

REGISTERED NO: 93338

HAYS HOLDINGS LTD  
REPORT AND FINANCIAL STATEMENTS  
30 JUNE 1997



**HAYS HOLDINGS LTD**

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HAYS HOLDINGS LTDREPORT OF THE DIRECTORS

The directors submit herewith their report and the financial statements for the company for the year ended 30 June 1997.

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, Dividends and Transfers to Reserves

The company's profit on ordinary activities after taxation was £316,000 (1996 - £42,195,000).

A dividend of £50,000 was proposed during the year (1996 - £nil).

Future Developments

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

Directors

The directors of the company during the year and the beneficial interests of themselves and their families in the shares of Group companies were as follows:

	1p Ordinary Shares in Hays plc of:	
	1 July 1996	30 June 1997
R E Frost (Chairman)	20,000,000	20,000,000
G J Williams	5,865,000	6,865,000
J P Stock	104,376	109,443
A G Morison	892,783	864,983
N McLachlan	5,000	5,000

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

Options outstanding under Hays plc employee share schemes were as follows:

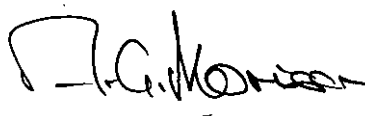
	1 July 1996 or date of appointment	Granted in period	Exercised in period	30 June 1997
R E Frost	643,049	65,056	-	708,105
G J Williams	414,147	33,457	-	447,604
J P Stock	67,037	9,392	5,067	71,362
A G Morison	42,084	12,825	-	54,909
N A McLachlan	88,733	11,849	-	100,582

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, 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

9.12. 1997

**HAYS HOLDINGS LTD**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**FOR THE YEAR ENDED 30 JUNE 1997**

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.

**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 1997 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

Deloitte & Touche  
Chartered Accountants and Registered Auditors

*16<sup>th</sup> September* 1997

Hill House  
1 Little New Street  
London  
EC4A 3TR

**HAYS HOLDINGS LTD**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 30 JUNE 1997**

	Note	1997 £'000	1996 £'000
CONTINUING ACTIVITIES			
Income from shares in group companies		63	42,148
Net operating income/(charges)	2	<u>113</u>	<u>(1,963)</u>
OPERATING PROFIT		176	40,185
Net interest receivable	3	<u>270</u>	<u>172</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		446	40,357
Tax (charge)/credit on profit on ordinary activities	5	<u>(130)</u>	<u>1,838</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		316	42,195
Dividends paid and proposed		<u>(50)</u>	<u>-</u>
AMOUNT TRANSFERRED TO RESERVES		<u>266</u>	<u>42,195</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.

**HAYS HOLDINGS LTD****BALANCE SHEET 30 JUNE 1997**

	Note	1997 £'000	1996 £'000
FIXED ASSET INVESTMENTS	6	<u>215,807</u>	<u>166,595</u>
CURRENT ASSETS			
Debtors	7	160,744	139,787
Cash at bank and in hand		<u>6,043</u>	<u>1,554</u>
		166,787	141,341
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(277,511)</u>	<u>(203,119)</u>
NET CURRENT LIABILITIES		<u>(110,724)</u>	<u>(61,778)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>105,083</u>	<u>104,817</u>
		<u>105,083</u>	<u>104,817</u>
CAPITAL AND RESERVES			
Called up Share Capital	9	59,987	59,987
Profit and Loss Account	10	<u>45,096</u>	<u>44,830</u>
EQUITY SHAREHOLDERS' FUNDS		<u>105,083</u>	<u>104,817</u>

The financial statements were approved by the Board of Directors on 9 September 1997.

Signed on behalf of the Board of Directors



Director  
A G Morison



HAYS HOLDINGS LTDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 30 JUNE 1997

## 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 historic cost less any provision for permanent diminution in value.

## (c) Cash Flow Statement

The company has taken advantage of the exemption granted in Financial Reporting Standard No.1 "revised" not to produce a cash flow statement since the ultimate parent company, Hays plc, produces a consolidated cash flow statement including the cash flows of the company.

- (d) 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)	1997 £'000	1996 £'000
Other operating income/(charges)	188	(263)
Loss on sale of subsidiaries	(75)	(1,700)
	<u>113</u>	<u>(1,963)</u>

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

**HAYS HOLDINGS LTD****NOTES TO THE FINANCIAL STATEMENTS (Cont'd)****YEAR ENDED 30 JUNE 1997**

3. NET INTEREST RECEIVABLE	1997 £'000	1996 £'000	
Interest payable to group undertakings	-	(357)	
Interest receivable from group undertakings	<u>270</u>	<u>529</u>	
	<u>270</u>	<u>172</u>	
4. DIRECTORS' EMOLUMENTS			
No director received any remuneration from the company during the year.			
5. TAX ON PROFIT ON ORDINARY ACTIVITIES	1997 £'000	1996 £'000	
United Kingdom Corporation Tax at 33%	117	92	
Income Tax on Franked Investment Income	13	-	
Deferred Taxation	<u>-</u>	<u>(1,930)</u>	
	<u>130</u>	<u>(1,838)</u>	
6. INVESTMENTS	Shares in subsidiary undertakings £'000	Provisions £'000	Net Book Value £'000
Balance at 1 July 1996	171,238	(4,643)	166,595
Additions	49,647	-	49,647
Disposals	<u>(810)</u>	<u>375</u>	<u>(435)</u>
Balance at 30 June 1997	<u>220,075</u>	<u>(4,268)</u>	<u>215,807</u>

The company has numerous subsidiaries of which the majority are non-trading. Information on all subsidiaries will be included in the next annual return.

HAYS HOLDINGS LTDNOTES TO THE FINANCIAL STATEMENTS (Cont'd)YEAR ENDED 30 JUNE 1997

7. DEBTORS	1997 £'000	1996 £'000
Amounts owed by subsidiary undertakings	141,622	139,465
Amounts owed by fellow subsidiary undertakings	19,122	1
Other debtors	<u>-</u>	<u>321</u>
	<u>160,744</u>	<u>139,787</u>
8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1997 £'000	1996 £'000
Amounts owed to subsidiary undertaking	142,268	92,862
Amounts owed to parent undertaking	103,101	102,489
Amounts owed to fellow subsidiary undertaking	21,847	1,165
Taxation	20	92
Other creditors	<u>10,275</u>	<u>6,511</u>
	<u>277,511</u>	<u>203,119</u>
9. CALLED UP SHARE CAPITAL	1997 £'000	1996 £'000
Authorised:		
100,000,000 Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted and fully paid:		
59,986,713 Ordinary Shares of £1 each	<u>59,987</u>	<u>59,987</u>

HAYS HOLDINGS LTDNOTES TO THE FINANCIAL STATEMENTS (Cont'd)YEAR ENDED 30 JUNE 1997

10. RESERVES	Profit and Loss account £'000
Balance at 1 July 1996	44,830
Amount transferred to reserves	<u>266</u>
Balance at 30 June 1997	<u>45,096</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.



**HAYS INGREDIENTS LIMITED**

**Report and Financial Statements**

**30 June 1997**