

Company Registration No. 02776418

Hays Healthcare Limited

Report and Financial Statements

Year ended 30 June 2009



Hays Healthcare Limited

Report and financial statements 30 June 2009

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Hays Healthcare Limited

Report and financial statements 30 June 2009

Officers and professional advisers

Directors

R A Jackson

P Venables

M A Staniland (resigned 8 May 2009)

Secretary

Hays Nominees Limited

Registered office

250 Euston Road

London

NW1 2AF

Auditors

Deloitte LLP

Chartered Accountants

London, UK

EC4A 3BZ

Hays Healthcare Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2009.

Results and dividends

The loss before taxation for the year amounted to £133,000 (2008: £254,000).

No dividend was paid during the year (2008: nil).

The loss for the financial year amounted to £96,000 (2008: £159,000).

Principal activity and future prospects

The company's principal activity is that of a locum business supplying qualified doctors, physiotherapists, occupational therapists and operating department practitioners to hospitals.

The directors remain optimistic about the future prospects of the company.

Business Review

The results for the year were significantly better than that of the prior period due in the main to improved trading conditions within the healthcare sector. The company is committed to growth within its sector, a focus of quality standards and increased partnerships with key clients.

Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the directors continue to adopt the going concern basis in the financial statements. Further details regarding the going concern basis can be found in the statement of accounting policies in the notes to the accounts.

Key Performance Indicator

The key performance indicator for the company is growth in net fees. The year-on-year growth of net fees provides a measure of the business development and growth in each period. In 2009 net fees increased by 3% compared to 2008 (2008: 9% decline) indicating the improved market conditions that the business faces. A detailed review of the key performance indicators of the ultimate parent company is given in the accounts of Hays plc.

Principal risks facing the business

Macro economic environment

The company has a very close relationship and dependence on the National Health Service and the national government policy on National Health Service spending have a direct influence on the company's performance. The performance of the company also has a close relationship and dependence on the underlying growth of the United Kingdom economy.

Competitive environment

In the United Kingdom the market for the provision of permanent and temporary recruitment in the Healthcare sector are competitive and fragmented with a somewhat limited client base. This competitor risk manifests itself in increased competition both for clients and candidates and in pricing pressures.

Commercial relationships

The company benefits from close commercial relationships with key clients in the public sectors and in particular the National Health Service. The National Health Service accounts for the majority of the company's total gross profit. The public sector market that the company operates in includes a large number of national and local government organisations.

Hays Healthcare Limited

Directors' report (continued)

Principal risks facing the business (continued)

Technology systems

The company is reliant on a number of technology systems in providing its services to clients. These systems are housed in various data centres and the business continues to review and enhance its ability to cope with a data centre loss as a result of a significant event. The business is also reliant upon a number of important suppliers that provide critical information technology infrastructure.

Directors

The names of the present directors who served throughout the year, except as noted, are set out on page 1.

Auditors

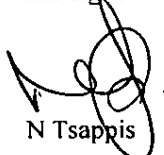
On 1 December 2008, Deloitte & Touche LLP changed its name to Deloitte LLP. Deloitte LLP has expressed their willingness to continue in office as auditors and are deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

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

1. so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
2. the director has 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 Section 418 of the Companies Act 2006.

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



N Tsappis

For and on behalf of Hays Nominees Limited
Secretary

16 December 2009

Hays Healthcare Limited

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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

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 Healthcare Limited

We have audited the financial statements of Hays Healthcare Limited for the year ended 30 June 2009 which comprise the profit and loss account, the reconciliation of movements in shareholders' funds, the balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ian Waller

Ian Waller (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, UK

17.12.2009

Hays Healthcare Limited

Profit and loss account Year ended 30 June 2009

	Note	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Turnover	2	12,759	8,243
Cost of sales		(10,004)	(6,263)
Gross profit		2,755	1,980
Administrative expenses		(2,888)	(2,234)
Loss on ordinary activities before taxation	3	(133)	(254)
Tax credit on loss on ordinary activities	5	37	95
Loss for the financial year		(96)	(159)

All results relate to continuing activities.

There were no other recognised gains or losses in the current year or prior period other than as shown above. Accordingly, no statement of total recognised gains and losses has been presented.

Reconciliation of movements in shareholders' deficit Year ended 30 June 2009

	2009 £'000	2008 £'000
Loss for the financial year	(96)	(159)
Net decrease in shareholders' deficit	(96)	(159)
Opening shareholders' (deficit)/interests	(5)	154
Closing shareholders' deficit	(101)	(5)

Hays Healthcare Limited

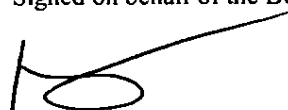
Balance sheet

As at 30 June 2009

	Note	June 2009 £'000	June 2008 £'000
Fixed assets			
Tangible assets	6	-	-
Current assets			
Debtors	7	4	5
Creditors: Amounts falling due within one year	9	(105)	(10)
Net current liabilities		(101)	(5)
Total assets less current liabilities		(101)	(5)
Net liabilities		(101)	(5)
Capital and reserves			
Called up share capital	10	10	10
Profit and loss account		(111)	(15)
Shareholders' deficit		(101)	(5)

The financial statements of Hays Healthcare Limited, company number 02776418, were approved by the Board of Directors and authorised for issue on 16 December 2009.

Signed on behalf of the Board of Directors



P Venables

Director

Hays Healthcare Limited

Notes to the accounts

Year ended 30 June 2009

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards and law.

The particular accounting policies adopted are described below and have been applied consistently in the current year and preceding period.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the review of the business on pages 2 to 3. The financial position of the company, its cash flows and liquidity position are described in the Directors' report. The company has access to a £460 million revolving credit facility in place for Hays plc until February 2011 and uses this facility to manage the business day-to-day working capital requirements as appropriate.

As set out above, the company has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations including its contractual and commercial commitments, its approved capital expenditure and any proposed dividends, and the company is well placed to manage its business risks successfully, despite the current economic outlook.

The directors of Hays plc have indicated that they intend to continue to provide the necessary financial support to the company, to enable them to meet their liabilities as they fall due during the next twelve months from the date of the approval of the financial statements.

After making enquires, the directors have formed the judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

Income recognition

Income arising from the placement of permanent candidates is recognised at the time the candidate commences full time employment. Provision is made for the expected costs for meeting obligations where the employees do not work for the specified contractual period.

Income from temporary placements is recognised over the period that the temporary staff are provided. Where the company is acting as the principal, turnover represents the amounts billed for the services of temporary staff, including the salary costs of those staff. Where the company is acting as an agent, turnover represents the commission receivable relating to the supply of temporary staff and does not include the salary costs of the temporary staff.

Current and deferred taxation

Current tax is provided at amounts that are 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 the 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.

Hays Healthcare Limited

Notes to the accounts

Year ended 30 June 2009

1. Accounting policies (continued)

Fixed assets and depreciation

Fixed assets are stated at cost less provision for depreciation and any impairment.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, at the following annual rates:

Fixtures and fittings	20.0%
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Leases

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

Pension costs

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

Cash flow statement

Under FRS1 (revised), the company is exempt from preparing a cash flow statement as it is a subsidiary of a United Kingdom parent company which prepares a cash flow statement.

2. Turnover

Turnover comprises amounts receivable for services supplied wholly within the UK and is stated net of allowances, credits and value added tax.

3. Loss on ordinary activities before taxation

	30 June 2009 £'000	30 June 2008 £'000
This is stated after charging:		
Depreciation of owned assets	-	2

The fee payable to the company's auditors for the audit of the company's annual accounts, which amounted to £11,800 for the year ended 30 June 2009, was borne by a fellow Group company for the current year (2008: £10,030).

Hays Healthcare Limited

Notes to the accounts

Year ended 30 June 2009

4. Information regarding directors and employees

	Year ended 30 June 2009 No.	Year ended 30 June 2008 No.
Average number of persons employed (including directors):		
Sales and marketing	30	16
Administration	22	17
	<u>52</u>	<u>33</u>
	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Staff costs (including directors):		
Wages and salaries	1,655	1,269
Social security costs	166	130
Pension costs	27	11
	<u>1,848</u>	<u>1,410</u>

The Directors did not receive any remuneration as Directors of Hays Healthcare Limited in the current year (2008:£nil)

5. Tax credit on loss on ordinary activities

(a) Analysis of (credit)/charge in year:

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
<i>Current tax</i>		
Group relief	(37)	(74)
Prior year adjustment	<u>(1)</u>	<u>(22)</u>
Total current tax	(38)	(96)
<i>Deferred tax</i>		
Origination and reversal of timing differences	<u>1</u>	<u>1</u>
	<u>(37)</u>	<u>(95)</u>

Hays Healthcare Limited

Notes to the accounts

Year ended 30 June 2009

5. Tax credit on loss on ordinary activities (continued)

(b) Factors affecting tax credit for year:

The tax assessed for the year is different to the standard rate of corporation tax in the UK 28% (2008: 29.5%). The differences are explained below:

	Year ended 30 June 2009 £'000	Year ended 30 June 2008 £'000
Loss on ordinary activities before tax	(133)	(254)
UK corporation tax at 28% (2008: 29.5%)	(37)	(74)
Factors affecting the tax credit for the period:		
Permanent differences	1	1
Capital allowances in excess of depreciation	(1)	(1)
Prior year adjustment	(1)	(22)
Total actual amount of current tax	(38)	(96)

6. Tangible fixed assets

	Fixtures and fittings £'000
Cost	
At 1 July 2008	3
Disposals	-
At 30 June 2009	3
Accumulated depreciation	
At 1 July 2008	3
Disposals	-
Charge for the year	-
At 30 June 2009	3
Net book value	
At 30 June 2009	-
At 1 July 2008	-

Hays Healthcare Limited

Notes to the accounts Year ended 30 June 2009

7. Debtors: amounts due within one year

	30 June 2009 £'000	30 June 2008 £'000
Deferred tax (see note 8)	4	5

Amounts owed by Group companies are repayable on demand. The company does not charge interest on amounts owed by Group companies.

8. Deferred tax asset

	30 June 2009 £'000	30 June 2008 £'000
Capital allowances less than depreciation	4	5
Deferred tax asset		
Balance at 1 July 2008	5	
Charge to the profit and loss account	(1)	
Balance as at 30 June 2009	4	

9. Amounts falling due within one year: other creditors

	30 June 2009 £'000	30 June 2008 £'000
Amounts owed to Group companies	105	10

10. Called up share capital

	30 June 2009 £'000	30 June 2008 £'000
Authorised 100,000 ordinary shares of £1 each	100	100
	30 June 2009 £'000	30 June 2008 £'000
Called up, allotted and fully paid: 10,000 ordinary shares of £1 each	10	10

11. Retirement benefit obligations

The company operates a money purchase defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the scheme and amounted to £27,000 (2008: £11,000).

Hays Healthcare Limited

Notes to the accounts

Year ended 30 June 2009

12. Related party transactions

The company has taken advantage of the exemption granted under FRS 8 "Related Party Disclosures" not to disclose transactions with entities that are part of the Hays plc Group as the consolidated financial statements, in which the company is included, are publicly available.

13. Ultimate parent company

The company's ultimate parent company and controlling entity is Hays plc, incorporated in Great Britain and registered in England and Wales. The parent undertaking of the smallest and largest Groups, which include the company and for which Group accounts are prepared is Hays plc. The company's immediate parent company is Recruitment Solutions Group Limited, a company registered in the Isle of Man. Copies of the Report and Accounts of Hays plc are available from the Company Secretary's office at 250 Euston Road, London NW1 2AF.