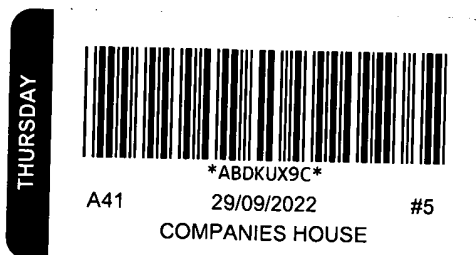


Registered number: 04130921

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

COMPANY INFORMATION

Directors	Kelvin Stagg Kaye Maguire Nicholas Kirk Jeremy Tatham
Company secretary	Kaye Maguire
Registered number	04130921
Registered office	200 Dashwood Lang Road Bourne Business Park Addlestone Surrey United Kingdom KT15 2NX
Auditor	Ernst & Young LLP R+ 2 Blagrove Street Reading Berkshire RG1 1AZ

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

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MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present the Strategic Report of Michael Page International Recruitment Limited ("the Company") for the year ended 31 December 2021.

Principal Activity and Business review

The principal activity of the company is to provide recruitment services to the UK market. The profit for the year, after taxation, amounted to £23,474k (2020 - £28,719k).

Key performance indicators ("KPIs")

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

	2021	2020	Change
Gross profit (net fee income)	£126.9m	£80.6m	57%
Gross margin (gross profit/turnover)	46.9%	37.2%	
Operating profit /(loss)	£13.3m	£(0.6)m	>100%
Conversion (operating profit/(loss)/gross profit)	10.5%	-0.7%	
Productivity (gross profit per fee earner)	£161.3K	£118.2K	36%
Fee earner: support staff ratio	68:32	69:31	
Staff headcount (average)	1,232	1,092	13%
Debtor days	50 days	35 days	43%

Gross and Operating profits

Gross Profit has increased quite significantly in the year, however it is still not back to pre-COVID levels (2019: £134.4m). Similar to Gross profit, Operating profit has almost returned to similar levels of pre-COVID (2019: £13.8m). The increase is due to the local restrictions being relaxed with trade operations in the different sectors stabilising and returning to usual levels. Gross profit is expected to increase further in FY2022 as the first full year without COVID restrictions impacting operations.

Gross Margin

Gross margin is the gross profit as a percentage of turnover. Cost of sales only relates to costs incurred for temporary staff. The higher margin reflects a higher portion of revenue relating to permanent staff placements. This is due to the post-pandemic recovery being driven by permanent recruitment. The margin is an increase from the pre-pandemic levels in FY2019 of 42.9%.

Conversion

Conversion is the operating profit as a percentage of gross profit, reflecting the Company's effectiveness at controlling the costs and expenses associated with its normal business operations and the level of investment for the future. The increase reflects a "return to normal" for the company post-COVID. The conversion is consistent with the FY2019 conversion of 10.3%.

Productivity (gross profit per fee earner)

Represents how productive fee earners are in the business and is calculated by dividing the gross profit for the year by the average number of fee earners and directors. The higher the value, the higher their productivity. Productivity is a function of the rate of investment in new fee earners, the impact of pricing and the general conditions of the recruitment market. This is driven by improved trading conditions, a shorter time to hire facilitated by video interviewing, investments in new systems, wage inflation and improvements in fee rates as a result of the high demand and short supply of candidates.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Key performance indicators ("KPIs") (continued)

Average staff quantity

The average staff levels have increased to support the growth in operations. Significant investment is being made to increase the staff quantities further as the operations return to normal levels.

Fee earner : support staff ratio

Represents the balance between operational and non-operational staff. Due to efficiencies realised during COVID, along with the implementation of the new operating systems, fewer support staff are necessary to fulfil the demands of the positions. This has allowed an investment in fee earner staff in the post-COVID recovery period.

Debtor days

Represents the length of time the Company receives payments from its debtors. Calculated by comparing how many days' billings it takes to cover the debtor balance. The increase is due to the increase in revenue (see Gross Margin above) later in the year as COVID restrictions relaxed, which is distorting Debtors days ratio to appear higher than is actually being experienced at year end.

Principal Risks and Uncertainties

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

Shift in business model

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

System transformation and change

The Company is in the process of implementing a new suite of IT applications. We have successfully implemented our new Global Finance System and Customer Connect (our consultants' operating systems) in all regions. There is the risk that material misstatements may arise while the relevant teams get comfortable with working in the new systems.

PageGroup brands and reputation

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

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Principal Risks and Uncertainties (continued)

Global events

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

People attraction, development and retention

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

Information Systems - technology

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

Cyber security

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

Fiscal and legal compliance

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

Financial management and control

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

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

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

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Principal Risks and Uncertainties (continued)

Data Protection

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

Macro-economic exposure

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

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

Foreign exchange – translation risk

Material changes in the strength of the sterling against the functional currencies of other group companies could have an effect on the reported sterling profits in the financial statements. Management hedges this risk through short-term Forward-Exchange Contracts.

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

This section of the strategic report includes statements regarding how the directors have discharged their Section 172 duties, how the directors have engaged with employees and had regard to their interests, and how the directors have had regard to the business relationships with customers, suppliers and other external stakeholders.

Stakeholder map

The stakeholder map below identifies the key stakeholder groups of the company (employees, customers, communities & government, and suppliers), along with their interests and concerns, engagement activities undertaken during the year, and the outcomes of those activities.

Stakeholder	Interests and concerns	Engagement	Outcomes
Employees	The Company has identified that employees want to work in a supportive, inclusive culture where they experience real opportunities for development and a long and rewarding career.	Throughout the year, employees were engaged through the use of Yammer, internal networking events, global live events and townhalls.	Directors were aware that employees felt the impact on pay and reward experienced in 2020, given the restraint on pay applied during the pandemic. The Company reviewed pay across the market and returned to paying bonuses. Salary increases were also awarded across the business to address the inflationary squeeze on

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

			<p>employees take home pay. In the light of a post pandemic hybrid working model, working flexibly was a clear priority for employees and management ensured there was an increased roll out of laptops across the UK business.</p> <p>The wellbeing of employees is a consistent focus for the Company and in 2021 family friendly policies were reviewed and improved for the UK workforce. The annual employee engagement survey also prompted action such as promoting an internal job board to increase visibility of career development opportunities and raising awareness of the sabbatical policy.</p>
Customers	Customers rely on us to provide world class specialist recruitment services and solutions to help drive their business and careers forward.	Customers are engaged through constant contact with assigned staff and customers relationship meetings.	During the year, initiatives that were undertaken to increase customers' experience based on the insights learned from engagement mechanisms included establishing a D&I resourcing team, a sales toolkit to assist customers with market insights and ensuring the new operating platform, Customer Connect, was operating and being adopted as expected.
Communities & Government	Need businesses that have a positive impact on society. The Board is	The Company engages with regulators and government	The company partnered with RefuAid to provide employment mentoring to

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	highly supportive of creating a positive social impact.	departments and is involved with ESG activities such as voluntary and charitable work.	refugees looking for work across the UK and runs a Give As You Earn scheme and matches employee contributions to 92 charities.
Suppliers	Seek strong and enduring partnerships based on fair terms.	Suppliers are engaged through the Company's onboarding process, and relationship meetings with key suppliers.	The Company takes its obligations seriously as shown in its latest payment practices which reported a 4-day average to pay invoices.

Section 172 Statement

This statement describes how the directors have had regard to the matters set out in Section 172 (1) of the Companies Act 2006 ("s172") when performing their duty to promote the success of the Company for the benefit of its shareholders.

The Board is aware of its responsibilities to promote the success of the company as set out in s172. The Company is a wholly owned subsidiary of the PageGroup group of companies providing recruitment services to the UK market. The Directors ensure that decisions are to the benefit of all stakeholders, as well as having regard to the long-term success of the group as a whole. Within the stakeholder map the key stakeholder groups are identified (employees, customers, communities & government, and suppliers), along with their interests and the methods of engagement employed to understand their needs and concerns.

To assist in discharging their s172 duties, the Directors also have access to and receive regular information from the UK Executive Committee, known as the "UK Board", who are charged with the day to day running of the Company.

s172 factor	Approach taken
a. Likely consequences of any decisions in the long term	The Board considers PageGroup's purpose and values when making decisions, with the intention of promoting the Company's long term success.
b. Interests of the Company's employees	The Board identifies the Company's employees as a key stakeholder. See more information in the stakeholder map.
c. Need to foster the Company's business relationships with suppliers, customers and others	The Board identifies the Company's customers and suppliers as key stakeholders. See more information in the stakeholder map.
d. Impact of the Company's operations on the community and environment	The Board identifies communities & government as a key stakeholders. See more information in the stakeholder map.
e. Desirability of the Company	

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

maintaining a reputation for high standards of business conduct	The Directors fulfil their duties by applying PageGroup plc policies and practices, underpinned by PageGroup's purpose and values. Further details of these can be found in the PageGroup plc Annual Report and the Page Group plc Sustainability Report, located on the PageGroup website.
f. Need to act fairly between the members of the company	The Company is a wholly owned subsidiary of the PageGroup group of companies. Accordingly, the interests of the group have been taken into account by the directors and decisions have been made in agreement with the Board of PageGroup plc, the ultimate parent entity of the group.

Business relationships

Pursuant to the Companies (Miscellaneous Reporting) Regulations 2018, the directors are required to report a statement summarising how the directors have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year. In the stakeholder map we describe the engagement activities that have taken place over the year, and the principal decisions made to improve customer experience and partner with RefuAid.

Employee engagement

Pursuant to the Companies (Miscellaneous Reporting) Regulations 2018, the directors must include a statement summarising how the directors have engaged with employees, and how the directors have had regard to employee interests, and the effect of that regard, including on the principal decisions taken by the company during the financial year. We are a people business and delivering the best service possible can only be achieved through having an engaged connected workforce, that places employee wellbeing at the heart of our behaviours and values. In the stakeholder map we describe the engagement activities that have taken place over the year, and the principal decisions made reviewing pay and reward and internal policies.

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



Kelvin Stagg
Director

Date: 23rd September 2022

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors of the Company present their report and the financial statements for the year ended 31 December 2021.

Directors

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

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

Dividend

An interim dividend of £12,200k was paid in the year (2020: £129,597k). The Directors do not recommend a final dividend (2020: nil).

Disabled employees

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

Employee involvement

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

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

Directors' and officers' liability

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

Future developments

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

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Going concern

The Board has undertaken a review of the Group's forecasts, of which the Company is a subsidiary, and associated risks and sensitivities, considering the expected impact of COVID-19 on trading in the period from the date of approval of the financial statements to September 2023.

The Group had £154.0m of cash as at 31 December 2021, with no debt except for IFRS 16 lease liabilities of £102.0m. Debt facilities relevant to the review period comprise a committed £30m BBVA RCF (May 2023 maturity), an uncommitted UK trade debtor discounting facility (up to £50m depending on debtor levels) and an uncommitted £20m UK bank overdraft facility.

Throughout 2021, activity levels picked up in most of the Group's markets and the cost control and cash preservation methods used in 2020 were not repeated. However, due to the pandemic *reductions in travel and entertaining expenses remain. There continues to be a high degree of global macro-economic uncertainty, as COVID-19 remains a significant issue and restrictions remain in a number of countries across the Group.*

PageGroup plc has confirmed they will continue to provide financial support to enable all obligations to be met as necessary. 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 and therefore the Company has adequate resource to continue in operation existence for the period to September 2023.

Re-appointment of auditor

The auditor, Ernst & Young LLP, will be proposed for reappointment at the Company's annual general meeting in accordance with Section 485 of the Companies Act, 2006.

Directors' responsibilities statement

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the Company will continue in business.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Directors' responsibilities statement (continued)


The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' statement as to disclosure of information to the auditor

Each member of the Board of Directors, at the time of approving the Directors' Report, declares that:

- so far as each Director at the date of approving this Report is aware, there is no relevant audit information of which the Company's Auditor is 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 audit information and to establish that the Company's Auditor is aware of that information.

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



Kelvin Stagg
Director

Date: 23rd September 2022

Independent auditor's report

to the members of Michael Page International Recruitment Limited

Opinion

We have audited the financial statements of Michael Page International Recruitment Limited for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "The Financial Reporting Standard 101 Reduced Disclosure Framework applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Independent auditor's report (continued)

to the members of Michael Page International Recruitment Limited

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or

apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report (continued)

to the members of Michael Page International Recruitment Limited

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Financial Reporting Standards 101 (FRS 101) and Companies Act 2006) and the relevant tax compliance regulations in the United Kingdom.
- We understood how Michael Page Holdings Limited is complying with those frameworks by making enquiries of management and those charged with governance to understand how the company maintains and communicates its policies and procedures in these areas. Our audit procedures were designed to either corroborate or provide contrary evidence, the results of which were followed up appropriately. Specifically, we have completed a board minute review to understand procedures in place and verify they are in line with the framework. Our assessment included the tone from the top and the emphasis placed on a culture of honest and ethical behaviour.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing with a focus on management initiated or top-side adjustments identified based on characteristics of journal posting date and times, accounting pairings, specific key words and phrases derived from forensic investigations experience. This was supplemented with enquiries of management and those charged with governance, a review of board minutes to identify any noncompliance with laws and regulations, an assessment of financial statement disclosures to ensure compliance with relevant standards and consideration of any specific bribery, corruption or other regulatory risk.

Independent auditor's report (continued)

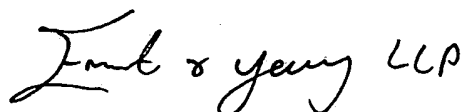
to the members of Michael Page International Recruitment Limited

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

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.

Use of our report

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

Handwritten signature of Tristan Allen in black ink, followed by the text "Ernst & Young LLP".

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

Date: 28.09.2022

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		31-Dec 2021 £000	31-Dec 2020 £000
	Notes		
Revenue	4	270,609	216,962
Cost of sales		(143,686)	(136,314)
Gross Profit		126,923	80,648
Administrative expenses		(113,649)	(81,247)
Operating profit/(loss)	5	13,274	(599)
Income from shares in group undertakings		12,200	29,597
Interest expense	7	(12)	(52)
Profit before taxation		25,462	28,946
Income tax charge	8	(1,988)	(227)
Profit for the year		23,474	28,719
Total comprehensive income for the year		23,474	28,719

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	31-Dec 2021 £000	31-Dec 2020 £000
Non-current assets			
Intangible assets	9	592	705
Right-of-use assets	10	1,061	903
Property, plant and equipment	11	5,661	5,088
Investments	12	364,695	364,695
Deferred tax asset	8	1,958	855
		<u>373,967</u>	<u>372,246</u>
Current assets			
Trade and other receivables	14	1,213,819	1,312,026
Cash at bank and in hand		2,183	4,693
		<u>1,216,002</u>	<u>1,316,719</u>
Total assets		<u>1,589,969</u>	<u>1,688,965</u>
Current liabilities			
Trade and other payables	15	793,290	907,181
Lease liabilities	10	171	84
		<u>793,461</u>	<u>907,265</u>
Non-current liabilities			
Trade and other payables	15	-	2,116
Provisions	16	2,592	-
Lease liabilities	10	825	733
		<u>3,417</u>	<u>2,849</u>
Total Liabilities		<u>796,878</u>	<u>910,114</u>
Net assets		<u>793,091</u>	<u>778,851</u>
Capital and reserves			
Called up share capital	17	421,544	421,544
Capital contribution reserve		13,282	13,282
Retained earnings		358,265	344,025
Total equity		<u>793,091</u>	<u>778,851</u>

The financial statements on pages 15 to 44 were authorised for issue by the board of directors and were signed on its behalf:

Kelvin Stagg
Director

Date: 23rd September 2022

(Company number: 04130921)

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £000	Capital Contribution ¹	Retained earnings £000	Total Equity £000
At 1 January 2020	421,544	13,282	442,490	877,316
Total comprehensive income for the year	-	-	28,719	28,719
Dividends paid	-	-	(129,597)	(129,597)
Share-based payment transactions	-	-	2,413	2,413
At 31 December 2020	421,544	13,282	344,025	778,851
Total comprehensive income for the year	-	-	23,474	23,474
Dividends paid	-	-	(12,200)	(12,200)
Share-based payment transactions	-	-	2,561	2,561
Tax on Share-based payment transactions	-	-	405	405
At 31 December 2021	421,544	13,282	358,265	793,091

¹ Capital Contribution relates to a gift from the Company's ultimate parent undertaking.

Dividends of 3p per share were declared during the year (2020: 31p).

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 GENERAL INFORMATION

Michael Page International Recruitment Limited ('the company') is engaged in recruitment and related services within the UK.

The company is a private limited company and is incorporated and domiciled in the UK. The address of its registered office is 200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey, KT15 2NX.

2 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

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

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- (a) Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (details of the number and weighted average exercise prices of share options, and how the fair value of goods or services received was determined);
- (b) IFRS 7 Financial Instruments: Disclosures;
- (c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- (d) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
 - (ii) paragraph 73(e) of IAS 16 'Property, Plant and Equipment'; and
 - (iii) paragraph 118(e) of IAS 38 'Intangible Assets';
- (e) The following paragraphs of IAS 1, 'Presentation of financial statements':
 - (i) 10(d) (statement of cash flows)
 - (ii) 16 (statement of compliance with all IFRS)
 - (iii) 38A (requirement for minimum of two primary statements, including cash flow statements)
 - (iv) 38B-D (additional comparative information)
 - (v) 111 (statement of cash flows information)
 - (vi) 134-136 (capital management disclosures)
- (f) IAS 7, 'Statement of cash flows'.
- (g) Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- (h) Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (continued)

- (i) The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a group.

2.2 Consolidation

The company is a wholly owned subsidiary of PageGroup Plc. It is included in the consolidated financial statements of PageGroup Plc, which are publicly available. Therefore, the company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. The address of the ultimate parent's registered office is 200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey, KT15 2NX.

These financial statements are separate financial statements.

2.4 Going Concern

The Board has undertaken a review of the Group's forecasts, of which the Company is a subsidiary, and associated risks and sensitivities, considering the expected impact of COVID-19 on trading in the period from the date of approval of the financial statements to September 2023.

The Group had £154.0m of cash as at 31 December 2021, with no debt except for IFRS 16 lease liabilities of £102.0m. Debt facilities relevant to the review period comprise a committed £30m BBVA RCF (May 2023 maturity), an uncommitted UK trade debtor discounting facility (up to £50m depending on debtor levels) and an uncommitted £20m UK bank overdraft facility.

Throughout 2021, activity levels picked up in most of the Group's markets and the cost control and cash preservation methods used in 2020 were not repeated. However, due to the pandemic reductions in travel and entertaining expenses remain. There continues to be a high degree of global macro-economic uncertainty, as COVID-19 remains a significant issue and restrictions remain in a number of countries across the Group.

PageGroup plc has confirmed they will continue to provide financial support to enable all obligations to be met as necessary. 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 and therefore the Company has adequate resource to continue in operation existence for the period to September 2023.

2.5 Foreign currency translation

(a) Functional and presentational currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Pounds Sterling' (£), which is also the company's functional currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. 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, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'Administrative expenses'.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Revenue recognition

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

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

2.7 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.8 Interest income/(expense)

Interest income/(expense) is recognised using the effective interest rate method. In calculating interest income/(expense), the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

2.9 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.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Intangible assets

(a) Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed seven years.

(b) Trademarks

Acquired trademarks are stated at cost and are written down between 5 and 20 years on a straight-line basis, which represents the estimated useful life of the assets.

2.11 Property, plant and equipment

All property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items, including those costs directly attributable to making the asset capable of operating as intended. Cost could also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

- Motor vehicles - 4 years
- Leasehold improvements - 10 years or remaining period of lease if shorter
- Computer equipment - 3 to 5 years
- Furniture, fittings and equipment - 5 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount, and they are recognised within 'Administrative expenses' in the income statement.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses.

2.13 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.14 Financial instruments

The company classifies its financial instruments in the following categories:

- amortised cost.
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

The classification of financial assets at initial recognition depends on the financial assets' contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company 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 Company has applied the practical expedient are measured at the transaction price determined under IFRS 15.

The Company'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 Company'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.

The Company does not have any instruments that are classified as either FVTPL or FVOCI.

The Company's financial liabilities at amortised cost includes trade and other payables. Financial liabilities are classified at initial recognition, loans and borrowings, payables, as appropriate.

Subsequent to initial recognition these are measured at amortised cost using the effective interest rate method. Interest from these financial instruments is included in finance income/(expenses). Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in administrative expenses together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss under 'net impairment losses on financial and contract assets'.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

2.16 Trade receivables

Trade debtors, which generally have 30-90 day terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

2.17 Provisions

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

2.18 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred tax is measured on an undiscounted basis using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Taxation (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.19 Leases

The company leases various offices throughout the UK for use by its local subsidiaries. Rental contracts are typically made for fixed periods of between 3 and 10 years and may have extension options.

Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee and for which it has major leases, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised in Administration expenses in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(a) Lease liabilities

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the company under residual value guarantees;
- the exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

(a) Lease liabilities (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Leases (continued)

(b) Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the company revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the company.

2.20 Share-based payments

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

(i) Share option schemes

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

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

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

2.21 Dividend distribution

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's shareholders.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Prior period restatement

Trade and other receivables

In preparing the financial statements, management has identified that the comparative figures had disclosed "Prepayments and accrued income" (£13,282k) as "Other receivables" (£621k) (and vice versa) within "Trade and other receivables" (Refer Note 14). The comparative figures have been restated to reflect the correct allocation.

The decision has also been made to separate the "Prepayments" (£5,803k) and "Accrued income" (£7,479k) as these are individually material. It is also consistent with how these are disclosed in the group consolidated financial statements.

As the restatement is within the "Trade and other receivables", the figures on the face of the financial statements have not changed. These changes are only classification changes and do not have a tax implication. As such, no further disclosures are required.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

(a) Judgement in determining the lease term of contracts with renewal options

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

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

(b) Revenue recognition

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

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

(c) Provision for doubtful debts

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

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(d) Taxation

Management has estimated the likely value of deferred tax assets in respect of share based payments and accelerated capital allowances. 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. The tax effect of deductible temporary differences are recognised as a deferred tax asset when it becomes probable that the deductible temporary differences will be utilised.

(e) Impairment of assets

The Company assesses at each reporting date whether there is an indication or impairment trigger that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount to determine the extent of any impairment loss.

The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash flows and the growth rate used for extrapolation purposes.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

4 REVENUE

All revenue is generated from the United Kingdom. Turnover by origin and destination are not materially different

Analysis of revenue by category:

Permanent staff placements	95,480	51,374
Temporary staff placements	175,129	165,588
	<u>270,609</u>	<u>216,962</u>

5 OPERATING PROFIT / (LOSS)

	2021 £000	2020 £000
This is stated after charging/(crediting):		
Depreciation of Property, plant and equipment	1,783	1,893
Depreciation of Right-of-use assets	180	224
Amortisation of Intangible assets	215	150
Impairment of intangible assets	-	1,598
Net foreign currency exchange differences	58	(504)
Loss/(Profit) on disposal of assets	26	(146)
Government grants repaid/(received)	3,344	(3,344)

Auditors' remuneration

Auditor's remuneration for the audit of the financial statements was borne by the intermediate parent company in the current and prior year.

6 EMPLOYEE COSTS

(a) Staff costs

	2021 £000	2020 £000
Wages and salaries	82,412	63,166
Social security costs	11,469	7,593
Share based payments and deferred cash plan	3,820	3,518
Pension costs – defined contribution plan	3,415	3,299
	<u>101,116</u>	<u>77,576</u>

(b) Average staff

The average monthly number of staff, including Directors, during the year was as follows

	2021 No.	2020 No.
Management	52	53
Client services	787	682
Support staff	393	357
	<u>1,232</u>	<u>1,092</u>

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

6 EMPLOYEE COSTS (CONTINUED)

No remuneration was paid or is payable to the Directors in their capacity as Directors of the Company as they were remunerated in respect of their employment with other companies within the PageGroup Plc group ("PageGroup") (2020: £Nil). It is not practicable to identify the proportion of these emoluments that relate to the services to this Company.

7 INTEREST EXPENSE

	2021 £000	2020 £000
Bank interest payable	-	(39)
Lease interest payable (Note 10)	(12)	(13)
	<u>(12)</u>	<u>(52)</u>

8 TAXATION

(a) Tax charged in the Statement of comprehensive income

	2021 £000	2020 £000
Current income tax:		
UK corporation tax	2,093	-
Prior year adjustment	594	(193)
	<u>2,687</u>	<u>(193)</u>
Deferred tax:		
Origination and reversal of temporary differences	(310)	598
Prior year adjustment	(16)	(28)
Impact of change in tax laws and rates	(373)	(150)
	<u>(699)</u>	<u>420</u>
Total tax charge in the Statement of comprehensive income	<u>1,988</u>	<u>227</u>

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

8 TAXATION (CONTINUED)

(b) Reconciliation of the total tax charge

The tax charge for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are reconciled below:

	2021 £000	2020 £000
Profit on ordinary activities before tax	<u>25,462</u>	<u>28,946</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	4,838	5,500
Effects of:		
Non-deductible expenses	37	104
Non-taxable income	(2,318)	(5,623)
Employee share schemes	(868)	514
Irrecoverable foreign taxes	94	-
Loss for current year utilised in prior year	-	103
Prior year adjustment	578	(221)
Impact of change in tax laws and rates	<u>(373)</u>	<u>(150)</u>
	<u>1,988</u>	<u>227</u>

The tax rate for the current year is the same as the prior year.

(c) Change in corporation tax rates

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

(d) Deferred tax balance

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

	2021 £000	2020 £000
Balance at 1 January	855	1,275
Origination and reversal of temporary differences	<u>1,103</u>	<u>(420)</u>
Balance at 31 December	<u>1,958</u>	<u>855</u>
The deferred tax balance is made up of the following:		
Accelerated capital allowances	21	163
Lease accounting	(17)	-
Share based payments	<u>1,954</u>	<u>692</u>
	<u>1,958</u>	<u>855</u>

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

9 INTANGIBLE ASSETS

	Computer software £000	Trademarks £000	Total £000
Cost			
At 1 January 2021	950	1,082	2,032
Additions	-	122	122
Disposals	(184)	-	(184)
At 31 December 2021	766	1,204	1,970
Amortisation			
At 1 January 2021	677	650	1,327
Charge for the year	71	144	215
Disposals	(164)	-	(164)
At 31 December 2021	584	794	1,378
Carrying value			
At 31 December 2021	182	410	592
<i>At 31 December 2020</i>	<i>273</i>	<i>432</i>	<i>705</i>

10 LEASES

**(a) Right-of-use
Assets**

	Property £000
At 1 January 2020	1,127
Depreciation charge	(224)
At 31 December 2020	903
Additions	338
Depreciation charge	(180)
At 31 December 2021	1,061

(b) Lease liabilities

	2021 £000	2020 £000
At 1 January	817	1,105
New leases	338	-
Early termination	(24)	-
Lease interest (Note 7)	12	13
Repayment of capital	(147)	(301)
At 31 December	996	817
Current portion	171	84
Non-current portion	825	733
	996	817

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

10 LEASES (CONTINUED)

(c) Lease payments expensed during the year

	2021 £000	2020 £000
Short term leases	<u>6,324</u>	<u>6,159</u>

Included in the above is lease payments of £6,092k (2020: £6,062k) on behalf of the related party, Michael Page Holdings Ltd. These are sub-let by Michael Page Holdings Ltd to the Company on a short-term lease basis.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

11 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £000	Furniture, fittings and equipment £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost					
At 1 January 2021	4,363	1,097	1,787	1,071	8,318
Additions	597	92	1,162	680	2,531
Disposals	(677)	-	(1,079)	(200)	(1,956)
At 31 December 2021	4,283	1,189	1,870	1,551	8,893
Amortisation					
At 1 January 2021	1,764	421	555	490	3,230
Charge for the year	765	132	585	301	1,783
Disposals	(677)	-	(1,019)	(85)	(1,781)
At 31 December 2021	1,852	553	121	706	3,232
Carrying value					
At 31 December 2021	2,431	636	1,749	845	5,661
<i>At 31 December 2020</i>	<i>2,599</i>	<i>676</i>	<i>1,232</i>	<i>581</i>	<i>5,088</i>

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 INVESTMENTS

(a) Investments in subsidiaries

	Total £000
Cost and carrying value as at 31 December 2020	364,695
Cost and carrying value as at 31 December 2021	<u>364,695</u>

(b) Details of group undertakings

Name of undertaking	Country of Incorporation	Percentage Held	Principal activity	Registered Address
Michael Page Partnership Limited*	England and Wales	100%	Holding company	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Michael Page International Holdings Limited	England and Wales	100%	Holding company	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Michael Page UK Limited	England and Wales	100%	Non trading company	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Page Personnel (UK) Limited	England and Wales	100%	Non trading company	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Michael Page Limited	England and Wales	100%	Non trading company	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Slamway Limited	England and Wales	100%	Dormant	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Michael Page Employment Services Limited	England and Wales	100%	Dormant	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
The Assessment Centre Limited	England and Wales	100%	Dormant	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 INVESTMENTS (Continued)

Name of undertaking	Country of Incorporation	Percentage Held	Principal activity	Registered Address
LPM (Group Services) Limited	England and Wales	100%	Dormant	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Sales Recruitment Specialists Limited	England and Wales	100%	Dormant	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
The Page Partnership Limited	England and Wales	100%	Dormant	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Michael Page International 1982 Limited	England and Wales	100%	Dormant	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Michael Page International Investment Limited	England and Wales	100%	Dormant	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Michael Page International Finance Limited	England and Wales	100%	Dormant	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Michael Page Holdings Limited	England and Wales	100%	Holding company	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Michael Page Recruitment Group Limited	England and Wales	100%	Holding company	200 Dashwood Lang Road, Bourne Business Park, Weybridge, Surrey, KT15 2NX, UK
Page Outsourcing UK Limited	England and Wales	100%	Recruitment Consultancy	2nd Floor 61 Aldwych, London, United Kingdom, WC2B 4AE, UK
Michael Page International (Austria) GmbH	Austria	100%	Recruitment Consultancy	Second floor, Gumpendorfer Straße 72, Wien, Austria
Michael Page International (Belgium) NV/SA	Belgium	100%	Recruitment Consultancy	Place du Champ de Mars 5 , 1050 Brussels, Belgium
Page Interim (Belgium) NV/SA	Belgium	100%	Recruitment Consultancy	Place du Champ de Mars 5 , 1050 Brussels, Belgium
Michael Page Czech Republic s.r.o	Czech Republic	100%	Recruitment Consultancy	Pobřežní 249/46, Karlín, Praha 8, 186 00, Czech Republic

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 INVESTMENTS (Continued)

Name of undertaking	Country of Incorporation	Percentage Held	Principal activity	Registered Address
Michael Page International (Deutschland) GmbH	Germany	100%	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Page Personnel (Deutschland) GmbH	Germany	100%	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Michael Page Interim GmbH	Germany	100%	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Page Personnel Services GmbH	Germany	100%	Recruitment Consultancy	Carl Theodor Strasse 1, 40213 Dusseldorf, Germany
Michael Page International Italia Srl*	Italy	25%	Recruitment Consultancy	Via Spadari 1, 20123 Milan, Italy
Page Personnel Italia SpA*	Italy	25%	Recruitment Consultancy	Via Spadari 1, 20123 Milan, Italy
Michael Page International (Nederland) B.V.	Netherlands	100%	Recruitment Consultancy	World Trade Center, Strawinskylaan 421, 107XX, Amsterdam, Netherlands
Page Interim B.V.	Netherlands	100%	Recruitment Consultancy	World Trade Center, Strawinskylaan 421, 107XX, Amsterdam, Netherlands
Michael Page International (Poland) Sp.z.o.o	Poland	100%	Recruitment Consultancy	ul. Zlota 59, 00-120 Warsaw, Poland
Michael Page International (Sweden) AB	Sweden	100%	Recruitment Consultancy	Master Samuelsgatan 42, 14tr 111 57 Stockholm, Sweden
Michael Page International (Switzerland) SA	Switzerland	100%	Recruitment Consultancy	Quai de la Poste 12, CH-1204 Geneva, Switzerland
Michael Page International (Australia) Pty Limited*	Australia	100%	Recruitment Consultancy	Level 32, 225 George Street, Sydney, NSW 2000, Australia
Michael Page (Beijing) Recruitment Co., Ltd	China	100%	Recruitment Consultancy	Room 1009-1012, 10/F, West Tower, World Financial Centre, No.1 East 3rd Ring Middle Road, Chaoyang District, Beijing, 100020, China

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 INVESTMENTS (Continued)

Name of undertaking	Country of Incorporation	Percentage Held	Principal activity	Registered Address
Michael Page (Shanghai) Recruitment Co., Ltd	China	100%	Recruitment Consultancy	Level 18, HKRI Taikoo Hui Tower2, 288 Shimen Yi Road, Shanghai, 200041, China
Michael Page International (Shanghai) Consulting Ltd	China	100%	Recruitment Consultancy	Suite 1010, Shanghai Kerry Centre, 1515 Nanjing West Road, Shanghai, PRC
Page Contracting (Shanghai) Co. Ltd	China	100%	Recruitment Consultancy	Room 1812 1801-1811, /18, HKRI Taikoo Hui, No.288 Shimen Yi Road, Jing'An, Shanghai, 200041, China
Michael Page International (Hong Kong) Limited**	Hong Kong	100%	Recruitment Consultancy	611 One Pacific Place, 88 Queensway, Hong Kong
Michael Page International Recruitment Pvt Ltd*	India	6.35%	Recruitment Consultancy	Maxity, Bandra-Kurla Complex, Bandra (E), Mumbai 400051, India
Michael Page International (Japan) K.K.	Japan	100%	Recruitment Consultancy	6F Hulic Kamiyacho Building, 4-3-13 Toranomon, Minato-ku, Tokyo 105-0001, Japan
Agensi Pekerjaan Michael Page International (Malaysia) SDN BHD*	Malaysia	100%	Recruitment Consultancy	10th Floor, Wisma Hamjah-Kwong Hing, No. 1 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
Page Contracting (Malaysia) Sdn Bhd*	Malaysia	100%	Recruitment Consultancy	Level 19-1 Menara Millennium, Jalan Damanlela, Pusat Bandar Damansara, 50490 Kuala Lumpur W.P. Kuala Lumpur, Malaysia
Page Group Corporate Services (Philippines) Inc.	Philippines	99.99%	Recruitment Consultancy	24th Floor, Philam Life Tower, 8767 Paseo De Roxas Avenue, Bel-Air, Makati City 1226, Philippines
Taiwan Michael Page International Co. Ltd*	Taiwan	100%	Recruitment Consultancy	8F-1 Shin Kong Xin Yi Financial Building, 36-1 Songren Road Xin-Yi District, Taipei City, Taiwan 110
Michael Page International (Vietnam) Co. Limited	Vietnam	100%	Recruitment Consultancy	Level 9, Saigon Centre, Tower 2, 67 Le Loi Street, Ben Nghe Ward, District 1, Ho Chi Minh City, Vietnam

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 INVESTMENTS (Continued)

Name of undertaking	Country of Incorporation	Percentage Held	Principal activity	Registered Address
Michael Page International Canada Limited	Canada	100%	Recruitment Consultancy	130 Adelaide Street West, 21st Floor, Toronto, Ontario, M5H 1J8, Canada
Page Personnel Argentina Servicios Eventuales SA*	Argentina	25%	Recruitment Consultancy	Carlos Pellegrini 1265, Piso 12, Ciudad de Buenos Aires, C1009ABY, Argentina
Michael Page International Argentina SA	Argentina	12.25%	Recruitment Consultancy	Carlos Pellegrini 1265, Piso 12, Ciudad de Buenos Aires, C1009ABY, Argentina
Michael Page International Do Brasil Recrutamento Especializado Ltda*	Brazil	10%	Recruitment Consultancy	Rua Funchal 375, 7th Floor Vila Olimpia, CEP 04551-060, Sao Paulo, Brazil
Michael Page International Chile Ltda*	Chile	10%	Recruitment Consultancy	Magdalena 181, Piso 1, Las Condes, Santiago 7550055, Chile
Page Personnel International Chile Ltda*	Chile	50%	Recruitment Consultancy	Magdalena 181, Piso 1, Las Condes, Santiago 7550055, Chile
Empresa de Servicios Transitorios Page Interim Chile Limitada*	Chile	50%	Recruitment Consultancy	Magdalena 181, Piso 1, Las Condes, Santiago 7550055, Chile
Michael Page International Mexico Servicios Corporativos SA de CV*	Mexico	10%	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Michael Page International Mexico Reclutamiento Especializado SA de CV*	Mexico	10%	Recruitment Consultancy	Av. Paseo de la Reforma, No. 115, Piso 10, Col. Lomas de Chapultepec, Z.C. 11000, CDMX, Mexico
Michael Page International Panama S.A.	Panamá	100%	Recruitment Consultancy	Punta Pacifica, Blvd Pacifica Oceania Business Plaza, Torre 2000, Piso 43, Panama
Michael Page International Peru SRL	Peru	25%	Recruitment Consultancy	Calle Las Orquideas 665 esq. Andres Reyes – Piso 2, Oficina 201 San Isidro, Peru
Michael Page International (SA) (Pty) Limited	South Africa	100%	Recruitment Consultancy	PO Box 653555, Benmore 2010, South Africa

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

12 INVESTMENTS (Continued)

Name of undertaking	Country of Incorporation	Percentage Held	Principal activity	Registered Address
Michael Page (Mauritius) Limited	Mauritius	100%	Recruitment Consultancy	5th Floor Atchia Building, Cnr of Suffren and Eugene Laurent Streets, Port Louis, Republic of Mauritius
Michael Page International (Mauritius) Limited	Mauritius	100%	Recruitment Consultancy	5th Floor Atchia Building, Cnr of Suffren and Eugene Laurent Streets, Port Louis, Republic of Mauritius
Michael Page International (UAE) Limited	UAE	100%	Recruitment Consultancy	No. 202, Al Fattan Currency House, Tower 1, Dubai International Finance Centre (DIFC), PO Box 506702, Dubai, United Arab Emirates

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

** The equity of Michael Page International (Hong Kong) Limited is 50% owned by Michael Page International Holdings Ltd and 50% owned by Michael Page Holdings Ltd.

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

The Company is itself a wholly owned subsidiary company whose results are consolidated in the results of the ultimate parent, which are publically available. The Company is therefore exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

13 SHARE-BASED PAYMENTS

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

The following table summarises transactions during the year and the share awards outstanding at 31 December 2021:

Year of Grant	Options outstanding 1 January 2021	Exercised in the year	Options granted in the year	Options lapsed	Options outstanding 31 December 2021	Exercise price per share	Weighted average remaining contractual life, years
2011*	369,236	(5,210)	-	(364,026)	-	491.0p	-
2012*	229,171	(164,503)	-	(29,168)	35,500	477.0p	-
2013*	213,316	(117,227)	-	(6,294)	89,795	442.0p	-
2014*	372,500	(148,649)	-	(6,351)	217,500	484.0p	0.2
2015*	245,000	(160,000)	-	35,000	120,000	526.0p	0.2
2016*	222,915	(157,915)	-	-	65,000	406.0p	0.1
2017*	463,205	(385,000)	-	-	78,205	435.4p	0.2
2018*	434,865	-	-	(35,000)	399,865	529.0p	1.1
2019*	455,000	-	-	(30,000)	425,000	458.2p	1.3
2020*	465,000	-	-	(35,000)	430,000	487.5p	1.5
2021	-	-	477,500	(35,000)	442,500	480.1p	1.8
Total	3,470,208	(1,138,504)	477,500	(505,839)	2,303,365		6.4

*These options have fully vested.

Weighted average share price of options exercised during the reported period was £4.57 (2020: £3.82).

Share Options Scheme (SOS)

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

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

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.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

13 SHARE-BASED PAYMENTS (CONTINUED)

Share Options Scheme (SOS) (Continued)

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. As Operating Profit of £168.5m was achieved in 2021, the performance criteria have been fully achieved and these awards have fully vested.

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. As Operating Profit of £168.5m was achieved in 2021, 68% of the performance criteria have been achieved and these awards have partially vested.

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.

For the 2021 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.

Other share-based payment plans

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

Share option valuation and measurement

In 2021, options were granted on 15 March with the estimated fair values of the options granted on that day of £0.84. In 2020, options were granted on 13 March with the estimated fair values of the options granted on that day of £0.91 to £1.07.

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 2021 have an exercise price in the range of 332.0p to 534.0p and a weighted average contractual life of 5.4 years. The fair values of options and other share awards granted during the year were calculated using the Black-Scholes option pricing model.

The Company recognised total expenses of £3.7m (2020: £2.4m) related to equity-settled share-based payment transactions during the year.

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

14 TRADE AND OTHER RECEIVABLES

	2021 £000	(Restated) 2020 £000
Trade receivables	37,027	21,769
Less doubtful debts provision	<u>(1,776)</u>	<u>(1,587)</u>
	35,251	20,182
Accrued income	17,254	7,479
Amounts owed by group undertakings	1,151,347	1,277,941
Other receivables	124	621
Prepayments	<u>9,843</u>	<u>5,803</u>
	<u><u>1,213,819</u></u>	<u><u>1,312,026</u></u>

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

The comparative figures have been restated. Refer to Note 2.23 for further details.

15 TRADE AND OTHER PAYABLES

	2021 £000	2020 £000
Current		
Accruals and deferred income	20,961	13,812
Amounts owed to group undertakings	756,758	881,094
Current tax payable	1,977	-
Other payables	889	276
Other tax and social security	9,200	10,325
Trade payables	<u>3,505</u>	<u>1,674</u>
	<u><u>793,290</u></u>	<u><u>907,181</u></u>
	2021 £000	2020 £000
Non-current		
Other payables	<u>-</u>	<u>2,116</u>

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

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

16 PROVISIONS

	Dilapidations £000	NI on Share schemes £000
At 1 January 2021	-	-
Reclassification from trade and other payables	1,616	500
Provided	-	962
Utilised	(86)	(400)
At 31 December 2021	1,530	1,062

Dilapidations

A provision has been recognised for dilapidation costs associated with our office portfolio. The Group is committed to make good on the property sites on lease termination.

Social security contributions on share options

The provision for social security contributions on share options is calculated based on the number of options outstanding at the reporting date that are expected to be exercised. The provision is based on market price of the shares at the reporting date which is the best estimate of the market price at the date of exercise. It is expected that the costs will be incurred during the exercise period of 1 January 2022 to 31 December 2023.

17 SHARE CAPITAL

Ordinary shares of £1 each

	Thousands	£000
<i>Allotted, called up and fully paid</i>		
At 1 January 2021	421,544	421,544
At 31 December 2021	421,544	421,544

All shares rank pari passu in all respects.

18 COMMITMENTS

(a) Capital Commitments

At 31 December 2021, the Company had no capital commitments at year end (2020: £Nil).

19 SUBSEQUENT EVENTS

There have been no significant events since year end that have impacted the company or its operations.

20 CONTINGENT LIABILITIES

As a result of a group registration for VAT purposes, the Company is contingently liable for VAT liabilities arising in other companies within the VAT group which at 31 December 2021 amounted to £6.9m (2020: £6.8m).

MICHAEL PAGE INTERNATIONAL RECRUITMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

21 CONTROLLING PARTY

The Company's immediate parent company and ultimate parent company is PageGroup Plc, a company incorporated in England and Wales. PageGroup Plc is the parent undertaking of the largest and smallest group which includes the Company and for which group financial statements are prepared. The company is included within these group accounts which are publicly available from PageGroup Plc on request at 200 Dashwood Lang Road, Bourne Business Park, Addlestone, Surrey, KT15 2NX.