

HAYS OVERSEAS HOLDINGS LIMITED

Financial Statements

For the year ended

30 June 2003

Company Registration Number 964234 (England & Wales)



HAYS OVERSEAS HOLDINGS LIMITED

Financial statements

For the year ended 30 June 2003

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HAYS OVERSEAS HOLDINGS LIMITED

Company information

The Board of Directors

R A Lawson
C S Matthews
S J Charnock
P A Dungate
J W Martin

Company Secretary

S J Charnock

Registered office

Hays House
Millmead
Guildford
Surrey
GU2 4HJ

Auditors

Deloitte & Touche LLP
Chartered Accountants
and Registered Auditors
London

Bankers

Barclays Bank Plc
54 Lombard Street
London
EC3P 3AH

Solicitors

Freshfields
65 Fleet Street
London
EC4Y 1HS

HAYS OVERSEAS HOLDINGS LIMITED

The directors' report

For the year ended 30 June 2003

The directors present their report and the audited financial statements for the year ended 30 June 2003.

PRINCIPAL ACTIVITIES

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

The directors consider the state of the company's affairs to be satisfactory.

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend (2002 - nil).

FUTURE DEVELOPMENTS

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

A number of disposals have been completed since the balance sheet date as follows:

Business	Date
Information Management Services	14 July 2003
Business Process Outsourcing	18 July 2003
Home Delivery Services	22 December 2003
Logistics business	4 February 2004
German Logistics operation	5 March 2004

No additional loss over and above the exceptional impairment charge (per note 3) is expected to be incurred as a result of these disposals.

DIRECTORS

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

R A Lawson
C S Matthews (appointed 1 November 2002)
S J Charnock
P A Dungate
N A McLachlan (resigned 8 September 2003)
G J Williams (retired 30 April 2003)
J W Martin (appointed 14 March 2003)

No director had an interest at any time during the year in any existing 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 below.

The interests of R A Lawson, C S Matthews and J W Martin in the shares of Hays plc are shown in the financial statements of that company.

HAYS OVERSEAS HOLDINGS LIMITED

The directors' report (*continued*)

For the year ended 30 June 2003

The interests of other directors in office at 30 June 2003 and their families in the shares of Hays plc were as follows:

	1p Ordinary Shares in Hays plc of:			Share Options		30 June 2003	Maximum number of shares receivable under the long term Incentive Plan	
	30 June 2002	30 June 2003	1 July 2002	Granted in period	Lapsed in period		2003	2002
S J Charnock	98,468	98,468	265,304	91,666	-	356,970	106,520	106,520
P A Dungate	-	-	124,889	40,740	-	165,629	-	-

HAYS OVERSEAS HOLDINGS LIMITED

Statement of directors' responsibilities

For the year ended 30 June 2003

DIRECTORS' RESPONSIBILITIES

The directors are obliged under UK company law to prepare financial statements for each financial year. 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 the profit or loss for that period, and they must comply with applicable UK law and 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.

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

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.

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.

By order of the Board



S J Charnock
Company Secretary

Date: 30 APRIL 2004

Hays House
Millmead
Guildford
Surrey
GU2 4HJ

HAYS OVERSEAS HOLDINGS LIMITED

Independent auditors' report to the members

For the year ended 30 June 2003

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 2003 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses 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 2003 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

Date: *30 April 2004*

HAYS OVERSEAS HOLDINGS LIMITED

Profit and loss account

For the year ended 30 June 2003

	Note	2003 £'000	2002 £'000
Net operating charges		(2,193)	(1,806)
Operating loss	2	<u>(2,193)</u>	<u>(1,806)</u>
Exceptional items - amounts written off fixed asset investments	3	(150,074)	(3,939)
Income from fixed asset investments	5	2,564	70
Other interest receivable and similar income	6	408	305
Loss on ordinary activities before taxation		<u>(149,295)</u>	<u>(5,370)</u>
Tax (charge)/credit on loss on ordinary activities	7	(123)	131
Loss on ordinary activities after taxation for the financial year		<u>(149,418)</u>	<u>(5,239)</u>

All of the activities of the company are classed as continuing.

HAYS OVERSEAS HOLDINGS LIMITED

Balance sheet

As at 30 June 2003

	Note	2003 £'000	2002 £'000
Fixed Assets			
Investments	8	80,776	190,973
Current Assets			
Debtors	9	2,336	986
Cash at bank and in hand		<u>472</u>	<u>439</u>
		2,808	1,425
Creditors: Amounts falling due within one year	10	(274,638)	(234,034)
NET CURRENT LIABILITIES		<u>(271,830)</u>	<u>(232,609)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(191,054)</u>	<u>(41,636)</u>
Capital and reserves			
Called up equity share capital	11	4,020	4,020
Share premium account	12	9,203	9,203
Profit and loss account	12	<u>(204,277)</u>	<u>(54,859)</u>
SHAREHOLDERS' DEFICIT		<u>(191,054)</u>	<u>(41,636)</u>

These financial statements were approved by the Board on 30 April 2004 and are signed on its behalf by:



R A Lawson
Director

2004

HAYS OVERSEAS HOLDINGS LIMITED

Statement of total recognised gains and losses

For the year ended 30 June 2003

	2003 £'000	2002 £'000
Loss for the financial year	(149,418)	(5,239)
Recognised losses relating to the year	<u>(149,418)</u>	<u>(5,239)</u>

There are no other recognised gains or losses relating to the current or prior year.

HAYS OVERSEAS HOLDINGS LIMITED

Notes to the financial statements

For the year ended 30 June 2003

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with UK applicable 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.

Deferred Taxation

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 rate of exchange ruling at the date of the transaction. 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.

HAYS OVERSEAS HOLDINGS LIMITED

Notes to the financial statements (continued)

For the year ended 30 June 2003

2. OPERATING LOSS

Operating loss is after charging:	2003 £'000	2002 £'000
Net loss on foreign currency retranslation	(1,027)	(810)
Amounts provided against intercompany debtors	(1,156)	(996)
Other external charges	(10)	-
	<u>(2,193)</u>	<u>(1,806)</u>

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

3. EXCEPTIONAL ITEMS

	2003 £'000	2002 £'000
Impairment of fixed asset investments	<u>(150,074)</u>	<u>(3,939)</u>

Following the decision to dispose of its investments the company has reviewed the carrying value and concluded that investments totalling £150,074 are impaired.

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No director received any remuneration from the company during the current or prior year. The company has had no employees during the year or prior year.

5. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2003 £'000	2002 £'000
Income from Group undertakings	<u>2,564</u>	<u>70</u>

6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2003 £'000	2002 £'000
Interest from Group undertakings	<u>408</u>	<u>305</u>

HAYS OVERSEAS HOLDINGS LIMITED

Notes to the financial statements (continued)

For the year ended 30 June 2003

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

	2003 £'000	2002 £'000
(a) Analysis of Charge in Year		
United Kingdom Corporation Tax at 30%	904	(131)
Double Taxation Relief	(904)	-
Profit and loss account	-	(131)
Overseas Taxation	123	-
	<u>123</u>	<u>(131)</u>
(b) Factors affecting tax charge for the period:		
Loss on ordinary activities before tax	(149,295)	(5,370)
Tax on loss on ordinary activities before tax at 30% (2002:30%)	(44,789)	(1,611)
Effects of:		
Permanent differences – amounts written off investments	44,871	1,480
Permanent differences – other	822	-
Overseas tax suffered	123	-
Double tax relief	(904)	-
Total actual amount of current tax	<u>123</u>	<u>(131)</u>

8. INVESTMENTS

	Shares in Group undertakings £'000	Other investment in Group undertakings £'000	Total investments in Group undertakings £'000
COST			
At 1 July 2002	108,172	82,801	190,973
Exchange differences	2,051	6,119	8,170
Additions	31,707	-	31,707
Disposals	-	-	-
Amounts provided against investments	(61,154)	(88,920)	(150,074)
At 30 June 2003	<u>80,776</u>	<u>-</u>	<u>80,776</u>

Additions to shares in Group undertakings relate mainly to additional investment in existing subsidiaries. Details of principal subsidiaries are shown in note 13 to the accounts.

9. DEBTORS

	2003 £'000	2002 £'000
Amounts owed by Group undertakings	2,272	946
Tax debtor	64	40
	<u>2,336</u>	<u>986</u>

HAYS OVERSEAS HOLDINGS LIMITED

Notes to the financial statements *(continued)*

For the year ended 30 June 2003

10. CREDITORS: Amounts falling due within one year

	2003 £'000	2002 £'000
Amounts owed to Group undertakings	<u>274,638</u>	<u>234,034</u>

11. SHARE CAPITAL

Authorised share capital	2003 £'000	2002 £'000
4,020,000 Ordinary shares of £1.00 each	<u>4,020</u>	<u>4,020</u>
Allotted, called and fully paid up	2003 £'000	2002 £'000
Ordinary share capital	<u>4,020</u>	<u>4,020</u>

12. RESERVES

	Share Premium £'000	Profit and loss account £'000
At 1 July 2002	9,203	(54,859)
Amounts transferred from profit and loss account	-	(149,418)
Impact of revaluation of foreign currency investments	-	8,170
Impact of revaluation of foreign currency loans	-	(8,170)
At 30 June 2003	<u>9,203</u>	<u>(204,277)</u>

HAYS OVERSEAS HOLDINGS LIMITED

Notes to the financial statements *(continued)*

For the year ended 30 June 2003

13. ADDITIONAL INFORMATION ON SUBSIDIARIES

*** Hays France SA (France)**

Distribution and Warehouse Services

Hays DSIA France SAS †

Hays Logistique France SASU †

Office Support Services

Hays DX France SAS †

Personnel Services

Alpha Travail Temporaire SAS

Hays IT SAS

*** Hays Overseas Holdings GmbH (Germany)**

Distribution, Warehousing and Crate Management Services

Hays Logistics GmbH †

Bijsterbosch Deutschland GmbH Verwaltung

Management and Storage of Data

Hays Information Management GmbH †

*** Hays USA Holdings Inc (America)**

Distribution Services

Hays Home Delivery Services Inc †

Management and Storage of Data

Hays Information Management Inc †

*** Hays Holding BV (Netherlands)**

Distribution and Warehousing Services

Hays Chilled and Logistics Services BV †

Hays Transport BV †

Hays Customs Activities BV †

Hays Distribution BV †

Management and Storage of Data

Hays Informatiebeheer BV †

Personnel Services

Roozen & Van Hoof Groep BV

*** Hays Belgium NV/SA**

Distribution and Warehousing Services

Hays Customs Activities NV/SA †

Hays Logistics Belgium NV/SA †

Personnel Services

Inter Office Select NV/SA

IOS Select BVBA

Management and Storage of Data

Hays Information Management NV/SA †

HAYS OVERSEAS HOLDINGS LIMITED

Notes to the financial statements (*continued*)

For the year ended 30 June 2003

13. ADDITIONAL INFORMATION ON SUBSIDIARIES (*continued*)

*** Hays Business Services Ireland Limited**

Office Support Services Limited

Hays DX (Ireland) Limited

Personnel Services

Hays Personnel Services (Ireland) Limited

Crate Management

Hays Asset Control Solutions (Ireland) Limited †

Hays Information Management Solutions AS (Norway) †

Management of Storage of Data

TTN Geodata Services AS †

*** Hays Sodibelco SpA (95%) (Italy) - Distribution Services †**

*** Hays Logistics Iberia SA (Spain) - Distribution Services †**

*** Hays Overseas (Portugal) SGPS LDA - Personnel Services**

*** ASC Human Resources Consultants NV.SA (Belgium) - Personnel Services**

*** Hays Personnel NV/SA (Belgium) – Personnel Services**

*** Data Entry International (Poland) Spolka Z.0.0 - Commercial Services †**

*** Hays Document Management (Private) Ltd (Pakistan) - Commercial Services †**

*** Hays Logistics Hellas SA (Greece) – Logistics †**

1. At 30 June 2003, 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.

† Companies disposed after 30 June 2003

14. 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 £100m.

HAYS OVERSEAS HOLDINGS LIMITED

Notes to the financial statements *(continued)*

For the year ended 30 June 2003

15. 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 141 Moorgate, London EC2M 6TX. 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.

16. POST BALANCE SHEET EVENTS

A number of disposals have been completed since the balance sheet as follows:

Business	Date
Information Management Services	14 July 2003
Business Process Outsourcing	18 July 2003
Home Delivery Services	22 December 2003
Logistics business	4 February 2004
German Logistics operation	5 March 2004

No additional loss over and above the exceptional impairment charge (per note 3) is expected to be incurred as a result of these disposals.