

HAYS OVERSEAS HOLDINGS LIMITED

Financial Statements

For the year ended

30 June 2007

Company Registration Number 964234 (England & Wales)

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HAYS OVERSEAS HOLDINGS LIMITED

Financial statements

For the year ended 30 June 2007

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HAYS OVERSEAS HOLDINGS LIMITED

Company information

The Board of Directors

D R Waxman (resigned 15 November 2007)
S E Bort
M C Brunning
A J McRae (resigned 11 April 2008)

Company Secretary

S E Bort

Registered office

250 Euston Road
London
NW1 2AF

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Bankers

Barclays Bank Plc
Level 28
1, Churchill Place
Canary Wharf
London
E14 5HP

HAYS OVERSEAS HOLDINGS LIMITED

Directors' report

For the year ended 30 June 2007

The Directors present their report and the audited financial statements for the year ended 30 June 2007

PRINCIPAL ACTIVITIES

The Company's principal activity during the year was to act as a sub-holding company. It has no employees.

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

RESULTS AND DIVIDENDS

The loss before taxation for the year amounted to £2,784,000 (2006: loss of £9,971,000). The retained loss on ordinary activities after taxation amounted to £1,757,000 (2006: loss of £8,337,000). No dividends were paid in the year (2006: £nil).

FUTURE DEVELOPMENTS

The Company will continue in its role of an intermediary holding company.

SECRETARY

S E Bort

DIRECTORS

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

D R Waxman (resigned 15 November 2007)

S E Bort

M C Brunning

A J McRae (resigned 11 April 2008)

None of the Directors had any interests in the Company or any other Group company except the parent company, Hays plc. At 30 June 2007, the shareholdings of D R Waxman in Hays plc are disclosed in the financial statements of that company. At 30 June 2007, the beneficial interests of the other Directors in the shares or options to subscribe for shares in Hays plc, the parent company are as follows:

	1 July 2006 or on appointment	30 June 2007
1p ordinary shares		
S E Bort	15,000	15,000
A J McRae	93,507	93,507

The following table sets out options over Ordinary shares held by the Directors during the year ended 30 June 2007:

	1 July 2006 or on appointment	Exercised or lapsed	Granted	30 June 2007	Exercise price	Expiry date
S E Bort	9,475	-	-	9,475	142p	June 2010
A J McRae	-	-	6,654	6,654	142p	June 2010

Details of the terms of the options are disclosed in the financial statements of Hays plc.

HAYS OVERSEAS HOLDINGS LIMITED

Directors' report

For the year ended 30 June 2007

Performance Share Plan

The following table sets out the interest of the Directors in the Performance Share Plan. The nature of these awards are disclosed in the financial statements of Hays plc.

	Awards held at 1 July 2006 or on appointment	Grant date	Granted	Vested	Lapsed	Awards held at 30 June 2007	Vesting Date
S E Bort	-	3 Apr 2007	49,488	-	-	49,488	30 June 2009
M C Brunning	-	3 Apr 2007	112,324	-	-	112,324	30 June 2009
A J McRae	-	3 Apr 2007	249,609	-	-	249,609	30 June 2009

Long Term Co-Investment Plan

The Directors below 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.

	Date of invitation	Committed shares	Matching shares (maximum)	Matching shares (lapsed during year)	Matching Shares (vested during year)	Earliest vesting date
S E Bort	21 Dec 2004	5,000	25,000	-	-	21 Dec 2007
S E Bort	14 Dec 2005	10,000*	50,000	-	-	14 Dec 2008
M C Brunning	14 Dec 2005	12,000*	60,000	-	-	14 Dec 2008
A J McRae	21 Dec 2004	37,500	187,500	-	-	21 Dec 2007
A J McRae	14 Dec 2005	51,007	255,035	-	-	14 Dec 2008

* 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 Group until that date. He will not be required to pay for these shares on vesting.

* On 2 May 2006 Mr M Brunning 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 Brunning remains in employment with the Group 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

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming AGM.

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 Directors 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.

By order of the Board

S E Bort
Company Secretary

15 April 2008

STATEMENT OF DIRECTORS' 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 of the profit or loss of the Company 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, and
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAYS OVERSEAS HOLDINGS LIMITED

We have audited the financial statements of Hays Overseas Holdings Limited for the year ended 30 June 2007 which comprise the profit and loss account, the reconciliation of movements in equity shareholders' deficit, the balance sheet and the related notes 1 to 13. 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 Companies Act 1985. 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 2007 and of its loss 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, United Kingdom

2008

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HAYS OVERSEAS HOLDINGS LIMITED

Profit and loss account

For the year ended 30 June 2007

	Note	2007 £'000	2006 £'000
Operating profit/(loss)	2	4,495	(4,568)
Net interest payable	4	(7,279)	(5,403)
Loss on ordinary activities before taxation		<u>(2,784)</u>	<u>(9,971)</u>
Tax credit on loss on ordinary activities	5	1,027	1,634
Loss on ordinary activities after taxation for the financial year		<u>(1,757)</u>	<u>(8,337)</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.

Reconciliation of movements in equity shareholders' deficit

For the year ended 30 June 2007

	2007 £'000	2006 £'000
Loss for the financial year	<u>(1,757)</u>	<u>(8,337)</u>
Net decrease in equity shareholders' deficit	<u>(1,757)</u>	<u>(8,337)</u>
Opening equity shareholders deficit	<u>(166,865)</u>	<u>(158,528)</u>
Closing equity shareholders deficit	<u>(168,622)</u>	<u>(166,865)</u>


HAYS OVERSEAS HOLDINGS LIMITED

Balance sheet

As at 30 June 2007

	Note	2007 £'000	2006 £'000
Fixed Assets			
Investments	6	6,855	6,855
Current Assets			
Debtors	7	1,253	1,860
Cash at bank and in hand		<u>1,809</u>	<u>1,809</u>
		3,062	3,669
Creditors Amounts falling due within one year	8	(178,539)	(177,389)
NET CURRENT LIABILITIES		<u>(175,477)</u>	<u>(173,720)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(168,622)</u>	<u>(166,865)</u>
Capital and reserves			
Called up equity share capital	9	4,020	4,020
Share premium account	10	9,203	9,203
Profit and loss account	10	<u>(181,845)</u>	<u>(180,088)</u>
EQUITY SHAREHOLDERS' DEFICIT		<u>(168,622)</u>	<u>(166,865)</u>

These financial statements were approved by the Board on 15 April 2008 and are signed on its behalf by



S E Bort
Director

HAYS OVERSEAS HOLDINGS LIMITED

Notes to the financial statements

For the year ended 30 June 2007

I ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom law and accounting standards

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, as the Company is exempt from the obligation to prepare and deliver Group accounts, the financial statements only present information about the Company as an individual undertaking and not about its Group

Cash flow statement

The Company has taken advantage of the exemption granted in FRS 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

Investments

Investments are included at cost less provision for any impairment. Profits or losses arising from disposals of fixed investments are treated as part of the result from ordinary activities

Investment income comprises dividends and interest and is accounted for on a receivable basis

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 is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the transactions. Exchange differences are taken into account in arriving at the operating profit

Investments in foreign subsidiaries which are denominated in foreign currencies are translated at the year end rates, with the difference arising being taken direct to reserves. Differences arising on the translation of long-term foreign currency borrowings used to finance these subsidiaries are also taken direct to reserves to the extent that this movement is matched by the movement on the investment in foreign subsidiaries

HAYS OVERSEAS HOLDINGS LIMITED

Notes to the financial statements (continued)

For the year ended 30 June 2007

2 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is after charging	2007 £'000	2006 £'000
Net profit/(loss) on foreign currency retranslation of intercompany loans	4,711	(4,160)
Amounts provided against intercompany debtors	(216)	(408)
	<u>4,495</u>	<u>(4,568)</u>

The fees payable to the Company's auditors for the audit of the Company's annual accounts, which amounted to £3,500 for the year ended 30 June 2007 (2006 £3,350), were borne by the ultimate parent company in both the current and prior year

3 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No Director received any remuneration from the Company during the current or prior year. The Company had no employees during the current year or the prior year.

4 NET INTEREST PAYABLE

	2007 £'000	2006 £'000
Interest receivable from Group undertakings	(551)	(408)
Interest payable to Group undertakings	7,830	5,811
Net Interest payable	<u>7,279</u>	<u>5,403</u>

5 TAX CREDIT ON LOSS ON ORDINARY ACTIVITIES

	2007 £'000	2006 £'000
(a) Analysis of credit in year		
Group relief current year	<u>1,027</u>	<u>1,634</u>
(b) Factors affecting tax credit for the year		
Loss on ordinary activities before tax	<u>(2,784)</u>	<u>(9,971)</u>
UK corporation tax at 30 % (2006 30%)	835	2,991
Effects of		
Permanent differences – amounts provided against investments	(64)	(421)
Permanent differences – provision for diminution of investments	256	
Permanent differences – other	-	(936)
Total actual amount of current tax	<u>1,027</u>	<u>1,634</u>

HAYS OVERSEAS HOLDINGS LIMITED

Notes to the financial statements (*continued*)

For the year ended 30 June 2007

6 INVESTMENTS

	Shares in Group undertakings £'000
Cost	
At 1 July 2006	81,164
Exchange rate movement	(853)
At 30 June 2007	<u>80,311</u>
Provision for impairment	
At 1 July 2006	74,309
Exchange rate movement	(853)
At 30 June 2007	<u>73,456</u>
Net book value	
At 1 July 2006	<u>6,855</u>
At 30 June 2007	<u>6,855</u>

Details of principal subsidiaries are shown in note 11 to the financial statements

7 DEBTORS

	2007 £'000	2006 £'000
Amounts owed by Group undertakings	<u>1,253</u>	<u>1,860</u>
	<u>1,253</u>	<u>1,860</u>

Interest on inter-company borrowings is charged at a rate of 1% above the LIBOR rate

8 CREDITORS Amounts falling due within one year

	2007 £'000	2006 £'000
Amounts owed to Group undertakings	<u>178,539</u>	<u>177,389</u>

Interest on inter-company borrowings is charged at a rate of 1% above the LIBOR rate

9 SHARE CAPITAL

Authorised share capital	2007 £'000	2006 £'000
4,020,100 ordinary shares of £1.00 each	<u>4,020</u>	<u>4,020</u>
Allotted, called and fully paid up	2007 £'000	2006 £'000
Ordinary share capital - 4,020,100 ordinary shares of £1.00 each	<u>4,020</u>	<u>4,020</u>

HAYS OVERSEAS HOLDINGS LIMITED

Notes to the financial statements (*continued*)

For the year ended 30 June 2007

10 RESERVES

	Share premium £'000	Profit and loss account £'000
At 1 July 2006	9,203	(180,088)
Loss for the financial year	-	(1,757)
At 30 June 2007	9,203	(181,845)

11 ADDITIONAL INFORMATION ON SUBSIDIARIES

- * Hays Overseas Holdings GmbH (Germany)
Bijsterbosch Deutschland GmbH Verwaltung (Germany) **
- * Hays USA Holdings Inc (America)

** In liquidation

1 At 30 June 2007, Hays Overseas Holdings Limited (and/or a subsidiary or subsidiaries in aggregate) owned 100% of each of the issued shares and controlled 100% of the voting rights of the companies, except where otherwise indicated. Shares in companies marked with an (*) were directly owned by Hays Overseas Holdings Limited and in companies not so marked were owned by a subsidiary or subsidiaries of Hays Overseas Holdings Limited.

2 Companies are incorporated and operate in the country indicated.

12 BANK GUARANTEES

This Company and other UK Group companies are members of a UK clearing bank cash pooling facility. All of the UK Group companies guarantee any overdraft under this arrangement. The maximum gross overdraft facility under the terms of this arrangement is £75m.

13 ULTIMATE PARENT UNDERTAKING AND RELATED PARTIES

The Company's ultimate and immediate controlling entity is Hays plc, incorporated in Great Britain. It has included the Company in its Group accounts, copies of which can be obtained from 250 Euston Road, London NW1 2AF. Hays plc is the parent undertaking of the smallest and largest groups which prepare consolidated accounts including the Company.

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.