

REGISTERED NO: 93338

HAYS HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
30 JUNE 2006

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**HAYS HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS 2006
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HAYS HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The Directors submit their report and the financial statements for the Company for the year ended 30 June 2006

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

This report has been prepared in accordance with the special provisions relating to small companies under s246(4) of the Companies Act 1985

Principal Activities

The Company is a sub-holding company and it has no employees and has no turnover

Review of Developments

A number of investments were liquidated during the year as part of an ongoing reorganisation of the Group structure. The company also disposed of its remaining interests in Albion Group Limited in the current year and no profit or loss was recognised on this disposal of the investment

Results and Dividends

The Company's profit on ordinary activities after taxation was £12,859,000 (2005 – loss £26,148,000). Dividends of £439,000 were received during the year (2005 – £1,854,000). No dividends were paid or proposed in the year (2005 – nil).

Future Developments

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

Secretary

S Anderson (appointed 4 April 2005, resigned 21 June 2006)
S E Bort (appointed 21 June 2006)

Directors

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

S E Bort	
S J Cox	(resigned 14 November 2005)
S Gray	(appointed 14 November 2005)
J W Martin	(resigned 16 March 2006)

None of the Directors had any interests in the Company or any other Group company except the parent company, Hays plc. At 30 June 2006, the beneficial interests of the Directors and their families in the shares or options to subscribe for shares in Hays plc, the parent company are as follows. Details of the terms of the options and the Long Term Co Investment plan are disclosed in the financial statements of Hays plc.

	1 July 2005 or date of appointment	Share Options		30 June 2006
		Exercised in period	Lapsed in period	
S E Bort	9,475	-	-	9,475
S Gray	34,180	(34,180)	-	-

	1 July 2005 or date of appointment	Beneficial holdings	
		1 July 2005 or date of appointment	30 June 2006
S E Bort		15,000	15,000
S Gray		41,748	59,748

HAYS HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The Directors have committed the following number of shares to the Long Term Co Investment Plan, details of which are disclosed in the financial statements of Hays plc

Long Term Co Investment Plan					
	Date of invitation	Committed shares	Matching shares (maximum)	Matching shares awarded during year	Earliest vesting date
S E Bort	21 Dec 2004	5,000	25,000	-	30 Mar 2008
	14 Dec 2005	10,000*	50,000	-	14 Dec 2008
S Gray	10 Dec 2003	24,248	121,240	-	10 Dec 2006
	21 Dec 2004	17,500	87,500	-	21 Dec 2007
	14 Dec 2005	30,000*	150,000	-	14 Dec 2008

* On 2 May 2006 Mr S Gray was granted a conditional right to receive 12,000 Ordinary shares (The 'Restricted Share Award') The award will vest on 14 December 2008 provided that Mr Gray remains in employment with the Company until that date He will not be required to pay for these shares on vesting

* On 2 May 2006 Mr S Bort was granted a conditional right to receive 4,000 Ordinary shares (The 'Restricted Share Award') The award will vest on 14 December 2008 provided that Mr Bort remains in employment with the Company until that date He will not be required to pay for these shares on vesting

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

Auditors

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

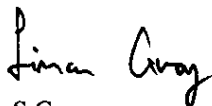
Each of the persons who is a Director at the date of approval of this report confirms that

- 1 so far as the Directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- 2 the Directors have taken all the steps that they ought to have taken as a Director in order to be made aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given and should be interpreted with the provisions of the s234ZA of the Companies Act 1985

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

By order of the Board



S Gray
Director
23 October 2007

HAYS HOLDINGS LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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,
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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 2006 which comprise the profit and loss account, the balance sheet, the reconciliation of movements in equity shareholders' funds and the related notes 1 to 15. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 provisions of the Companies Act 1985 applicable to small companies. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies, and
- the information given in the Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

London

23 October 2007

HAYS HOLDINGS LIMITED**PROFIT AND LOSS ACCOUNTS****YEAR ENDED 30 JUNE 2006**

	Note	2006 £'000	2005 £'000
OPERATING LOSS –continuing operations	2	(3,577)	(2,713)
Exceptional Items	4	25,072	(22,854)
Income from shares in Group companies		439	1,854
Interest payable	5	(11,252)	(10,510)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>10,682</u>	<u>(34,223)</u>
Tax credit on profit/(loss) on ordinary activities	6	<u>2,177</u>	<u>8,075</u>
AMOUNT TRANSFERRED TO/(FROM) RESERVES	12	<u>12,859</u>	<u>(26,148)</u>

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

RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS**YEAR ENDED 30 JUNE 2006**

	2006 £'000	2005 £'000
Profit/(loss) for the financial year	<u>12,859</u>	<u>(26,148)</u>
Net increase/(decrease) in equity shareholders funds	12,859	(26,148)
Opening equity shareholders' funds	168,373	194,521
Closing equity shareholders' funds	<u>181,232</u>	<u>168,373</u>

HAYS HOLDINGS LIMITED

BALANCE SHEET

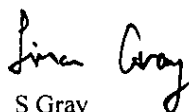
AS AT 30 JUNE 2006

	Note	2006 £'000	2005 £'000
FIXED ASSET INVESTMENTS	7	<u>284,174</u>	<u>339,859</u>
CURRENT ASSETS			
Debtors	8	154,175	145,041
Cash at bank and in hand		<u>14,553</u>	<u>17,778</u>
		168,728	162,819
CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(261,431)</u>	<u>(319,976)</u>
NET CURRENT LIABILITIES		<u>(92,703)</u>	<u>(157,157)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		191,471	213,648
PROVISIONS FOR LIABILITIES	10	(10,239)	(14,329)
		<u>181,232</u>	<u>168,373</u>
CAPITAL AND RESERVES			
Called up share capital	11	87,987	87,987
Profit and loss account	12	<u>93,245</u>	<u>80,386</u>
EQUITY SHAREHOLDERS' FUNDS		<u>181,232</u>	<u>168,373</u>

These financial statements have been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985

The financial statements were approved by the Board of Directors on 23 October 2007

Signed on behalf of the Board of Directors



S Gray
Director

HAYS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

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) Current and deferred taxation

Current 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 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

	2006 £'000	2005 £'000
Write off of intercompany debtors	<u>(3,577)</u>	<u>(2,713)</u>

During the year the Company wrote off an amount of £3,577,000, which was due from Group companies. In the prior year an amount of £2,713,000 was written off against amounts due from Group companies.

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

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Directors did not receive 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 2006

4. EXCEPTIONAL ITEMS

		2006 £'000	2005 £'000
Profit on disposal of fixed asset investments	(i)	30,966	-
Provision against carrying value of investments	(ii)	-	(22,854)
Provision for liabilities	(iii)	(5,894)	-
		<u>25,072</u>	<u>(22,854)</u>

- (i) During the year £30,966,000 was received as final settlement of amounts receivable from the acquirers of Hays Chemicals
- (ii) During the prior year, the Directors reviewed the carrying value of investments in all subsidiaries and concluded that an impairment charge of £22,854,000 was appropriate
- (iii) During the current year, the level of provisions in relation to future liabilities relating to operational activities disposed of during 2003 were reviewed, resulting in an exceptional increase in provisions of £5,894,000

5. INTEREST RECEIVABLE AND PAYABLE

	2006 £'000	2005 £'000
Interest receivable	-	2
	-	2
Interest payable to Group undertakings	(11,252)	(10,512)
Net interest payable	<u>(11,252)</u>	<u>(10,510)</u>

6. TAX CREDIT ON ORDINARY ACTIVITIES

	2006 £'000	2005 £'000
United Kingdom Corporation Tax	2,177	8,075
Total profit and loss account credit	<u>2,177</u>	<u>8,075</u>
Factors affecting tax credit for the period		
Profit/(loss) on ordinary activities before tax	<u>10,682</u>	<u>(34,223)</u>
Tax (charge)/credit on profit/(loss) on ordinary activities before tax at 30% (2005 30%)	(3,205)	10,267
Prior year adjustment	-	15
Permanent differences arising on the impairment of fixed assets	(1,082)	(37,983)
Permanent differences arising on non-taxable income	8,232	30,869
Permanent differences arising on provisions	(1,768)	-
Permanent differences arising on balances of an associate company	-	4,907
Total actual amount of current tax	<u>2,177</u>	<u>8,075</u>

HAYS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

7. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	2006 £'000	2005 £'000
As at 1 July	339,859	468,745
Impairment	-	(22,854)
Liquidation of subsidiaries	(55,685)	(106,032)
As at 30 June	<u>284,174</u>	<u>339,859</u>
For additional details of subsidiary undertakings see note 15		

8. DEBTORS

	2006 £'000	2005 £'000
Amounts owed by subsidiary undertakings	140,831	140,119
Corporation tax	13,344	4,922
	<u>154,175</u>	<u>145,041</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006 £'000	2005 £'000
Amounts owed to subsidiary undertaking	70,376	121,565
Amounts owed to parent undertaking	190,566	196,544
Other taxation and social security	-	1,178
Other creditors	10	10
Accruals and deferred income	479	679
	<u>261,431</u>	<u>319,976</u>

10. PROVISIONS FOR LIABILITIES

	2006 £'000	2005 £'000
As at 1 July	14,329	19,127
Charged to profit and loss	5,894	-
Utilised	(9,984)	(4,798)
As at 30 June	<u>10,239</u>	<u>14,329</u>

Provisions comprise potential liabilities relating to the disposal of the chemicals business for site restitution costs and potential liabilities for warranties given to purchasers of previously disposed businesses

11. CALLED UP SHARE CAPITAL

	2006 £'000	2005 £'000
Authorised:		
100,000,000 Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>
Called up, allotted and fully paid:		
87,986,713 Ordinary Shares of £1 each	<u>87,987</u>	<u>87,987</u>

HAYS HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2006

12 RESERVES

	2006 £'000	2005 £'000
Balance as at 1 July	80,386	106,534
Amount transferred to/(from) reserves	12,859	(26,148)
Balance at at 30 June	93,245	80,386

13. 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.

14 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.

15. ADDITIONAL INFORMATION ON SUBSIDIARIES

The following were subsidiaries of the Company at 30 June 2006

	<u>Activities during the year</u>
Hays Commercial Services Limited	Non-trading
Axis Resource Holdings Limited	Non-trading
Document Interlink Limited	Non-trading
Hays Nominees Limited	Non-trading
Hutchinson Smith Limited	Non-trading
Inkhold Limited	Non-trading
Metro Express Limited	Non-trading
Optical Courier Services Limited	Non-trading
Paperstream Limited	Non-trading
PSG Limited	Non-trading
TAV Staff Agency Limited	Non-trading
Weyside Group Limited	Non-trading
Hays Indata Consultants Limited	Non-trading
Wings Couriers Limited	Non-trading

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