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HAYS HOLDINGS LTD
FINANCIAL STATEMENTS
30 JUNE 1989



Hays Holdings Ltd

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Hays Holdings Ltd

Report of the Directors FOR THE YEAR ENDED 30 JUNE 1989

The directors present their report together with the audited financial statements for the year ended 30 June 1989.

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

1. Principal Activities

The company is a sub-holding company co-ordinating its subsidiaries' activities which are in three principal areas; personnel, commercial and distribution.

2. Review of Developments

The following companies were acquired by subsidiary companies in the year:-

Aitex Chemical Co Ltd
Aries Paper Ltd
Dykem (North) Ltd
Midland Dykem (Chemicals) Ltd
Owen Thornhill & Harper Ltd
Richard Owen & Thornhill Ltd
Westbond Chemicals Ltd

Hays Technology Systems Ltd and its subsidiary Autofeeds London Ltd were acquired during the year from a subsidiary and were then sold to third parties. Certain dormant companies were acquired from subsidiary companies during the year.

3. Results, Dividends and Transfers to Reserves

The company's profit on ordinary activities after taxation was £27,550,000 (1988 - £112,727,000) as a result of dividends received from group companies.

Interim dividends of £23,826,000 were paid during the year. The directors do not propose that any final dividend should be paid. The loss of £277,000 has been withdrawn from reserves.

4. Future Developments

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

5. Share Capital

Details of the authorised and allotted share capital are set out in note 16 on page 12.

Hays Holdings Ltd

Report of the Directors (Continued) FOR THE YEAR ENDED 30 JUNE 1989

6. Directors

The following have been directors of the company during the year

	Interests in £1 Ordinary Shares in Hays plc
Mr R E Frost (Chairman)	213,500
Mr D C Frost	81,000
Mr P D T Roberts	69,000
Mr G J Williams	69,000

No director had an interest at any time during the year in any subsisting contract or arrangement to which the company or any of its subsidiaries was a party nor did any director hold any shares in the company during the year.

7. Changes in Fixed Assets

All changes during the year are detailed in Notes 9 and 10 on pages 9 and 10.

8. Auditors

The auditors, Touche Ross & Co., are willing to continue in office. Their reappointment, at a remuneration to be agreed by the directors, will be proposed at the annual general meeting

BY ORDER OF THE BOARD


A G MORISON
SECRETARY

15 September 1989

Hays Holdings Ltd

Profit and Loss Account FOR THE YEAR ENDED 30 JUNE 1989

	NOTE	Year ended 30 June 1989 £'000	Year ended 30 June 1988 £'000
Income from shares in group companies		28,761	112,769
Management charges received		150	275
Net operating charges	3	(1,193)	(297)
PROFIT BEFORE INTEREST		27,718	112,747
Net interest (payable)/receivable	4	(220)	1
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	27,498	112,748
Tax on profit on ordinary activities	7	52	(21)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		27,550	112,727
Extraordinary items	8	(3,951)	(27)
Dividends paid		(23,826)	(80,305)
AMOUNT (WITHDRAWN FROM)/ TRANSFERRED TO RESERVES	17	(227)	32,395

Hays Holdings Ltd

Balance Sheet AT 30 JUNE 1989

	NOTE	30 June 1989		30 June 1988	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	9	17	-	-	-
Investments	10	<u>85,599</u>	<u>85,616</u>	<u>78,274</u>	<u>78,274</u>
CURRENT ASSETS					
Debtors	11	79,021	60,473		
Investments	12	-	3,903		
Cash at bank and in hand		<u>614</u>	<u>199</u>		
		79,635	64,575		
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	13	<u>104,868</u>	<u>82,002</u>		
NET CURRENT LIABILITIES			<u>(25,233)</u>		<u>(17,427)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			60,383		60,847
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
Taxation			-		(21)
PROVISIONS FOR LIABILITIES AND CHARGES	14		<u>(300)</u>		<u>(516)</u>
			<u>60,083</u>		<u>60,310</u>
CAPITAL AND RESERVES					
Called up share capital	16	59,987	59,987		
Profit and loss account	17	96	323		
		<u>60,083</u>	<u>60,310</u>		

The financial statements were approved by the Board of Directors on 15 September 1989.


Director


Director

Hays Holdings Ltd

Notes to the Financial Statements

1. ACCOUNTING POLICIES

(a) Financial Statements

The financial statements are prepared under the historical cost convention. Group accounts are not prepared as the company is a wholly owned subsidiary of another company incorporated in Great Britain.

(b) Investments

(i) Subsidiary companies

Shares in subsidiary companies are valued at historic cost less any provision for permanent diminution in value.

(ii) Other investments

Other unlisted investments are shown at cost, less any amount required to reflect a permanent diminution in the value of shares below their cost.

(c) Deferred Taxation

Deferred taxation is provided on all timing differences, which are expected to reverse in the future, at the rate of tax which is anticipated will apply in the year of assessment.

(d) Tangible Fixed Assets and Depreciation

Tangible fixed assets are shown at cost. Depreciation of fixed assets is on a straight line basis calculated at an annual rate estimated to write off each asset over the term of its useful life.

The rate in use is as follows:

Fixtures & Fittings	25%
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Hays Holdings Ltd

Notes to the Financial Statements (Continued)

	1989 <u>£'000</u>	1988 <u>£'000</u>
2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		

Profit on ordinary activities before
taxation is after charging :

Auditors' remuneration	-	10
	<u> </u>	<u> </u>

The remuneration of the auditors in 1989 has been borne by the parent company.

	1989 <u>£'000</u>	1988 <u>£'000</u>
3. NET OPERATING CHARGES		

Staff costs (Note 6)	-	111
Depreciation	-	1
Other external charges	-	161
Other operating charges	80	24
Exceptional charges - Provision for permanent diminution in value of Investments	1,113	-
	<u> </u>	<u> </u>

1,193	297
<u> </u>	<u> </u>

Hays Holdings Ltd

Notes to the Financial Statements (Continued)

	1989 £'000	1988 £'000
4. NET INTEREST (PAYABLE)/RECEIVABLE		
Interest payable :		
Loans repayable within five years	(220)	(359)
Interest receivable :		
Other interest receivable	-	360
	<u>(220)</u>	<u>1</u>

	1989 £'000	1988 £'000
5. DIRECTORS' EMOLUMENTS		
Fees	-	40
Management remuneration	-	357
Pension contributions	-	82
	-	479
Less - Paid by subsidiaries	-	(423)
	-	<u>56</u>

The remuneration of the directors has been borne by the ultimate holding company in the year ended 30 June 1989.

Analysis of directors' emoluments (excluding pension contributions)

Chairman	-	-
Highest paid director	-	127

Scale of other directors' emoluments	Number	Number
Not exceeding £5,000	2	10
£5,001 - £10,000	-	1
£15,001 - £30,000	-	2
£30,001 - £35,000	-	1

No directors waived fees during the year (1988 - Nil)

Hays Holdings Ltd

Notes to the Financial Statements (Continued)

	<u>1989</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>
6. STAFF COSTS		
Wages and salaries	-	85
Social security costs	-	9
Other pension costs	-	17
	<u>-</u>	<u>111</u>
	<u>Number</u>	<u>Number</u>
Average number of persons employed :	-	9

	<u>1989</u> <u>£'000</u>	<u>1988</u> <u>£'000</u>
7. TAX ON PROFIT ON ORDINARY ACTIVITIES		
Group Relief receivable at 35%	52	-
United Kingdom corporation tax at 35%	-	(86)
Adjustment to prior years tax provision	-	65
	<u>52</u>	<u>(21)</u>

The current year tax credit is disproportionate to the profits on ordinary activities because dividend income from U.K. subsidiaries is not chargeable to tax and no tax relief is available in respect of £1 million of provisions made against investments in subsidiaries.

Hays Holdings Ltd

Notes to the Financial Statements (Continued)

	1989 £'000	1988 £'000
8. EXTRAORDINARY ITEMS		
(Loss)/Profit on sale of subsidiaries	(4,167)	123
Reduction of provision for closure of subsidiaries (Note 14)	216	-
Capital Duty on shares issued	-	(150)
	<u>(3,951)</u>	<u>(27)</u>

9. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £'000
COST	
At 1 July 1988	-
Additions	65
	<u>65</u>
At 30 June 1989	65
	<u>65</u>
ACCUMULATED DEPRECIATION	
At 1 July 1988	-
Provision for the year	6
Additions	42
	<u>48</u>
At 30 June 1989	48
	<u>48</u>
NET BOOK VALUES	
At 30 June 1989	17
	<u>17</u>
At 30 June 1988	-
	<u>-</u>

Hays Holdings Ltd

Notes to the Financial Statements (Continued)

10. INVESTMENTS

	Shares in subsidiary companies <u>£'000</u>	Provisions <u>£'000</u>	Net Book Value <u>£'000</u>
Balance at 1 July 1988	82,119	(3,345)	78,274
Additions	13,232	(1,020)	12,212
Disposals	(4,911)	24	(4,887)
	<u> </u>	<u> </u>	<u> </u>
Balance at 30 June 1989	90,440	(4,841)	85,599

Principal operating subsidiaries are Hays Group Ltd and its subsidiaries.

11. DEBTORS

	1989 <u>£'000</u>	1988 <u>£'000</u>
Amounts owed by subsidiaries	77,670	60,434
Other debtors	-	16
Prepayments and accrued income	1,351	23
	<u> </u>	<u> </u>
Debtors due within one year	79,021	60,473

Hays Holdings Ltd

Notes to the Financial Statements (Continued)

12. INVESTMENTS

	1989 <u>£'000</u>	1988 <u>£'000</u>
Term deposits and monies with banks	-	3,903

13. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	1989 <u>£'000</u>	1988 <u>£'000</u>
Loan notes	-	3,920
Amounts owed to subsidiaries	10,280	2,299
Amounts owed to parent company	94,012	74,965
Taxation	21	771
Other creditors	458	14
Accruals and deferred income	97	33
	<u>104,868</u>	<u>82,002</u>

Hays Holdings Ltd

Notes to the Financial Statements (Continued)

14. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>£'000</u>
Balance at 1 July 1988	516
Credited to profit & loss account	(216)
	<hr/>
Balance at 30 June 1989	300
	<hr/>

Provisions relate to the closure costs of the Belgian subsidiaries, Agence Continentale et Anglaise S A and Spinhayer S A.

15. DEFERRED TAXATION

There are no potential deferred taxation liabilities (1988 - £nil).

16. CALLED UP SHARE CAPITAL

	<u>1989 £'000</u>	<u>1988 £'000</u>
Authorised		
100,000,000 ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>
Allotted and fully paid		
59,986,713 ordinary shares of £1 each	59,987	59,987
	<hr/>	<hr/>

Hays Holdings Ltd

Notes to the Financial Statements (Continued)

17. RESERVES

	Profit and loss account <u>£'000</u>
Balance at 1 July 1988	323
Amount transferred from profit and loss account	(227)
Balance at 30 June 1989	<u>96</u>

18. CONTINGENT LIABILITIES AND COMMITMENTS

	1989 <u>£'000</u>	1988 <u>£'000</u>
Bank and other guarantees	161,039	126,537
Uncalled amounts on shares	1	1
	<u>161,040</u>	<u>126,538</u>

The company has signed a counter-indemnity in favour of the Excess Insurance Group in respect of any loss the insurance group may suffer as a result of any breach or failure to perform the terms and conditions of an agency agreement undertaken by one of the company's subsidiaries.

The company and certain subsidiary companies have joined in a Guarantee and Corporate Trust Debenture covering borrowings by the group.

The company did not have any capital commitments either contracted for or authorised but not yet contracted for at 30 June 1989.

19. ULTIMATE HOLDING COMPANY

The ultimate holding company of the group is Hays plc, which is incorporated in Great Britain.

Hays Holdings Ltd

Auditors' Report to the Members of Hays Holdings Ltd FOR THE YEAR ENDED 30 JUNE 1989

We have audited the financial statements on pages 3 to 13 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30 June 1989 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

The financial statements do not include a statement of source and application of funds as required by Statement of Standard Accounting Practice No 10.

Touche Ross & Co.

15 September 1989

TOUCHE ROSS & CO.

Chartered Accountants
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