

REGISTERED NO: 93338

HAYS HOLDINGS LTD  
REPORT AND FINANCIAL STATEMENTS  
30 JUNE 2005



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COMPANIES HOUSE 27/04/2006

**HAYS HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS 2005**  
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# HAYS HOLDINGS LIMITED

## STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors submit their report and the financial statements for the company for the year ended 30 June 2005.

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 and it has no employees.

### Review of Developments

Investments were liquidated during the year as part of a reorganisation of the Group structure. The company also disposed of its remaining interests in Albion Group Limited in the current year. No profit or loss was recognised on this disposal.

### Results and Dividends

The company's loss on ordinary activities after taxation was £26,148,000 (2004 – loss £36,855,000). Dividends of £1,854,000 were received during the year (2004 - nil). No dividends were paid or proposed in the year (2004 - nil).

### Future Developments

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

### Secretary

S E Bort (resigned 4 April 2006)  
S Anderson (appointed 4 April 2006)

### Directors

The Directors who served throughout the year and subsequently, except as noted below, are:

|             |                              |
|-------------|------------------------------|
| S E Bort    | (appointed 1 September 2004) |
| S J Cox     | (resigned 14 November 2005)  |
| P A Dungeat | (resigned 1 September 2004)  |
| S Gray      | (appointed 14 November 2005) |
| R A Lawson  | (resigned 20 June 2005)      |
| J W Martin  | (resigned 16 March 2006)     |

|          | 1 July 2004 or<br>date of appointment | Share Options        |                     | 30 June<br>2005 |
|----------|---------------------------------------|----------------------|---------------------|-----------------|
|          |                                       | Granted<br>in period | Lapsed<br>in period |                 |
| S E Bort | -                                     | 9,475                | -                   | 9,475           |
| S J Cox  | -                                     | 16,525               | -                   | 16,525          |

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.

### Auditors

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

By order of the Board

S Anderson

Secretary

27 April 2006

## **HAYS HOLDINGS LIMITED**

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The Directors are obliged under United Kingdom company law to prepare financial statements for each financial year and to present them annually to the Company's members in the 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 profit or loss for that period, and they must comply with applicable United Kingdom 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 are also responsible for the preparation of the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

*The Directors confirm that the above requirements have been complied with in the financial statements.*

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

## **HAYS HOLDINGS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAYS HOLDINGS LIMITED**

We have audited the financial statements of Hays Holdings Ltd for the year ended 30 June 2005 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in equity shareholders' funds and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 2005 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*

Deloitte & Touche LLP  
Chartered Accountants and Registered Auditors  
London

27.4. 2006

**HAYS HOLDINGS LIMITED**  
**PROFIT AND LOSS ACCOUNTS**  
**YEAR ENDED 30 JUNE 2005**

|  | Note | 2005<br>£000    | 2004<br>£'000   |
|--|------|-----------------|-----------------|
| Net operating (loss)/income                                    |      | <u>(2,713)</u>  | <u>1,974</u>    |
| OPERATING (LOSS)/PROFIT  | 2    | (2,713)         | 1,974           |
| EXCEPTIONAL ITEMS  |      |                 |                 |
| Profit on disposal of fixed asset investments and fixed assets | 4    | -               | 11,376          |
| Amounts written off investments                                | 4    | <u>(22,854)</u> | <u>(43,445)</u> |
|  |      | (22,854)        | (32,069)        |
| Income from shares in group companies                          | 5    | 1,854           | -               |
| Interest payable   | 6    | (10,510)        | (3,405)         |
| LOSS ON ORDINARY ACTIVITIES<br>BEFORE TAXATION                 |      | <u>(34,223)</u> | <u>(33,500)</u> |
| Tax credit/(charge) on loss on ordinary activities             | 7    | <u>8,075</u>    | <u>(3,385)</u>  |
| AMOUNT TRANSFERRED FROM RESERVES                               | 13   | <u>(26,148)</u> | <u>(36,885)</u> |

All results relate to continuing activities.

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

# HAYS HOLDINGS LIMITED

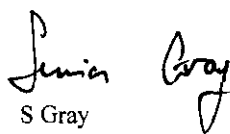
## BALANCE SHEET

AS AT 30 JUNE 2005

|  | Note | 2005<br>£'000    | 2004<br>£'000    |
|--|------|------------------|------------------|
| FIXED ASSET INVESTMENTS                        | 8    | <u>339,859</u>   | <u>468,745</u>   |
| CURRENT ASSETS                                 |      |                  |                  |
| Debtors  | 9    | 145,041          | 140,670          |
| Cash at bank and in hand                       |      | <u>17,778</u>    | <u>22,230</u>    |
|  |      | 162,819          | 162,900          |
| CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | 10   | <u>(319,976)</u> | <u>(417,997)</u> |
| NET CURRENT LIABILITIES                        |      | <u>(157,157)</u> | <u>(255,097)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES          |      | 182,702          | 213,648          |
| PROVISIONS FOR LIABILITIES AND CHARGES         | 11   | (14,329)         | (19,127)         |
|  |      | <u>168,373</u>   | <u>194,521</u>   |
| CAPITAL AND RESERVES                           |      |                  |                  |
| Called up share capital                        | 12   | 87,987           | 87,987           |
| Profit and loss account                        | 13   | <u>80,386</u>    | <u>106,534</u>   |
| EQUITY SHAREHOLDERS' FUNDS                     |      | <u>168,373</u>   | <u>194,521</u>   |

The financial statements were approved by the Board of Directors on **27 APRIL** 2006

Signed on behalf of the Board of Directors

  
S Gray  
Director

**HAYS HOLDINGS LIMITED****RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' INTERESTS****YEAR ENDED 30 JUNE 2005**

|   | <b>2005</b><br><b>£'000</b> | <b>2004</b><br><b>£'000</b> |
|---|-----------------------------|-----------------------------|
| Loss for the financial year               | <u>(26,148)</u>             | <u>(36,885)</u>             |
| Net decrease in equity shareholders funds | (26,148)                    | (36,885)                    |
| Opening equity shareholders' funds        | 194,521                     | 231,406                     |
| Closing equity shareholders' funds        | <u>168,373</u>              | <u>194,521</u>              |



# HAYS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards. The particular policies adopted are described below and have been applied on a consistent basis in the current and prior year.

#### (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. The company has taken advantage of the exemption under section 228 of the Companies Act 1985 not to produce group accounts and 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 tax is provided in full on all timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### (d) Cash flow statement

The Company has taken advantage of the exemption granted in FRS 1 (revised) not to produce a cash flow statement, since its ultimate parent company produces a consolidated cash flow statement including the cash flows of the Company.

### 2. OPERATING (LOSS)/PROFIT

|                                   | 2005<br>£'000  | 2004<br>£'000 |
|-----------------------------------|----------------|---------------|
| Rental income received            | -              | 2,568         |
| Write off of intercompany debtors | (2,713)        | -             |
| Depreciation charge               | -              | (594)         |
|                                   | <u>(2,713)</u> | <u>1,974</u>  |

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

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No director received any remuneration for services to the company during the current year and prior year.

There were no employees during the current or prior year.

# HAYS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 4. EXCEPTIONAL ITEMS

|  |      | 2005<br>£'000   | 2004<br>£'000   |
|--|------|-----------------|-----------------|
| Provision against carrying value of investments                | (i)  | (22,854)        | (43,445)        |
| Profit on disposal of fixed asset investments and fixed assets | (ii) | -               | 11,376          |
|  |      | <u>(22,854)</u> | <u>(32,069)</u> |

- (i) During the year, the directors reviewed the carrying value of investments in all subsidiaries and concluded that an impairment charge of £22,854,000 was appropriate. In the prior year the Directors concluded that the outlook for the company's associate company, Albion Group Limited had deteriorated and accordingly, the full amount of the investment in Albion Group (£43,445,000) was provided for.
- (ii) During the prior year the company disposed of its investment in Hays Distribution Services Limited for a profit £727,000 and disposed of several freehold and long leasehold properties which had been transferred from a subsidiary company in the period, for a profit of £10,649,000

### 5. INCOME FROM SHARES IN GROUP COMPANIES

As a result of the liquidation of a number of subsidiary companies, dividends in specie totalling £1,854,000 (2004 – nil) were made by the subsidiaries during the year.

### 6. INTEREST RECEIVABLE AND PAYABLE

|  | 2005<br>£'000   | 2004<br>£'000  |
|--|-----------------|----------------|
| Interest receivable                    | <u>2</u>        | <u>79</u>      |
| Interest payable to group undertakings | <u>(10,512)</u> | <u>(3,484)</u> |
| Net interest payable                   | <u>(10,510)</u> | <u>(3,405)</u> |

### 7. TAX CREDIT/(CHARGE) ON ORDINARY ACTIVITIES

|   | 2005<br>£'000   | 2004<br>£'000   |
|---|-----------------|-----------------|
| United Kingdom Corporation Tax  | <u>8,075</u>    | <u>(3,385)</u>  |
| Total profit and loss account credit/(charge)                           | <u>8,075</u>    | <u>(3,385)</u>  |
| Factors affecting tax credit/(charge) for the period:                   |                 |                 |
| Loss on ordinary activities before tax                                  | <u>(34,223)</u> | <u>(33,500)</u> |
| Tax credit on loss on ordinary activities before tax at 30% (2004: 30%) | 10,267          | 10,050          |
| Prior year adjustment   | 15              | -               |
| Permanent differences arising on the impairment of fixed assets         | (37,983)        | -               |
| Permanent differences arising on non-taxable income                     | 30,869          | -               |
| Permanent differences arising on balances of an associate company       | <u>4,907</u>    | <u>(13,435)</u> |
| Total actual amount of current tax                                      | <u>8,075</u>    | <u>(3,385)</u>  |

# HAYS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 8. INVESTMENTS

|                             | Shares in<br>Subsidiary<br>Undertakings<br>£'000 |
|-----------------------------|--|
| As at 1 July 2004           | 468,745  |
| Impairment                  | (22,854)   |
| Liquidation of subsidiaries | (106,032)  |
| As at 30 June 2005          | <u>339,859</u>                                   |

For additional details of subsidiary undertakings see note 15.

### 9. DEBTORS

|   | 2005<br>£'000  | 2004<br>£'000  |
|---|----------------|----------------|
| Amounts owed by subsidiary undertakings | 140,119        | 136,966        |
| Corporation tax                         | 4,922          | 734            |
| Other debtors                           | -              | 2,970          |
|   | <u>145,041</u> | <u>140,670</u> |

### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|  | 2005<br>£'000  | 2004<br>£'000  |
|--|----------------|----------------|
| Amounts owed to subsidiary undertaking | 121,565        | 226,738        |
| Amounts owed to parent undertaking     | 196,544        | 187,986        |
| Other taxation and social security     | 1,178          | 2,685          |
| Other creditors                        | 10             | 88             |
| Accruals and deferred income           | 679            | 500            |
|  | <u>319,976</u> | <u>417,997</u> |

### 11. PROVISIONS FOR LIABILITIES AND CHARGES

|                    | 2005<br>£'000 | 2004<br>£'000 |
|--------------------|---------------|---------------|
| As at 1 July 2004  | 19,127        | 19,407        |
| Utilised           | (4,798)       | (280)         |
| As at 30 June 2005 | <u>14,329</u> | <u>19,127</u> |

The provision comprises potential liabilities relating to the disposal of the chemicals business for site restitution costs and a long-term power off-take agreement. It is not practicable to estimate the timing of the crystallisation of these liabilities as they are dependent upon the plans of the majority shareholder of the chemicals business.

# HAYS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 12. CALLED UP SHARE CAPITAL

|  | 2005<br>£'000  | 2004<br>£'000  |
|--|----------------|----------------|
| <b>Authorised:</b>                         |                |                |
| 100,000,000 Ordinary Shares of £1 each     | <u>100,000</u> | <u>100,000</u> |
| <b>Called up, allotted and fully paid:</b> |                |                |
| 87,986,713 Ordinary Shares of £1 each      | <u>87,987</u>  | <u>87,987</u>  |

### 13. RESERVES

|                                  | <b>Profit and<br/>loss account<br/>£'000</b> |
|----------------------------------|--|
| Balance at 1 July 2004           | 106,534                                      |
| Amount transferred from reserves | <u>(26,148)</u>                              |
| Balance at 30 June 2005          | <u>80,386</u>                                |

### 14. BANK GUARANTEE

This company is a member of a UK clearing bank cash pooling facility for companies in the Hays Group. All of the UK Hays Group companies guarantee any overdraft under this arrangement. The maximum gross overdraft facility under the terms of this arrangement is £55m.

### 15. RELATED PARTY DISCLOSURES AND CONTROLLING PARTY

The ultimate and immediate controlling entity is Hays plc, which is incorporated in Great Britain.

The parent undertaking of the smallest and largest group of which the company is a member and which prepares consolidated accounts is Hays plc.

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 accounts of Hays plc can be obtained from the Company Secretary at 141 Moorgate, London EC2M 6TX.

# HAYS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2005

### 16. ADDITIONAL INFORMATION ON SUBSIDIARIES

The following were subsidiaries of the company at 30 June 2005:

|   | <u>Activities during the year</u> |
|---|-----------------------------------|
| Hays Commercial Services Limited                | )                                 |
| All-Travel Marketing Support Services Limited * | ) Non trading                     |
| Apollo Despatch Limited *                       | )                                 |
| Axis Resource Holdings Limited                  | )                                 |
| Bowker & King Limited *                         | )                                 |
| Corporate Mail Services Limited *               | )                                 |
| David Gutteridge (Herts) Limited *              | )                                 |
| Document Interlink Limited                      | )                                 |
| Enham Arch Limited *                            | )                                 |
| Hays Nominees Limited                           | )                                 |
| Hays Indata Consultants Limited                 | )                                 |
| Hutchinson Smith Limited                        | )                                 |
| ICS Worldwide Couriers Limited *                | )                                 |
| Inkhold Limited                                 | )                                 |
| Inter-Selection Group (Holdings) Limited *      | )                                 |
| Metro Express Limited *                         | )                                 |
| Northern Document Exchange Limited *            | )                                 |
| Optical Courier Services Limited *              | )                                 |
| Paperstream Limited                             | )                                 |
| Parcel Link Limited *                           | )                                 |
| PSG Holdings Limited *                          | )                                 |
| PSG Limited                                     | )                                 |
| Rockall Data Services Limited *                 | )                                 |
| TAV Staff Agency Limited *                      | )                                 |
| Transalarch Data Management Limited *           | )                                 |
| Transalarch Seguridad Limited *                 | )                                 |
| United Kingdom Cold Storage Limited *           | )                                 |
| Weyside Group Limited                           | )                                 |
| Weyside Fifteen Limited *                       | )                                 |
| Weyside Marine Holdings Limited *               | )                                 |
| Weyside Specialist Distribution Limited *       | )                                 |
| Weyside Specialist Holdings Limited *           | )                                 |
| Weyside Sixteen Limited *                       | )                                 |
| Weyside Storage Services Limited *              | )                                 |
| Wings Couriers Limited                          | )                                 |
| * In liquidation                                |                                   |

All of the subsidiary companies are 100% owned and are registered in England and Wales and incorporated in Great Britain.

The proportion of voting rights of subsidiaries held by the company is the same as the proportion of shares held.