

REGISTERED NO: 93338

HAYS HOLDINGS LTD
REPORT AND FINANCIAL STATEMENTS
30 JUNE 1999



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HAYS HOLDINGS LTD

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HAYS HOLDINGS LTD

REPORT OF THE DIRECTORS

The directors submit herewith their report and the financial statements for the company for the year ended 30 June 1999.

Group accounts have not been prepared as the company is a wholly owned subsidiary of another company incorporated in Great Britain.

Principal Activities

The company is a sub-holding company. It has no employees.

Review of Developments

Investments were acquired during the year as part of a reorganisation of the Group structure.

Results and Dividends

The company's profit on ordinary activities after taxation was £409,000 (1998 - £10,095,000).

A dividend of £Nil was proposed during the year (1998 - £Nil).

Future Developments

The company will continue in the role of a sub-holding company.

Directors

The following were directors of the company during the year:

S J Charnock	
P A Dungate	
R E Frost (Chairman)	
N A McLachlan	
J A Napier	(resigned 15 September 1998)
D C Tibble	(resigned 1 March 1999)
G J Williams	
J R Cole	(appointed 30 July 1998)

HAYS HOLDINGS LTD**REPORT OF THE DIRECTORS (Cont'd)****Directors (cont'd)**

The interests of the directors and their families in the shares of Group companies were as follows:

	1p Ordinary Shares in Hays plc of:		Share Options			30 June 1999	Maximum number of shares receivable under the long term Incentive Plan
	1 July * 1998	30 June 1999	1 July * 1998	Granted in period	Exercised in period		
S J Charnock	17,000	44,624	127,176	18,638	62,634	83,180	76,946
P A Dungate	-	-	11,072	9,016	-	20,088	-

* The numbers of shares have been restated to reflect the one for one bonus issue that took place on 16th November 1998.

R E Frost, J R Cole, G J Williams and N A McLachlan are also directors of Hays plc and their interests therein are disclosed in the financial statements of that company.

No director had an interest at any time during the year in any subsisting contract or arrangement to which the company or any other Group company was a party nor did any director hold any shares during the year in the company or any other Group company except as disclosed above.

Year 2000

The company is giving priority to the impact of the millennium and the directors are satisfied that any related costs will not be material to the profitability or liquidity of the Company.

Auditors

The auditors, Deloitte & Touche, are willing to continue in office.

By order of the Board



S J Charnock
Secretary

HAYS HOLDINGS LTD

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 30 JUNE 1999

The directors are obliged under company law to prepare financial statements for each financial year and to present them annually to the company's members in Annual General Meeting.

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the company at the end of the financial year, and of the result for that period, and they must comply with applicable accounting standards.

The directors are also responsible for the adoption of suitable accounting policies, their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The directors confirm that the above requirements have been complied with in the financial statements. The accounts have been prepared on the going concern basis since the directors are satisfied that the company has adequate resources to continue in operational existence for the foreseeable future.

In addition, the directors are responsible for maintaining adequate accounting records and sufficient internal controls to safeguard the assets of the company and to prevent and detect fraud or any other irregularities.

By order of the Board

A handwritten signature in dark ink, appearing to read 'S. J. Charnock', written in a cursive style.

S J Charnock
Secretary

HAYS HOLDINGS LTD

AUDITORS' REPORT TO THE MEMBERS OF

HAYS HOLDINGS LTD

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1999 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors

Hill House
1 Little New Street
London
EC4A 3TR

12 November 1999

HAYS HOLDINGS LTD
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 JUNE 1999

	Note	1999 £'000	1998 £'000
CONTINUING ACTIVITIES			
Income from shares in group companies		-	34,114
Net operating income/(charges)	2	<u>180</u>	<u>(24,213)</u>
OPERATING PROFIT		180	9,901
Net interest receivable	3	<u>330</u>	<u>280</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		510	10,181
Tax charge on profit on ordinary activities	5	<u>(101)</u>	<u>(86)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		409	10,095
Equity dividends paid and proposed		-	-
AMOUNT TRANSFERRED TO RESERVES		<u>409</u>	<u>10,095</u>

There are no recognised gains or losses in either the current or preceding year other than the profit for the financial year. Accordingly no statement of total recognised gains and losses is given. There are no movements in Shareholders' funds other than the profit in the current and preceding year.

HAYS HOLDINGS LTD**BALANCE SHEET 30 JUNE 1999**

	Note	1999 £'000	1998 £'000
FIXED ASSET INVESTMENTS	6	<u>221,979</u>	<u>214,297</u>
CURRENT ASSETS			
Debtors	7	160,094	160,094
Cash at bank and in hand		<u>244</u>	<u>244</u>
		160,338	160,338
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(266,730)</u>	<u>(259,457)</u>
NET CURRENT LIABILITIES		<u>(106,392)</u>	<u>(99,119)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>115,587</u>	<u>115,178</u>
CAPITAL AND RESERVES			
Called up Share Capital	9	59,987	59,987
Profit and Loss Account	10	<u>55,600</u>	<u>55,191</u>
EQUITY SHAREHOLDERS' FUNDS		<u>115,587</u>	<u>115,178</u>

The financial statements were approved by the Board of Directors on 9th November 1999.

Signed on behalf of the Board of Directors



Director

HAYS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 JUNE 1999****1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards. The particular policies adopted are described below.

(a) Financial Statements

The financial statements are prepared under the historical cost convention. The company is a wholly owned subsidiary of Hays plc, which is incorporated in Great Britain and registered in England and Wales, and which prepares consolidated accounts to 30 June. Therefore the financial statements only present information about the company as an individual undertaking.

(b) Investments

Shares in subsidiary undertakings are valued at cost less any provision for impairment.

- (c) Deferred taxation is provided on timing differences arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise.

2. NET OPERATING INCOME/(CHARGES)	1999	1998
	£'000	£'000
Other operating income/(charges)	-	(32,883)
Profit on disposal of subsidiaries	180	8,670
	<u>180</u>	<u>(24,213)</u>

The remuneration of the auditors has been borne by the ultimate parent company in both years.

HAYS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****YEAR ENDED 30 JUNE 1999**

3. NET INTEREST RECEIVABLE	1999	1998
	£'000	£'000

Interest receivable from group undertakings	<u>330</u>	<u>280</u>
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4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No director received any remuneration from the company during the current year and prior year.

There were no employees during the current or prior year.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES	1999	1998
	£'000	£'000
United Kingdom Corporation Tax (1998 : 31%)	-	87
Adjustment in respect of prior years	-	(1)
Group Relief	101	-
	<u>101</u>	<u>86</u>

6. INVESTMENTS	Shares in subsidiary undertakings £'000	Provisions £'000	Net Book Value £'000
Balance at 1 July 1998	250,771	(36,474)	214,297
Additions	7,798	-	7,798
Disposals	(7,083)	6,967	(116)
Balance at 30 June 1999	<u>251,486</u>	<u>(29,507)</u>	<u>221,979</u>

HAYS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****YEAR ENDED 30 JUNE 1999**

The following were subsidiaries of the company at 30 June 1999:-

	<u>Activities</u>
Enham Arch Limited	Holding Company
Bowker & King Limited)
Northern Document Exchange)
Dykem (North) Limited)
Farmhouse Securities Limited)
Hays Group Limited)
Hays Nominees Limited)
Leathers Chemicals Company Limited)
Midland Dykem Chemicals Limited)
NLCS Limited)
Parcel Link Limited)
UK Cold Storage Limited)
Westbond Chemicals Limited) Non trading
Weyside One Limited)
Data Express Limited)
Citybond Storage Limited)
Farmhouse Group Services Limited)
Weyside 15 Limited)
Weyside 16 Limited)
Rockall Database Limited)
Merrihill Limited)
Rockall Data Services International Limited)
Rockall Services Limited)
Citidata Storage Limited)
Rockall Data Services Limited)

HAYS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****YEAR ENDED 30 JUNE 1999**

Subsidiaries of the company *continued*:-

	<u>Activities</u>
Hays Specialist Distribution Limited)
Highshares Limited)
Hays Specialist Holdings Limited)
Hays Storage Services Limited)
Hays Contract Distribution Limited)
Hays Marine Holdings Limited)
Weyside 18 Limited)
Hays Colours Limited)
Paperstream Limited)
Total Mailing Services Limited) Non trading
Rockall Scotia Resources Limited)
OBSDOC Rotherham Limited)
OBS Enterprises Limited)
Transalarch Data Management Limited)
Transalarch Seguridad Limited)
Weyside Nineteen Limited)
Hays IT Services Limited)
Apollo Despatch Limited)
Apollo Despatch (Franchising) Limited)

All of these subsidiary companies are 100% owned and are registered in England and Wales.

	<u>Activities</u>
Rutland Exchange Limited) Non trading
North & South Installations Limited)

Both of these subsidiary companies are 100% owned and are registered in Scotland.

HAYS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****YEAR ENDED 30 JUNE 1999**

7. DEBTORS	1999 £'000	1998 £'000
Amounts owed by subsidiary undertakings	140,972	140,972
Amounts owed by fellow subsidiary undertakings	19,122	19,122
	<u>160,094</u>	<u>160,094</u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1999 £'000	1998 £'000
Amounts owed to subsidiary undertaking	142,129	134,447
Amounts owed to parent undertaking	124,391	124,813
Amounts owed to fellow subsidiary undertaking	98	99
Taxation	101	87
Other creditors	11	11
	<u>266,730</u>	<u>259,457</u>
9. CALLED UP SHARE CAPITAL	1999 £'000	1998 £'000
Authorised: 100,000,000 Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>
Called up, allotted and fully paid: 59,986,713 Ordinary Shares of £1 each	<u>59,987</u>	<u>59,987</u>

HAYS HOLDINGS LTD**NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****YEAR ENDED 30 JUNE 1999**

10. RESERVES	Profit and Loss account £'000
Balance at 1 July 1998	55,191
Amount transferred to reserves	<u>409</u>
Balance at 30 June 1999	<u>55,600</u>

11. RELATED PARTY DISCLOSURES

The ultimate and immediate controlling entity is Hays plc, which is registered in England and Wales.

The company has taken advantage of the exemption granted to subsidiary undertakings, 90 per cent or more of whose voting rights are controlled within the Group, not to disclose transactions with other Group companies and investees of the Group qualifying as related parties.

Copies of the group financial statements of Hays plc may be obtained from Companies House, Crown Way, Maindy, Cardiff CF4 3UZ.