based on performance, behaviours, demonstration of company culture and values, and achievement of business goals. When reviewing remuneration, the Board considers the impact of said remuneration package on co-members, investors and other stakeholders, and the possible risks that could result from ineffective incentives such as talent loss and misaligned goals and values. The Board regards existing remuneration processes as appropriate to the needs of the Company and includes executive remuneration as a consideration in its board effectiveness reviews.

The RSR Board recognises the importance of closing the Gender Pay Gap, which is support by a clear policy. The specific pay rates for the Company's temporary workers are determined by the hiring client rather than the Company, however through engagement with the hiring clients, the Company advocates for the most appropriate pay rate for its temporary workers wherever possible.

#### **Principle 6: Stakeholder Engagement**

As a family-run group of companies, Reed has a strong emphasis on corporate responsibility and a track record of social impact, philanthropy and sustainability. Reed continues to commit to being a CarbonNeutral® organisation, which it has been since 2005, and complies with ISO14001 standards. The Company's commitment to social impact is driven by its purpose: 'Improving lives through work', and the Company has three pillars of social impact. Further information around the the Company's corporate social responsibility commitments can be found at <https://www.reed.com/our-social-impact>.

The Board understands the importance of communication across constituent groups. The Company has developed a Stakeholder Map to help identify, define, and engage with stakeholder groups. This map outlines the interests, issues, and methods of communication with each group and can be found on the 'Corporate Governance' page of the Company's website.

When principal decisions are taken, the Company engages with and obtains feedback, as appropriate, from any affected stakeholder groups. RSS also has extensive Evaluation of Service processes in place across customers and temporary workers.

Further detail on how the Board have effectively engaged with stakeholders across FY23 can be found within the Company's Stakeholder Map.

## REED STAFFING SERVICES LIMITED

### REPORT OF THE DIRECTORS (continued)

#### Principle 6: Stakeholder Engagement (continued)

The Company's overall position and future prospects are assessed within the going concern basis of the Directors' Report.

#### Application of the Wates Corporate Governance Principles

Reed has applied the Wates Corporate Governance Principles in compliance with its corporate governance obligations under The Companies (Miscellaneous Reporting) Regulations 2018. We expect there to be continued evolution in the oversight of risk during the upcoming financial year to allow for the further enhancement of its identification, monitoring and management processes.

#### Disclosure of information to auditors

At the date of making this report each of the Company's Directors, as set out on page 2, confirm the following:

- so far as each Director is aware, there is no relevant information needed by the Company's auditors in connection with preparing their report of which the Company's auditors are unaware: and
- each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.


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

#### Independent Auditors

PricewaterhouseCoopers LLP were reappointed Reed group auditors during the year.

#### Approval

The Report of the Directors was approved by the Board on 17th November 2023 and signed on its behalf by:

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17/11/2023 | 15:21 GMT  
James Reed CBE, FCIPD, MBA, MA  
Director