

Manpower Holdings (UK) Limited

Annual Report and Financial Statements

**For the period from incorporation on 11 July to
31 December 2019**

Registered number: 12098367

Manpower Holdings (UK) Limited

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

Contents

	Page
Officers and professional advisers	1
Strategic report	2
Directors' report	5
Directors' responsibilities statement	7
Independent auditor's report	8
Profit and loss account	13
Balance sheet	14
Statement of changes in equity	15
Notes to the financial statements	16
Appendix to the financial statements	29

Manpower Holdings (UK) Limited

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

Officers and professional advisers

Directors

M A Cahill
M J Donnelly
D O Mondano
P L C Swerts
D P Whitham

Registered Office

Capital Court
Windsor Street
Uxbridge
UB8 1AB

Banker

Barclays Bank PLC
St Albans Group
PO Box 104
St Albans
Hertfordshire
AL1 3AN

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Strategic report

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

Incorporation

The Company was incorporated on 11 July 2019. The financial statements are first financial statements that conform with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

Review of the business

The Company is a wholly owned subsidiary of ManpowerGroup Inc., (see note 16) and is the holding company for a number of UK based subsidiaries operating within the employment services sector. A list of the Company's subsidiaries is given in the appendix to the financial statements.

On 16 September 2019, as part of a demerger plan, Manpower Holdings Limited, a former fellow group undertaking, transferred its investments in its UK and Swiss incorporated directly-owned subsidiaries, together with certain intercompany loans, to the Company in consideration for an issue of 212.7m of £1 ordinary shares. On 19 December 2019, the Company reduced its paid up share capital by cancelling 100m of the shares.

The Company's principal activity is that of investment management.

The results for the period are set out in the profit and loss account on page 13 and the accompanying notes. The Company reported a profit before tax of £27.9m arising from investment income and a gain on financial instruments, and a tax charge of £18.9m arising on the restructuring of a loan (see note 7).

Principal risk and uncertainties

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, liquidity risk, cash flow risk and price risk. The Company's principal financial assets are its investments in subsidiaries and debtors. The Company is a privately owned business and neither its shares nor those of its subsidiaries are publicly traded, limiting exposure to valuation change.

Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the financial risks that the directors consider most relevant to the Company are intercompany trading and the impairment of its investments in subsidiaries. The Company is also exposed to the impact of currency changes on its investment in Switzerland which is mitigated through a currency hedge.

In order to main liquidity, to ensure sufficient funds are available for ongoing operations and future developments, the Company uses third party short-term debt finance available to all ManpowerGroup Inc group companies. The interest rates are set at market rates by the third party and managed by central treasury functions within ManpowerGroup Inc.

The Company does not have significant exposure to Brexit, although certain sectors may be subject to candidate shortages depending on the final outcome on the deal with the EU.

Manpower Holdings (UK) Limited

Strategic report (continued)

Principal risk and uncertainties (continued)

The Directors will continue to monitor, review and take the appropriate steps to respond to the impact of the COVID-19 pandemic in the Company and its subsidiaries, as well as recognise and address the other current and emerging risks and uncertainties we face as a business. Following the COVID-19 impact at the end of the first quarter of 2020 and the subsequent UK lockdown, April to September 2020 volumes within the Company's subsidiaries have been affected, but have remained resilient at between 70% to 80% of prior year levels dependent on the month. The future impact of COVID-19 will be determined by how much and in which sectors the economy will bounce back, these factors are unknown as at the date of this report. ManpowerGroup companies are well placed to respond positively to the changing market conditions from these factors.

S172(1) statement

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

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

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

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

Customers

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

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

Manpower Holdings (UK) Limited

Strategic report (continued)

Suppliers

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

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

People

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

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

Shareholders

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

Future developments and events after the balance sheet date

The directors are not aware, at the date of this report, of any likely major changes in either the nature or level of the Company's activities in the forthcoming year. Due to the non-trading activities of the Company, the Directors do not expect a significant impact of Covid-19 on the results of operations or financial condition of the Company.

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



D.P. Whitham
Director

16 NOVEMBER 2020

Capital Court
Windsor Street
Uxbridge
UB8 1AB

Manpower Holdings (UK) Limited

Directors' report

The directors present their annual report together with the audited financial statements of the Company for the period from incorporation on 11 July to 31 December 2019.

Directors and their interests

The directors, who served throughout the period from incorporation and to the date of this report except as noted, were as follows:

D O Mondano	-	Appointed 11 July 2019
P L C Swerts	-	Appointed 11 November 2019
M A Cahill	-	Appointed 12 November 2019
M J Donnelly	-	Appointed 12 November 2019
D P Whitham	-	Appointed 12 November 2019
A L Windmill	-	Appointed 11 July 2019, Resigned 20 December 2019

Going concern

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

Information in respect of financial risk management and liquidity risks is set out in the strategic report on page 2 of the financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements (see note 1).

Principal risks and uncertainties

Details of principal risks and uncertainties can be found in the strategic report on page 2 of the financial statements.

Future developments and events after the balance sheet date

Future developments are discussed in the strategic report on page 4. Subsequent to the end of the year, the Covid-19 pandemic has led to lockdowns and restricted activity around the world, which in turn has impacted the UK market and economy. Due to the non-trading activities of the Company, the directors do not expect a significant impact of Covid-19 on the results of operations or financial condition of the Company.

Dividends

The directors do not recommend the payment of a dividend for the year.

Directors' report (continued)

Information to the auditor

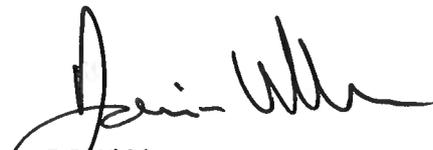
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

Deloitte LLP were appointed in the period and have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

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



D P Whitham
Director

16 NOVEMBER 2020

Capital Court
Windsor Street
Uxbridge
UB8 1AB

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Manpower Holdings (UK) Limited

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

Report on the audit of the financial statements

Opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 16; and
- the related appendix to the financial statements.

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

Basis for opinion

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

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Summary of our audit approach

Key audit matters

The key audit matter that we identified in the current period was:

- Impairment assessment for unlisted investments.

Materiality

The materiality that we used in the current period was £4.8m which was determined on the basis of 3% of net assets.

Scoping

Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Manpower Holdings (UK) Limited

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment for unlisted investments

Key audit matter description

The company has unlisted investments of £413m as at 31/12/2019, valued at cost less provision for impairment. These include investments in subsidiary undertakings and are highly material to the company as they account for 97% of total assets.

Judgement is required by the directors as to whether any of the investments should be impaired based on the financial position and future prospects of the investments. This takes into consideration a range of factors such as their trading performance, the expected revenue growth and discount rates. The potential impact of COVID-19 has been considered as a non-adjusting post balance sheet event.

Further details are included within key sources of estimation and uncertainty in note 2 and note 8 to the financial statements.

How the scope of our audit responded to the key audit matter

We obtained an understanding of the key controls related to the assessment of impairment for unlisted investments, including the management review controls over the estimation of their value in use.

We obtained the most recent audited financial information of the related investments to determine whether they supported the carrying value.

We have obtained management's calculation of the net realisable value which includes an estimate of the future cash flows expected to arise from the investment for the group and a suitable discount rate in order to calculate their value in use and any impairment recognised in the period.

Manpower Holdings (UK) Limited

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

We reviewed and challenged key assumptions used in the calculation through obtaining a copy of the latest management accounts and by comparison to historic trading performance of the subsidiaries. We also reviewed the historical accuracy of management's forecasts by comparing the actual results to forecasts.

Key observations

Based on the work performed we concluded that the valuation of unlisted investments is appropriate.

Our application of materiality

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality: £4,800,000

Basis for determining materiality: 3% of net assets

Rationale for the benchmark applied: We determined materiality based on net assets as this is the key metric used by management, investors and lenders, with shareholder value being driven by net assets value movements.

Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 70% of materiality for the 2019 audit. In determining performance materiality, we considered the following factors:

- the quality of the control environment;
- this was a first year audit as the entity was incorporated in a group restructuring in the period; and
- changes in key accounting personnel.

Error reporting threshold

We agreed with the directors that we would report to the directors all audit differences in excess of £0.24m as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the directors on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

Manpower Holdings (UK) Limited

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

Our consideration of the control environment

We did not plan to rely on the IT or other controls, as there are small number of journal entries posted which are all considered individually. Our controls work was limited to obtaining an understanding of relevant controls.

Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Manpower Holdings (UK) Limited

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

Use of our report

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



Timothy Steel ACA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

16 November 2020

Profit and loss account For the period ended 31 December 2019

	Note	11.07 2019 to 31.12.2019 £000
Administrative expenses		(73)
Other operating (income)		31
Operating (loss)		(42)
Income from shares in group undertakings	3	19,000
Finance income / (costs) (net)	3	8,902
Profit before taxation		27,860
Tax on profit	7	(18,918)
Profit for the period attributable to equity shareholder of the Company		8,942

There have been no gains or losses other than the profit for the current period end. Accordingly, no statement of comprehensive income is presented.

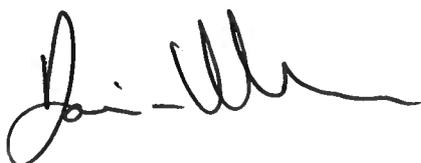
All results relate to continuing activities.

Manpower Holdings (UK) Limited

Balance sheet As at 31 December 2019

	Note	2019 £000
Fixed assets		
Investments	8	413,020
Current assets		
Debtors		
- due within one year	9	1,099
- due after one year	9	9,387
Cash at bank and in hand		1,080
		11,566
Creditors: amounts falling due within one year	10	(164,760)
Net current liabilities		(153,194)
Total assets less current liabilities		259,826
Creditors – amounts falling due after more than one year	11	(100,000)
Net assets		159,826
Capital and reserves		
Called up share capital	14	112,683
Profit and loss account	14	47,143
Shareholder's funds		159,826

The financial statements of Manpower Holdings (UK) Limited, a company registered in England and Wales, registered number 12098367, were approved by the Board of Directors and authorised for issue on 16 November 2020. They were signed on its behalf by:



D P Whitham
Director

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

	Called up share capital £000	Profit and loss account £000	Total £000
Profit for the period	-	8,942	8,942
Total comprehensive income	-	8,942	8,942
Issue of share capital (see note 14)	212,683	-	212,683
Reduction of share capital	(100,000)	100,000	-
Dividends paid	-	(61,799)	(61,799)
At 31 December 2019	112,683	47,143	159,826

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

1. Accounting policies

The principal accounting policies are summarised below.

General information and basis of accounting

Manpower Holdings (UK) Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 1. The nature of the Manpower Holdings (UK) Limited's operation and its principal activities are set out in the strategic report on page 2.

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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

Manpower Holdings (UK) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Manpower Holdings (UK) Limited is exempt from the requirement to prepare group accounts under s401 Companies Act 2006. Subsidiary undertakings have not been consolidated by Manpower Holdings (UK) Limited as they are consolidated in the financial statements of ManpowerGroup Inc., which may be obtained at 100 Manpower Place, Milwaukee, Wisconsin 53212, USA. Exemptions have been taken in these separate company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement, intra group transactions and remuneration of key management personnel.

Going concern

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

The Company has significant net current liabilities and is reliant on other ManpowerGroup Inc. group companies for support.

ManpowerGroup Inc., the Company's ultimate parent company, has given written assurance that they will continue to support the Company for at least twelve months subsequent to the sign off date of this report.

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

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

1. Accounting policies (continued)

Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

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

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Investments

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

Derivative financial instruments

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk and interest rate movements. The Group does not hold or issue derivative financial instruments for speculative purposes

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

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

1. Accounting policies (continued)

Taxation

Current tax, comprising UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the balance sheet date.

Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred taxation is measured on a non-discounted basis using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

The Company is part of a tax group for certain aspects of tax legislation. One of these aspects relates to group relief whereby current tax liabilities can be offset by current tax losses arising in other companies within the same tax group. No payment for group relief is made when a company in the same tax group surrenders their losses.

Dividend and interest revenue

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established (provided that it is probably that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Other operating income

Other operating income comprises management expenses charged to group companies and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

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

1. Accounting policies (continued)

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the profit and loss account in the period in which they arise.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no significant judgements made in the process of applying the Company's accounting policies.

Key source of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below.

Impairment of investment in subsidiaries

Determining whether investments in subsidiaries of £413,020,000 are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate present value. The value in use is sensitive to the growth assumptions of future cash flows of individual companies and could result in an impairment charge in the future if growth assumptions are not met. Refer to note 8 for further details.

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

3. Finance income/(costs) (net)

	11.07.2019 to 31.12.2019 £000
Interest payable and similar income	7,742
Add: Investment income	20,160
	<hr/> 27,902 <hr/>
Interest payable and similar income	
Interest payable to group undertakings	(1,551)
Net exchange gains on foreign currency derivative	9,293
	<hr/> 7,742 <hr/>
Investment income	
Income from fixed asset investments:	
Dividends received from subsidiaries	19,000
Interest received from group undertakings	1,160
Other interest receivable and similar income	-
	<hr/> 20,160 <hr/>

4. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £7,000.

No other remuneration was paid to the Company's auditor during the year.

Manpower Holdings (UK) Limited

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

5. Staff numbers and costs

	11.07.2019
	to
	31.12.2019
	£000
Staff costs of the Company, including directors, were:	
Salaries	52
Social security costs	7
	<u>59</u>
	<u><u>59</u></u>
	2019
	Number
The monthly average number of persons employed by the Company during the period, including directors, was:	
Branch and administrative staff	1
	<u>1</u>
	<u><u>1</u></u>

6. Directors’ remuneration and transactions

	11.07.2019
	to
	31.12.2019
	£000
Directors’ remuneration	
Emoluments	52
	<u>52</u>
	<u><u>52</u></u>

Five of the directors received no remuneration in respect of their services to the Company during the year. Remuneration costs for three of the directors are borne by a fellow group company, Manpower UK Limited. Remuneration costs for one of the directors is borne by a fellow group company, ManpowerGroup Inc., Belgium Branch. Remuneration costs for one of the directors is borne by a fellow group company, ManpowerGroup Inc. They are therefore disclosed in those companies’ financial statements.

Manpower Holdings (UK) Limited

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

7. Tax on profit

	11.07.2019 to 31.12.2019 £000
The tax charge comprises:	
Current tax on profit	
UK corporation tax	18,918
Total current tax	<u>18,918</u>
Total tax on profit	<u><u>18,918</u></u>

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

	11.07.2019 to 31.12.2019 £000
Profit before taxation	27,860
Tax on loss at standard UK tax rate of 19%	5,293
Effects of:	
Expenses not deductible for tax purposes	-
Income not taxable in determining taxable profit	(5,375)
Taxable income on restructuring (see below)	19,000
Total tax on profit	<u><u>18,918</u></u>

The Finance Act 2016, which was substantively enacted in September 2016, included provisions to reduce the rate of UK corporation tax to 19% with effect from 1 April 2017 and 17% with effect from 1 April 2020.

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

During the year, a £100m receivable owed by Manpower Holdings (UK) Limited, was contributed by the original related party creditor to a fellow group undertaking. This transaction resulted in a taxable credit of £100m arising in Manpower Holdings (UK) Limited. As the £100m loan is to be paid down in future periods, due to the capital repayment schedule within the terms of the loan, this taxable amount should effectively reverse over the life of the loan giving rise to taxable deductions. Since it is anticipated that the future tax losses arising will be surrendered as group relief without charge, no deferred tax asset has been recorded.

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

8. Fixed asset investments

	Subsidiary undertakings 31.12.2019 £000
Cost	
Additions	474,819
Disposals	(61,799)
	<hr/>
At 31 December	413,020
	<hr/> <hr/>
Net book value	
At 31 December	413,020
	<hr/> <hr/>

The Company's investments in its subsidiary undertakings are shown in the appendix to these financial statements. The additions were received from a former fellow group company in consideration for an issue of shares by the Company. Bafin Holdings was disposed of at book value during 2019.

The value in use of these investments is dependent on growth assumptions. These assumptions have not been adjusted to take into account any impact of Covid 19 as this is regarded as a non-adjusting post balance sheet event. For the subsidiary where the impairment assessment is most sensitive to growth assumptions, an annual growth rate of 5% has been projected for the next 4 years and then a long term growth rate of 2%. A decrease of 1% in the growth rate each year would result in a decrease in discounted cash flows of 9% which would result in an impairment charge of £456,000.

9. Debtors

	31.12.2019 £000
Amounts falling due within one year:	
Amounts due from other group undertakings	1,017
Other debtors	82
	<hr/>
At 31 December 2019	1,099
	<hr/> <hr/>
	31.12.2019 £000
Amounts falling due after more than one year:	
Derivative financial assets (see note 12)	9,387
	<hr/>
At 31 December 2019	9,387
	<hr/> <hr/>

Amounts due from other group undertakings of £1,017,000 comprise current accounts that are unsecured, interest-free and are repayable on demand.

Manpower Holdings (UK) Limited

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

10. Creditors: amounts falling due within one year

	31.12.2019
	£000
Amounts due to other group undertakings	164,694
Accruals and deferred income	66
	<hr/>
	164,760
	<hr/> <hr/>

Amounts due to other group undertakings include:

- (a) £1,670,000 current account that are unsecured, interest-free and are repayable on demand.
- (b) £162,024,000 of unsecured fixed rate loan notes bearing interest at 3.25% and repayable on demand.
- (c) £1,000,000 of unsecured fixed rate loan notes bearing interest at 2.7% and repayable on demand.

11. Creditors: amounts falling due after more than one year

	31.12.2019
	£000
Amounts due to other group undertakings	100,000
	<hr/>
At 31 December 2019	100,000
	<hr/> <hr/>

Amounts due to other group undertakings include:

- (a) £100,000,000 of unsecured, fixed rate loan notes, bearing interest at 2.7% and repayable over 9 years, of which £56,000,000 is due after more than 5 years.

Further information regarding these loan notes is given in note 1.

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

12. Financial instruments:

The carrying values of the Company's financial assets are summarised by category below:

	31.12.2019
Financial assets at fair value	£000
Measured at fair value through the profit and loss	
Forward foreign currency swap (see note 13)	9,387
	<hr/>
	9,387
	<hr/> <hr/>

The Company's gains and losses in respect of financial instruments are summarised below:

	31.12.2019
Fair value gains and losses	£000
On derivative financial assets measured at fair value	
through profit or loss (see note 3)	9,293
	<hr/>
	9,293
	<hr/> <hr/>

Manpower Holdings (UK) Limited

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

13. Derivative financial instruments:

	Due after one year 31.12.2019 £000
Derivatives carried at fair value	
Forward foreign currency swap	9,387
	<hr/>
	9,387
	<hr/> <hr/>

Forward foreign currency contracts are valued using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The Company entered into an internal cross currency swap with the ManpowerGroup Inc. in Sept 2019 which partially hedges the Company's currency exposure on its investment in Switzerland but is not designated as a hedging instrument for hedge accounting.

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

14. Called up share capital and reserves

	2019
	£000
Called up, allotted and fully paid	
112,683,299 Ordinary shares of £1 each	112,683
	<u>112,683</u>
	2019
	£000
Movement on share capital during the period:	
Issued during the period	212,683
Reduction of share capital	(100,000)
	<u>112,683</u>
At 31 December 2019	<u>112,683</u>

On 19 December 2019, the Company reduced its paid up share capital by cancelling 100,000,000 ordinary shares of £1 each and the aggregate amount of £100,000,000 arising there from was credited to the profit and loss account.

The Company has one class of ordinary shares which carry no right to fixed income.

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

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

15. Post Balance Sheet and Subsequent Events

Subsequent to the end of the year, the COVID-19 pandemic has led to lockdowns and restricted activity around the world, which in turn has impacted the UK market and economy. Due to the non-trading activities of the Company, the directors do not expect a significant impact of Covid-19 on the results of operations or financial condition of the Company. The COVID-19 pandemic is assessed to be a non-adjusting subsequent event and therefore its effect is not reflected in these financial statements.

16. Ultimate controlling party

The Company's immediate and ultimate parent company and controlling party is ManpowerGroup Inc., a company incorporated in the United States of America.

The smallest and largest group in which the results of Manpower Holdings (UK) Limited are consolidated is that headed by ManpowerGroup Inc., whose principal place of business is at 100 Manpower Place, Milwaukee, Wisconsin 53212, USA. The annual report of this group is available to the public and may be obtained from the above address.

Manpower Holdings (UK) Limited

Appendix to the financial statements Investments in subsidiary undertakings For the period ended 31 December 2019

Name of undertaking	Country of incorporation	Principal activity	Registered office/principal place of business	Holding	%
Directly held					
ManpowerGroup UK Limited	United Kingdom	Holding company	Capital Court, Windsor Street, Uxbridge UB8 1AB England	Ordinary	100
SJB Corporate Limited	United Kingdom	Employment services	2 nd Floor, 6 New Bridge Street, London EC4V 6AB England	Ordinary	100
SJB Services (UK) Limited	United Kingdom	Employment services	2 nd Floor, 6 New Bridge Street, London EC4V 6AB England	Ordinary	100
Juice Resource Solutions Limited	United Kingdom	Employment services	Capital Court, Windsor Street, Uxbridge, UB8 1AB England	Ordinary	100
777 Recruitment Limited	United Kingdom	Employment services	Capital Court, Windsor Street, Uxbridge, UB8 1AB England	Ordinary	100
Integral Search and Selection Limited	United Kingdom	Employment services	Capital Court, Windsor Street, Uxbridge, UB8 1AB England	Ordinary	100
People Source Limited	United Kingdom	Employment services	1 Georges Square, Bath Street, Bristol BS1 6BA England	Ordinary	100
Manpower Holding AG	Switzerland	Holding company	Bahnhofstrasse 7, 6300 Zug, Switzerland	Ordinary	100
Indirectly held					
People Source Consulting Limited	United Kingdom	Employment services	1 Georges Square, Bath Street, Bristol BS1 6BA England	Ordinary	100
Volaris Exec Recruitment Limited	United Kingdom	Employment services	1 Georges Square, Bath Street, Bristol BS1 6BA England	Ordinary	100
Manpower UK Limited	United Kingdom	Employment services	Capital Court, Windsor Street, Uxbridge UB8 1AB England	Ordinary	100
Manpower Services Limited	United Kingdom	Payroll preparation services	Capital Court, Windsor Street, Uxbridge UB8 1AB England	Ordinary	100
Experis Group Limited	United Kingdom	Holding company	Capital Court, Windsor Street, Uxbridge UB8 1AB England	Ordinary	100
Experis Limited	United Kingdom	Employment services	2 nd Floor, 6 New Bridge Street, London EC4V 6AB England	Ordinary	100

Manpower Holdings (UK) Limited

Appendix to the financial statements Investments in subsidiary undertakings For the period ended 31 December 2019

Name of undertaking	Country of incorporation	Principal activity	Registered office/principal place of business	Holding	%
Experis Resource Support Services Limited	United Kingdom	Employment services	Capital Court, Windsor Street, Uxbridge UB8 1AB England	Ordinary	100
Manpower IT Services Limited	United Kingdom	Dormant	Capital Court, Windsor Street, Uxbridge UB8 1AB England	Ordinary	100
*Manpower Contract Services Limited	United Kingdom	Dormant	Capital Court, Windsor Street, Uxbridge UB8 1AB England	Ordinary	100
Jefferson Wells Limited	United Kingdom	Dormant	Capital Court, Windsor Street, Uxbridge UB8 1AB England	Ordinary	100
Manpower Holdings (Ireland) Limited	Ireland	Holding company	8 Harcourt Street, Dublin 2 Ireland	Ordinary	100
ManpowerGroup (Ireland) Limited	Ireland	Employment services	8 Harcourt Street, Dublin 2 Ireland	Ordinary	100
Experis Limited	Ireland	Employment services	1 Castlewood Avenue, Rathmines, Dublin 6 Ireland	Ordinary	100
Experis AG	Switzerland	Workforce solution company	Wasserwerkstrasse 10, Zurich 8006 Switzerland	Ordinary	60
Experis Schweiz AG	Switzerland	Service company	Wasserwerkstrasse 10, Zurich 8006 Switzerland	Ordinary	60
Manpower AG	Switzerland	Workforce solution company	Alpenstrasse 9, 6300 Zug, Switzerland	Ordinary	100
Manpower HR Management SA	Switzerland	Service company	Rue Winkelried 4, 1201 Geneve, Switzerland	Ordinary	100
Allegra Finanz AG	Switzerland	Finance company	Bahnhofstrasse 7, 6300 Zug, Switzerland	Ordinary	100
Experis ManpowerGroup SLU	Spain	Software development	Orense, 68-2 Izquierda, Madrid 28020, Spain	Ordinary	100

* Dissolved March 17th 2020