

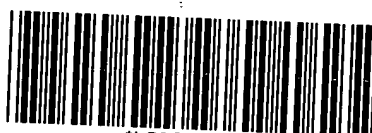
**Company Registration No. 02776418**

**Hays Healthcare Limited**

**Annual Report and Financial Statements**

**For the year ended 30 June 2015**

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# **Hays Healthcare Limited**

## **Annual Report and Financial Statements for the year ended 30 June 2015**

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# **Hays Healthcare Limited**

## **Annual Report and Financial Statements for the year ended 30 June 2015**

### **Officers and professional advisers**

#### **Directors**

N Heap  
C Stamper  
P Venables

#### **Secretary**

Hays Nominees Limited

#### **Registered office**

250 Euston Road  
London  
NW1 2AF

#### **Auditor**

Deloitte LLP  
Chartered Accountants and Registered Auditor  
London

# **Hays Healthcare Limited**

## **Annual Report and Financial Statements for the year ended 30 June 2015**

### **Strategic Report**

The directors, in preparing this strategic report, have complied with s414c of the Companies Act 2006

#### **Principal activities**

The Company's principal activity is the supply of healthcare professionals e.g. doctors, nurses, physiotherapists, occupational therapists and operating department practitioners.

#### **BUSINESS REVIEW**

The performance of the business in the United Kingdom for the year ended 30 June 2015 has met the expectations of the directors.

#### **Results**

The profit before taxation for the year amounted to £939,000 (2014: £2,728,000 )

The retained profit at the end of the year amounted to £744,000 (2014: £2,114,000)

As at 30 June 2015 the Company had net assets of £4,925,000 (2014: £4,181,000)

#### **Future developments**

The directors expect the general level of activity to continue in the forthcoming year as a result of continued positive market conditions. The directors remain satisfied with the future prospects of the Company.

#### **Key performance indicators**

The Key Performance Indicators for the Company are:

**Net Fee Growth** – Net fee growth is defined as the growth in gross profit. The year-on-year growth of the Company's net fees provide a measure of the business development and growth. In the year to June 2015 net fees increased by 13.4% as a result of favourable market conditions (2014: 37.1%).

**Conversion Rate** - The conversion rate is the operating profit before exceptional items stated as a percentage of net fees and measures how effective the Company is at controlling the costs and expenses associated with its normal operations and its level of investment in the future. In the year to June 2015 the conversion rate decreased from 51.5% to 35.8%. The decrease is largely caused by management charges by Group company and provision in relation to amounts owed by Group companies.

#### **Principal risks and uncertainties**

##### **Macro economic environment**

The Company has a close commercial relationship and dependence on the National Health Service and the national government policy on National Health Service spending has a direct influence on the Company's performance.

##### **Competitive environment**

In the United Kingdom the market for the provision of permanent and temporary recruitment in the Healthcare sector is 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.

# **Hays Healthcare Limited**

## **Annual Report and Financial Statements for the year ended 30 June 2015**

### **Strategic Report (continued)**

#### **Commercial relationships**

The Company benefits from close commercial relationships with key clients in the public sectors, in particular the National Health Service and Ministry of Defence, and in the private sector.

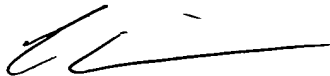
#### **Technology systems**

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.

#### **Regulatory environment**

In common with many other sectors, the specialist recruitment industry is now governed by an increased level of compliance within the United Kingdom. The Company is committed to meeting all of its regulatory responsibilities and the Group's legal and compliance teams keep the business informed as to changes in legislation that may impact the Company, and provide training and compliance programmes in key areas.

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



C Winters

For and on behalf of Hays Nominees Limited  
Secretary

25 January 2016

# **Hays Healthcare Limited**

## **Annual Report and Financial Statements for the year ended 30 June 2015**

### **Directors' Report**

The directors present their report and audited financial statements for the Company for the year ended 30 June 2015.

#### **Directors**

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

#### **Financial risk management objectives and policies**

The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

##### **Credit risk**

The Company's principal financial assets are trade and other receivables. The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

##### **Cash flow risk**

The Company had access to a £210 million revolving credit facility in place for Hays plc and used this facility to manage the business day-to-day working capital requirements as appropriate. The Company manages its debtor days to help mitigate its cash flow risk.

##### **Liquidity risk**

In order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the Company uses a mixture of long-term and short-term debt finance.

#### **Dividends**

No dividend was paid during the current or prior year to the parent Company, Recruitment Solutions Group Limited.

#### **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. The directors have considered the key areas of risk and uncertainty when making their assessment. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details on the adoption of going concern basis can be found in the Statement of accounting policies in the financial statements.

# **Hays Healthcare Limited**

## **Annual Report and Financial Statements for the year ended 30 June 2015**

### **Directors' Report (continued)**

#### **Strategic Report**

The information that fulfils the requirement of s414c of the Companies Act 2006 is included in the Strategic Report. This includes a review of the development of the Company during the year, of its position at the end of the year and of the likely future development in its business.

#### **Auditor**

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

- so far as the director is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- 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 Auditor is aware of that information.

This confirmation is given and should be interpreted with section 418 of the Companies Act 2006.

Deloitte LLP has expressed its willingness to continue in office as Auditor and is deemed to be re-appointed in accordance with section 487 of the Companies Act 2006.

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



C Winters

For and on behalf of Hays Nominees Limited  
Secretary

25 January 2016

# **Hays Healthcare Limited**

## **Annual Report and Financial Statements for the year ended 30 June 2015**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 to 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.

# Hays Healthcare Limited

## Profit and loss account for the year ended 30 June 2015

	Notes	2015 £'000	2014 £'000
Turnover	2	25,270	23,517
Cost of sales		(19,261)	(18,220)
<b>Gross profit</b>		<b>6,009</b>	<b>5,297</b>
Administrative expenses	3	(5,070)	(2,569)
<b>Profit on ordinary activities before taxation</b>		<b>939</b>	<b>2,728</b>
Tax charge on profit on ordinary activities	5	(195)	(614)
<b>Profit on ordinary activities after taxation</b>		<b>744</b>	<b>2,114</b>

All results derive from continuing operations.

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

## Reconciliation of movements in equity Shareholder's funds for year ended 30 June 2015

	Notes	2015 £'000	2014 £'000
Profit for the financial year		744	2,114
Net Increase in equity Shareholder's funds		744	2,114
Opening equity Shareholder's funds		4,181	2,067
Closing equity Shareholder's funds	9, 10	4,925	4,181

## **Independent Auditor's Report to the Members of Hays Healthcare Limited**

We have audited the financial statements of Hays Healthcare Limited for the year ended 30 June 2015 which comprise the Profit and Loss Account, the Reconciliation of Movements in Equity Shareholder's 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 Chapter 3 of Part 16 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 auditor's 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 auditor**

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 and express an opinion on 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 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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2015 and of its profit 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.

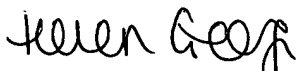
### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year 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, 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.



Helen George ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London UK

26 January 2016

# Hays Healthcare Limited

## Balance sheet at 30 June 2015

	Notes	2015 £'000	2014 £'000
<b>Fixed assets</b>			
Tangible assets	6	30	29
<b>Current assets</b>			
Debtors	7	4,895	4,152
<b>Net current assets</b>		4,925	4,152
<b>Total assets less current liabilities</b>		4,925	4,181
<b>Net assets</b>		4,925	4,181
<b>Capital and reserves</b>			
Called up share capital	9	10	10
Profit and loss account	10	4,915	4,171
<b>Shareholder's funds</b>		4,925	4,181

The financial statements of Hays Healthcare Limited, registered number 02776418, were approved by the Board of Directors and authorised for issue on 25 January 2016.

Signed on behalf of the Board of Directors



C Stamper  
Director

# **Hays Healthcare Limited**

## **Notes to the accounts for the year ended 30 June 2015**

### **1. Accounting policies**

#### **Basis of preparation**

The financial statements of the Company are presented as required by the Companies Act 2006. They have been prepared under the historical cost convention and 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 and preceding periods.

#### **Going concern**

The Company has access to a £210 million revolving credit facility in place for Hays plc and used 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.

After making enquiries, the directors have formed the judgment, 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.

#### **Turnover**

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 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 is not provided on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. 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 for the year ended 30 June 2015

### 1. Accounting policies (continued)

#### Fixed assets and depreciation

Fixed assets are recorded at cost, net of depreciation and any provision for impairment. Depreciation is provided on a straight-line basis over the anticipated useful working lives of the assets, after they have been brought into use, at the following rates:

Computer hardware	14.3% - 33.3%
Computer software	14.3% - 100.0%
Fixtures and fittings	20.0%

#### Leases

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

#### Retirement benefit costs

Hays Specialist Recruitment Limited operates a defined contribution scheme under which the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

#### Cash flow statement

Under FRS 1 (revised), the Company is exempt from preparing a cash flow statement as it is a wholly-owned 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. Administrative expenses

	2015 £'000	2014 £'000
Staff costs (note 4)	2,075	1,863
Depreciation of owned assets (note 6)	12	9
Management recharges arising through operating leases	62	49
Management charges from Group company	840	-
Provision in relation to amounts owed by Group companies (note 7)	1,212	-
Other administrative expenses	869	648
	<u>5,070</u>	<u>2,569</u>

The fees payable to the Company's Auditor for the audit of the Company's annual accounts, which amounted to £10,726 for the year ended 30 June 2015 (2014: £10,454), were borne and not recharged by a fellow Group company for both the current and prior year. There were no non-audit fees in the current or prior year.

# Hays Healthcare Limited

## Notes to the accounts for the year ended 30 June 2015

### 4. Information regarding directors and employees

	<b>2015 Number</b>	<b>2014 Number</b>
<b>Average number of persons employed (including directors):</b>		
Sales and marketing	28	24
Administration	17	14
	<u>45</u>	<u>38</u>
	<b>2015 £'000</b>	<b>2014 £'000</b>
<b>Staff costs (including directors):</b>		
Wages and salaries	1,850	1,673
Social security costs	180	155
Pension costs	45	35
	<u>2,075</u>	<u>1,863</u>

The directors did not receive any remuneration as directors of Hays Healthcare Limited in the current year (2014: £nil).

# Hays Healthcare Limited

## Notes to the accounts for the year ended 30 June 2015

### 5. Tax charge on Profit on ordinary activities

#### (a) Analysis of tax charge in year:

	2015 £'000	2014 £'000
<u>Current tax:</u>		
Group relief	192	613
Total current tax	192	613
Deferred tax		
Origination and reversal of timing differences	(3)	1
Tax charge on profit on ordinary activities	195	614

#### (b) Factors affecting tax charge for year:

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 20.75% (2014: 22.5%). The differences are explained below:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	939	2,728
UK corporation tax at 20.75% (2014: 22.5%)	195	614
Factors affecting the tax charge for the year:		
Capital allowances in excess of depreciation	(3)	(1)
Total actual amount of current tax	(192)	(613)

#### (c) Factors that may affect future tax charges:

The Company provides for deferred tax assets if it is more likely than not that they will reverse in the future.

# Hays Healthcare Limited

## Notes to the accounts for the year ended 30 June 2015

### 6. Tangible fixed assets

	Computer equipment £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>			
At 1 July 2014	28	24	52
Additions	12	1	13
Disposals	-	(5)	(5)
<b>At 30 June 2015</b>	<b>40</b>	<b>20</b>	<b>60</b>
<b>Accumulated depreciation</b>			
At 1 July 2014	11	12	23
Charge for the year	9	3	12
Disposals	-	(5)	(5)
<b>At 30 June 2015</b>	<b>20</b>	<b>10</b>	<b>30</b>
<b>Net book value At 30 June 2015</b>	<b>20</b>	<b>10</b>	<b>30</b>
At 1 July 2014	17	12	29

### 7. Debtors: amounts due within one year

	2015 £'000	2014 £'000
Amounts owed by Group companies	4,892	4,146
Deferred tax (see note 8)	3	6
	<b>4,895</b>	<b>4,152</b>

Amounts owed by Group companies are repayable on demand. The Company does not charge interest on amounts owed by Group companies. Included in the amounts owed by Group companies is a provision of £1,212,000.

Amounts owed by Group companies includes a corporation tax creditor of £195,000 (2014: £613,000)

### 8. Deferred tax asset

	2015 £'000	2014 £'000
At 1 July	6	7
Charge to the profit and loss account	(3)	(1)
<b>At 30 June</b>	<b>3</b>	<b>6</b>

# Hays Healthcare Limited

## Notes to the accounts for the year ended 30 June 2015

### 9. Called up share capital

	2015 £'000	2014 £'000
Called up, allotted and fully paid: 10,000 ordinary shares of £1 each	10	10

### 10. Profit and loss account

	2015 £'000	2014 £'000
As at 1 July	4,171	2,057
Retained profit for the year	744	2,114
As at 30 June	4,915	4,171

### 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 £45,000 (2014: £35,000).

### 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 wholly owned within the Hays plc Group as the consolidated financial statements, in which the Company is included, are publicly available.

There are no other related party transactions that need disclosing.

### 13. Ultimate parent company

The Company's ultimate parent company and controlling entity is Hays plc, registered in England and Wales. The Company's immediate parent company is Recruitment Solutions Group Limited, registered in the Isle of Man. The smallest and largest group that prepares Group financial statements is Hays plc. Copies of the Annual Report and Financial Statements for Hays plc are available from the Company Secretary at Hays plc, 250 Euston Road, London NW1 2AF.