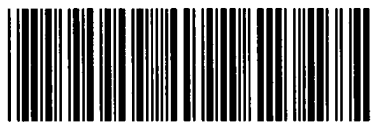


Company Registration No. 05592235

Hays International Holdings Limited

**Annual Report and Financial Statements
For the year ended 30 June 2020**

SATURDAY



A9YQXKCP

A11

20/02/2021

#314

COMPANIES HOUSE

Hays International Holdings Limited

Annual Report and Financial Statements for the year ended 30 June 2020

| Contents | Page |
|--|-------------|
| Officers and professional advisers | 1 |
| Strategic report | 2 |
| Directors' report | 4 |
| Statement of directors' responsibilities in respect of the financial statements | 5 |
| Independent auditors' report | 6 |
| Income statement | 8 |
| Statement of comprehensive income | 8 |
| Balance sheet | 9 |
| Statement of changes in equity | 10 |
| Notes to the financial statements | 11 |

Hays International Holdings Limited

Annual Report and Financial Statements for the year ended 30 June 2020

Officers and professional advisers

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

Directors

A R Cox

D Evans

I Pratt (resigned 19 October 2020)

P Venables

C Winters

J Hilton (appointed 19 October 2020)

Secretary

Hays Nominees Limited

Registered office

4th Floor, 20 Triton Street

London

NW1 3BF

The company is registered and domiciled in England and Wales, and is incorporated in the United Kingdom.

Independent Auditor

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

1 Embankment Place

London

WC2N 6RH

Hays International Holdings Limited

Strategic report

The Directors present their strategic report for the year ended 30 June 2020.

The directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006.

Business review and principal activities

Hays International Holdings Limited (the "Company") is an immediate holding company within the Hays Group. The Company is responsible for the management of its international subsidiaries which operate as specialist recruitment companies and for the management of the international holding companies with subsidiaries which operate as specialist recruitment companies.

The Company is an original obligor and guarantor of the Group's current unsecured revolving credit facility. The Company is used by the Group to administer the Group's cash management policy. Further details of the cash management policy can be found under note 13 to the financial statements.

As a holding company the Company's cash flow, credit and liquidity risks are linked to the financial performance of its subsidiaries and their ability to pay dividends. The Board manages the dividend inflow and outflow to reduce and mitigate this risk.

The Company receives dividends from its subsidiary companies and pays dividends to its parent company, Hays plc.

Results

The Company recorded a profit of £48.4 million in the year (2019 restated: £170.4 million).

The Company had net assets of £344.6 million (2019 restated: £396.2 million).

Future developments

The Covid-19 pandemic has had an immediate, significant and materially negative impact on the global economy and our business, with all countries in which Hays operate across the world being impacted. There has been an increasing number of countries, particularly in Europe, reimplementing lockdown measures following a second wave of Covid-19 cases. This could decrease economic confidence in our clients and candidates, leading to reduced activity levels. With more companies at risk of financial distress and bankruptcy, at this stage it is currently not possible to have any certainty of the shape of any economic recovery.

The directors expect the general level of activity to improve in FY21 in comparison to the second half of FY20, in line with the future developments of the Group, for which details can be found in the Strategic Report of the Group's Annual Report and Financial Statements of Hays plc.

Key performance indicators

As the principal activity of the Company continues to be that of a holding company the key performance indicators of net fee growth, net fees per consultant, conversion rate, earnings per share and cash conversion are not relevant. A detailed review of the key performance indicators relevant to the Group are available in the financial statements of Hays plc, the ultimate parent company.

Principal risks and uncertainties

The Company may use certain derivative financial instruments to reduce the Group's exposure to interest rate and foreign exchange movements, details of which can be found in note 2 to the financial statements under section Derivative financial instruments.

The Company's ultimate parent is Hays plc and the Directors hold a reasonable expectation, predicated on the basis that there are no unforeseen events outside of the Group's control that inhibit the Group's ability to continue trading, and that using a three-year period it is possible to form a reasonable expectation as to the Group's longer-term viability. The Covid-19 pandemic has led to the steepest slowdown in our business' history and Brexit continues to increase the level of uncertainty negatively impacting trading performance in the UK. The performance of the Group is significantly impacted by changes to underlying economic and geopolitical activity, the levels of business confidence as businesses consider Permanent and Temporary hiring decisions and levels of candidate confidence, which impact their propensity to change jobs, particularly in our three biggest businesses in Germany, the UK and Australia.

Details relating to this expectation can be found in the Strategic Report of the Group's Annual Report and Financial Statements of Hays plc.

Section 172 (1) Statement and Statements on engagement with suppliers, customers and others

S172 of the Companies Act requires Directors to take into consideration the interests of stakeholders in their decision making. The following describes how the directors have had regard to the matters set out in section 172 (1) of the Companies Act 2006. This section of the strategic report and the pages to which it refers, comprise the Company's section 172 (1) statement.

As a wholly owned subsidiary of Hays plc, the Directors ensure that decisions are beneficial to all the Company's stakeholders as well as having regard to the long-term sustainable success of the Group as a whole. The Company does not trade independently as it is responsible for the management of its subsidiaries which operate as specialist recruitment companies. Accordingly, its key stakeholders are other companies within the Hays plc group of companies. The Board members receive reports throughout the year which include papers relating to business and financial performance, as well as highlighting, where relevant, any emerging matters and concerns.

The board fulfils its S172 duty by applying Hays plc group policies and procedures. Its decision making is underpinned by the group's purpose and values. The size and spread of both the Company's stakeholders and Hays plc group mean our engagement best takes place at an operational or group level rather than as an individual company.

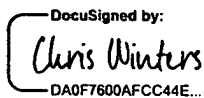
The Management Board, which meets on a monthly basis, is responsible for day to day management of our business and operations, and has responsibility for monitoring detailed performance of all aspects of our business. Each member has a clearly defined remit, business objectives and financial budget within which they operate. A majority of the Company's Directors serve on the Management Board.

During FY20, the Management Board reviewed, among other things, business strategy and associated performance, received reports on the operational and financial performance for the Group and received regular updates on employee engagement activities, rollout of learning and development programmes and succession planning.

Safety of our colleagues continues to remain our priority and as the Covid-19 pandemic enveloped the world, the Management Board continued to monitor the latest government guidance and risk assessments for safe return to work for our colleagues.

Further details of Hays plc group policies and procedures can be found online at www.haysplc.com. Further information about Hays plc's business relationship with employees, customers, suppliers and other stakeholders can be found on pages 66 to 68 of the Group Annual Report.

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

DocuSigned by:

DA0F7600AFCC44E...

C Winters

For and on behalf of Hays Nominees Limited
Company Secretary

03 February 2021

Hays International Holdings Limited

Directors' report

The directors present their report and audited financial statements for Hays International Holdings Limited (the "Company") for the year ended 30 June 2020.

Principal activities and dividends

The Company is an intermediate holding company and did not trade during the year. A dividend of £100.0 million was proposed and paid during the year (2019: £50.0 million). During the year, the Company received dividends of £47.0 million (2019: £168.1 million).

Financial risk management objectives and policies

The Company's ultimate parent is Hays plc and the Directors hold a reasonable expectation, predicated on the basis that there are no unforeseen events outside of the Group's control that inhibit the Group's ability to continue trading, and that using a three-year period it is possible to form a reasonable expectation as to the Group's longer-term viability. The Covid-19 pandemic has led to the steepest slowdown in our business' history and Brexit continues to increase the level of uncertainty negatively impacting trading performance in the UK. The performance of the Group is significantly impacted by changes to underlying economic and geopolitical activity, the levels of business confidence as businesses consider Permanent and Temporary hiring decisions and levels of candidate confidence, which impact their propensity to change jobs, particularly in our three biggest businesses in Germany, the UK and Australia.

Details relating to this expectation can be found in the Strategic Report of the Group's Annual Report and Financial Statements of Hays plc.

Directors

The names of the current directors and those who served during the year are set out on page 1.

Directors' indemnities

As permitted by the Articles of Association, P Venables and A R Cox both have a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

None of the other directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The Company purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

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, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in note 2 of the financial statements.

Independent Auditors

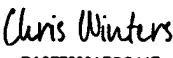
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors 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 auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

PricewaterhouseCoopers LLP ("PwC") has expressed its willingness to continue in office as the Independent 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 by

DocuSigned by:

Chris Winters
DA0F7600AFCC44E...

For and on behalf of Hays Nominees Limited
Company Secretary

03 February 2021

Hays International Holdings Limited

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgments and accounting estimates that are reasonable and prudent; 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.

The directors 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.

Independent auditors' report to the members of Hays International Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Hays International Holdings Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 30 June 2020, the Income statement, the Statement of comprehensive income and the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Alex Lazarus (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
3 February 2021

Hays International Holdings Limited

Income Statement for the year ended 30 June 2020

| In £'000 | Notes | 2020 | Restated 2019 |
|--|-------|---------|------------------|
| Administrative (expenses)/income | 3 | (1,192) | 2,884 |
| Operating (loss)/profit | | (1,192) | 2,884 |
| Income from shares in Group undertakings | 4 | 47,018 | 168,061 |
| Net finance income | 5 | 2,802 | 1,814 |
| Profit before taxation | | 48,628 | 172,759 |
| Tax on profit | 7 | (187) | (2,366) |
| Profit for the financial year | | 48,441 | 170,393 |

Profit is all derived from continuing operations.

Statement of Comprehensive Income for the year ended 30 June 2020

| In £'000 | 2020 | Restated 2019 |
|---|--------|------------------|
| Profit for the financial year | 48,441 | 170,393 |
| Other comprehensive expense for the year net of tax | - | - |
| Total comprehensive income for the year | 48,441 | 170,393 |

See Note 19 for details regarding the restatement

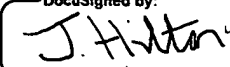
Hays International Holdings Limited

Balance Sheet as at 30 June 2020

| In £'000 | Notes | 2020 | Restated 2019 |
|----------------------------------|-------|------------------|------------------|
| Non current assets | | | |
| Investment in subsidiaries | 9 | 351,987 | 351,965 |
| Current assets | | | |
| Trade and other receivables | 10 | 224,456 | 134,329 |
| Cash and cash equivalents | | 8,814 | 16,579 |
| Derivative financial instruments | 11 | 109 | - |
| | | <u>233,379</u> | <u>150,908</u> |
| Total assets | | <u>585,366</u> | <u>502,873</u> |
| Current liabilities | | | |
| Trade and other payables | 12 | (239,019) | (104,911) |
| Current tax liabilities | | (1,750) | (1,735) |
| Derivative financial instruments | 11 | - | (71) |
| | | <u>(240,769)</u> | <u>(106,717)</u> |
| Net assets | | <u>344,597</u> | <u>396,156</u> |
| Equity | | | |
| Called up share capital | 14 | - | - |
| Retained earnings | 15 | 344,597 | 396,156 |
| Total Equity | | <u>344,597</u> | <u>396,156</u> |

The financial statements of Hays International Holdings Limited, registered number 05592235 as set out on pages 7 to 20, were approved by the Board of Directors and authorised for issue on 03 February 2021.

Signed on behalf of the Board of Directors

DocuSigned by:

 244500BSD1F443E...

J Hilton
Director

See Note 19 for details regarding the restatement

Hays International Holdings Limited

Statement of Changes in Equity for the year ended 30 June 2020

| In £'000 | Called up Share capital* | Retained earnings | Total |
|---|-----------------------------|----------------------|-----------|
| Balance at 1 July 2019 | - | 431,615 | 431,615 |
| Prior year adjustments (see note 19) | - | (35,459) | (35,459) |
| Restated balance at 1 July 2019 | - | 396,156 | 396,156 |
| Profit for the financial year | - | 48,441 | 48,441 |
| Total comprehensive income for the year | - | 48,441 | 48,441 |
| Dividends paid | - | (100,000) | (100,000) |
| Balance at 30 June 2020 | - | 344,597 | 344,597 |

| In £'000 | Called up Share capital* | Restated Retained earnings | Restated Total |
|---|-----------------------------|----------------------------------|-------------------|
| Balance at 1 July 2018 | - | 275,763 | 275,763 |
| Profit for the financial year | - | 170,393 | 170,393 |
| Total comprehensive income for the year | - | 170,393 | 170,393 |
| Dividends paid | - | (50,000) | (50,000) |
| Balance at 30 June 2019 | - | 396,156 | 396,156 |

* Share capital is represented by 48,604 Ordinary Shares of 1p each and 1 Special Share of 1p.

See Note 19 for details regarding the restatement

Hays International Holdings Limited

Notes to the Financial Statements For the year ended 30 June 2020

1 General information

Hays International Holdings Limited is a company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the Directors' report on page 4.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the Group financial statements of Hays plc. The Group financial statements of Hays plc are available to the public and can be obtained as set out in note 19. The registered office address of the parent Company preparing consolidated financial statements is set out in note 19.

The Company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC) incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by The Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015 prior to their mandatory effective date of accounting periods beginning on or after 1 January 2016.

The Company has taken advantage of the exemption granted per FRS101 and therefore has not prepared of a third balance sheet following the restatement of investment in subsidiaries (note 19).

New standards and interpretations

No new accounting standards, or amendments to accounting standards, or IFRS Interpretations Committee (IFRS IC) interpretations that are effective for the year ended 30 June 2020, and specifically the impact of IFRS 9, have had a material impact on the company and there is no impact from our assessment of IFRS 9 for intercompany receivables.

2 Significant accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with Financial Reporting standard 101 (FRS101) "Reduced Disclosure Framework" as issued by the Financial Reporting Council.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

Disclosure exemptions adopted

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;
- IAS 7, 'Statement of cash flows';
- IFRS 7, 'Financial Instruments: Disclosures';
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows),
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures);
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective); and
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of the Group, headed by the ultimate parent company, Hays plc.

The above disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Hays plc into which the Company is consolidated.

2 Significant accounting policies (continued)

Going concern

The Company's business activities, together with the factors likely to affect its future development and position, are set out in the Directors' report on page 3.

The Company is a subsidiary of Hays plc and acts as the holding company for principal overseas trading companies comprising the Hays Group. The Company has a loan facility with Hays plc on which it receives interest. The Company receives dividends from its overseas investments, and pays dividends, where applicable, to its parent company Hays plc. The Board manages the net asset position of the Company through a revolving credit facility, the timing of dividend payments and loans to/from its subsidiaries and the payment of dividends to Hays plc.

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.

Investments in subsidiaries

Shares in subsidiaries are valued at cost less provision for impairment, and the investments are reviewed at least annually by the directors for indications of impairment. Any impairment is recognised immediately in the income statement.

Investments in subsidiaries which are denominated in foreign currencies are translated into Sterling at the date of transaction. The investment is then held at historic cost.

A change in accounting policy resulted in a restatement of the Company's prior year financial statements (note 19); investment in subsidiaries denominated in foreign currency were being revalued each year at the spot rate prevailing at the balance sheet date. However, given that investment in subsidiaries are non-monetary assets they should be held at their historic cost and not revalued.

Consolidated financial statements

These financial statements are separate financial statements. The Company is exempt from the preparation and delivery of consolidated financial statements, because it is included in the Group financial statements of Hays plc.

Dividends

Dividends are recognised in the year that they are approved.

Derivative financial instruments

The Company may use certain derivative financial instruments to reduce the Group's exposure to interest rate and foreign exchange movements. The Company held no foreign exchange contracts at the end of the current year (2019: two) to facilitate cash management within the Group. The Company does not hold or use derivative financial instruments for speculative purposes.

The fair values of foreign exchange swaps are measured using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. It is the Company's policy not to seek to designate these derivatives as hedges. All derivative financial instruments not in a hedge relationship are classified as derivatives at fair value in the income statement.

Fair value measurements

The information below sets out how the Company determines fair value of various financial assets and financial liabilities.

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2 Significant accounting policies (continued)

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are included in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded initially at fair value and subsequently measured at amortised cost.

Taxation

The tax expense comprises both current and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on all temporary differences, at rates that are enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which to offset the deductible temporary differences.

Temporary differences arise where there is a difference between the accounting carrying value in the Balance Sheet and the amount attributed to that asset or liability for tax purposes. Temporary differences arising from goodwill and, except in a business combination, the initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit, are not provided for.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Company is able to control the reversal of temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Company is the holder of the investments in foreign subsidiaries on behalf of the Group. The investments are reviewed for impairment at least annually, with any impairment loss recognised immediately in the income statement. See note 9 for the carrying amount of the investments.

3 Administrative (expenses)/income

| In £'000 | Restated | |
|--|----------------|--------------|
| | 2020 | 2019 |
| Foreign currency exchange (loss)/gain on intercompany balances | (1,191) | 2,891 |
| Bank charges | (1) | (7) |
| | <u>(1,192)</u> | <u>2,884</u> |

The fees payable to the Company's auditors for the audit of the Company's annual financial statements, which amounted to £4,045 for the year ended 30 June 2020 (30 June 2019: £3,927), were borne and not recharged by a fellow Group company for both the previous and current years. There were no non-audit fees in either the current or prior year.

See Note 19 for details regarding the restatement

4 Income from shares in Group undertakings

| In £'000 | 2020 | 2019 |
|--------------------|--------|---------|
| Dividends received | 47,018 | 168,061 |

5 Net finance income

| In £'000 | 2020 | 2019 |
|---|-------|---------|
| Group inter-company interest receivable | 3,616 | 3,565 |
| Group inter-company interest payable | (206) | (473) |
| Interest payable on bank overdrafts and loans | (608) | (1,278) |
| Net finance income | 2,802 | 1,814 |

Included within the net finance income is an unrealised gain of £109,000 (2019: loss £71,000) on the derivative current asset which is offset by the revaluation loss on the currency denominated Group's banking arrangements. Further details of the Group's treasury management are included in consolidated financial statements of Hays plc.

6 Information regarding employees including directors

The Company had no employees in the current or previous year. The directors did not receive any remuneration for their services to the Company during the current or previous year.

7 Tax on profit

The tax expense for the year is comprised of the following:

| In £'000 | 2020 | Restated 2019 |
|--|-------|------------------|
| Current tax expense in respect of the current year | (306) | (845) |
| Adjustments recognised in the current year in relation to the current tax of prior years | 442 | (710) |
| | 136 | (1,555) |
| Other taxes | (323) | (811) |
| | (187) | (2,366) |

The income tax expense for the year can be reconciled to the accounting profit as follows:

| In £'000 | 2020 | Restated 2019 |
|--|---------|------------------|
| Profit before tax from continuing operations | 48,628 | 172,759 |
| Income tax expense calculated at 19.00% (2019: 19.00%) | (9,239) | (32,824) |
| Effect of items that are taxable in determining taxable profit - other | (323) | (811) |
| Effect of items that are non-taxable income in determining taxable profit - provisions | - | 48 |
| Effect of items that are non-taxable income in determining taxable profit - group income | 8,933 | 31,931 |
| | (629) | (1,656) |
| Adjustments recognised in the current year in relation to the current tax of prior years | 442 | (710) |
| Total tax charge | (187) | (2,366) |

The tax rate used for 2020 is the corporate tax rate of 19.00% (2019: 19.00%) payable by corporate entities in the United Kingdom on taxable profits under tax law in that jurisdiction.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which they reverse. The date enacted or substantively enacted for the relevant periods of reversal are 19% from 1 April 2017.

Unrecognised taxable temporary differences associated with investments and interests

Taxable temporary differences in relation to investments in subsidiaries, for which deferred tax liabilities have not been recognised are attributable to the following:

| In £'000 | 2020 | 2019 |
|----------------------|-------|-------|
| Foreign subsidiaries | 5,694 | 8,448 |
| Tax thereon | 387 | 519 |

See Note 19 for details regarding the restatement

8 Dividends paid
In £'000

| | 2020 | 2019 |
|----------------------------|----------------|---------------|
| Dividends paid to Hays plc | <u>100,000</u> | <u>50,000</u> |

The current year dividend for 2020 of £100 million is 205,744 pence per share (2019: £50 million was 102,872 pence per share).

9 Investment in subsidiaries
In £'000

| | 2020 | Restated 2019 |
|---------------------------------|----------------|--------------------------|
| Cost | | |
| As at 1 July | 351,965 | 334,172 |
| Additions | 22 | 17,793 |
| As at 30 June | <u>351,987</u> | <u>351,965</u> |
| Provision for impairment | | |
| As at 1 July and 30 June | <u>-</u> | <u>-</u> |
| Net book value | | |
| As at 30 June | <u>351,987</u> | <u>351,965</u> |
| As at 1 July | <u>351,965</u> | <u>334,172</u> |

During the year, there was a new investment in Germany of £22,400 in Hays Verwaltungs GmbH. In the prior year there were two new investments in Brazil in Hays Alocação Profissional Ltda of £48,800 and Hays Trabalho Temporário Ltda of £48,800, a new investment in Hungary of £8,100 in Hays Professional Services Kft., and the Company increased its investment in Hays Holdings B.V in Netherlands by £17,688,200.

The directors have reviewed the carrying value of the investment in the subsidiaries and concluded that no impairment charge is required.

For additional details of subsidiary undertakings see note 18.

See Note 19 for details regarding the restatement

10 Trade and other receivables
In £'000

| | 2020 | 2019 |
|---------------------------------|----------------|----------------|
| Amounts owed by Parent company | 56,802 | - |
| Amounts owed by Group companies | 167,654 | 134,329 |
| | <u>224,456</u> | <u>134,329</u> |

The amounts owed by the Parent company and Group companies were repayable on demand. The Company received interest on £215.7 million (2018: £125.5 million) of amounts owed by Group companies at the rate of three-month LIBOR or three month local interbank offer rate prevalent in the country that the counter-party Group company operates, plus 1%.

11 Derivative financial instruments
In £'000

| | 2020 | 2019 |
|----------------------------------|-------------|-------------|
| Net derivative asset/(liability) | <u>109</u> | <u>(71)</u> |

The Company uses derivative financial instruments on behalf of the Group to manage the foreign exchange exposures as part of the Group's day-to-day cash management.

As at 30 June 2020, the Company had entered into three forward exchange contract arrangements with counterparty banks (2019: two forward contracts). The fair market value of the contracts as at 30 June 2020 gave rise to an unrealised gain resulting in the presentation of a net derivative asset of £109,000 (2019: liability £71,000) in the balance sheet.

The Company does not use derivatives for speculative purposes and all transactions are undertaken to manage the risks arising from underlying business activities of the Group. These instruments are classified as Level 2 in the IFRS 7 fair value hierarchy.

12 Trade and other payables

| In £'000 | 2020 | 2019 |
|---------------------------------|----------------|----------------|
| Amounts owed to Parent company | - | 23,699 |
| Amounts owed to Group companies | 238,949 | 81,144 |
| Accruals and deferred income | 70 | 68 |
| | <u>239,019</u> | <u>104,911</u> |

The amounts owed to the Parent company and Group companies were repayable on demand. The Company paid interest on £238.9 million (2019: £81.1 million) of amounts owed to Group companies at the rate of three-month LIBOR or three-month local interbank offer rate prevalent in the country that the counter-party Group company operates, minus 1% subject to an interest rate floor of nil. The Company paid interest on amounts owed to the Parent company at the rate of three-month LIBOR plus 1%. Included within the amounts owed to Group companies is a corporation tax creditor of £1.7 million (2019: creditor £1.7 million). It is anticipated that this will be settled by group relief.

13 Bank loan and overdraft

The Company is an original obligor and guarantor of the current unsecured revolving credit facility of £210 million.

The Group has in place a £210 million unsecured revolving credit facility to November 2024. The facility includes an option to extend for a further year to 2025. The financial covenants within the facility remain unchanged and require the Group's interest cover ratio to be at least 4:1 and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1. The interest rate of the facility is on a ratchet mechanism with margin payable over LIBOR in the range 0.70% to 1.50%.

As at 30 June 2020, £210 million (2019: £210 million) of the committed facility was undrawn.

Following the escalation of the Covid-19 pandemic in April 2020, the Group applied for and was admitted into the Bank of England's uncommitted Covid Corporate Financing Facility (CCFF). While this provides access to an additional short-term financing of up to £600 million, based on current forecasts the Group is unlikely to utilise this facility, although it has until March 2021 in which to do so if required.

Bank overdraft

The Company is party to cash management structures that enable Group to administer its cash management policy. Group's policy is to minimise interest payments by closely managing the cash balances and external borrowings. The company is party to centrally held cash structures that provides real time visibility over both GBP and Euro denominated cash positions across all countries.

Group GBP cash positions are managed by way of a notional pooling structure provided by Barclays Bank plc. The company combines its own cash balances with that of other Hays UK entities and has access to an overdraft facility of £10 million. The Company, along with all UK Companies included within the pool, provides security in the form of a cross guarantee to Barclays Bank plc for all outstanding liabilities.

Group Euro cash positions are managed by way of a cash concentration structure provided by HSBC Bank plc. The company has automated target balancing that controls surplus cash balances and provides liquidity where necessary all within an approved un-secured overdraft facility of €5 million.

Any Group surplus balance is used to repay any maturing loans under the Group revolving credit facility or invested in overnight money market deposits. As the Group holds a sterling denominated debt facility and generates significant foreign currency cash flows, the Directors consider it appropriate in certain cases to use financial derivative instruments as part of its day-to-day cash management to reduce the Group interest expense.

There was no bank overdraft as at 30th June 2020 (2019: none).

Interest rate risk

The Company is exposed to interest rate risk on floating rate bank loans and overdrafts. It is the Company's policy to limit its exposure to fluctuating interest rates by selectively hedging interest rate risk using derivative financial instruments. Cash and cash equivalents carry interest at floating rates based on local money market rates. There were no interest rates swaps held in the current or prior year.

14 Called up share capital
In £'000

| | 2020 | 2019 |
|--|-----------|-----------|
| Authorised: | | |
| 1,048,594 Ordinary Shares of 1p each (2019: 1,048,594) | 10 | 10 |
| 1 Special Share of 1p (2019: 1) | - | - |
| | <u>10</u> | <u>10</u> |
| Called up, allotted and fully paid: | | |
| 48,604 Ordinary Shares of 1p each (2019: 48,604) | - | - |
| 1 Special Share of 1p (2019: 1) | - | - |
| | <u>-</u> | <u>-</u> |

The Special Share has no entitlement to participate in the profits or assets of the Company but has voting rights.

15 Retained earnings
In £'000

| | 2020 | Restated 2019 |
|---------------------|----------------|------------------|
| As at 1 July | 396,156 | 275,763 |
| Profit for the year | 48,441 | 170,393 |
| Dividends paid | (100,000) | (50,000) |
| As at 30 June | <u>344,597</u> | <u>396,156</u> |

£49.0 million arising from a gain on disposal from the sale of the investments in 2015 is not distributable and does not form part of the distributable reserves. The £49.0 million arose from the Company's investments in Austria, Denmark and Germany of a total carrying value of £78.5 million being disposed and transferred to a fellow Group company for a total of £127.5 million resulting in a gain of £49.0 million.

See Note 19 for details regarding the restatement

16 Related party transactions

The Company has taken advantage of the exemption granted under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries. Transactions entered into and trading balances outstanding that were owed to the Company at 30 June 2020 with other related parties were as follows:

Loans to related parties
In £'000

| | 2020 | 2019 |
|--|------------|------------|
| Loans to associates: | | |
| Hays Specialist Recruitment (Shanghai) Co. Limited | 719 | 697 |
| Hays Specialist Recruitment (Malaysia) Sdn. Bhd. | 7 | 1 |
| | <u>726</u> | <u>698</u> |

The Company has provided the loans at rates comparable to the average commercial rates of interest (see note 12).

17 Bank Guarantee

The Company is an original guarantor of the Hays plc revolving credit facility of £210 million. See note 13 for further details.

18 Subsidiary undertakings

All companies listed below are owned by the Company and all interests are in ordinary share capital, except where otherwise indicated.

As at 30 June 2020, the Company and/or a subsidiary or subsidiaries in aggregate owned 100% of each class of the issued shares of each of these companies with the exception of companies marked with an asterisk (*) in which case each class of issued shares held was as stated.

All companies operate principally in their country of incorporation.

Subsidiaries and country of registration

Hays Specialist Recruitment (Australia) Pty Limited: Level 13, The Chifley Tower, 2 Chifley Square, Sydney, NSW 2000, Australia

Hays Österreich GmbH : Europaplatz 3/5, 1150 Wien, Austria

Hays Professional Solutions Österreich GmbH: Europaplatz 3/5, 1150 Wien, Austria

Hays NV: B – 8500 Kortrijk, Brugsesteenweg 255 box 2, Belgium

Hays Services NV: B – 8500 Kortrijk, Brugsesteenweg 255 box 2, Belgium

Hays Alocação Profissional Ltda: Rua Pequetita, No.215, 13th Floor, Sao Paulo, Brazil

Hays Recruitment and Selection Ltda: Rua Pequetita, No.215, 13th Floor, Sao Paulo, Brazil

Hays Trabalho Temporário Ltda: Rua Pequetita, No.215, 13th Floor, Sao Paulo, Brazil

Hays Specialist Recruitment (Canada) Inc.: 1500 Don Mills Road, Suite 402, North York, Ontario, M3B 3K4, Canada

Hays Especialistas En Reclutamiento Limitada: Cerro El Plomo 5630, Of. 1701, Las Condes, P.O. 7560742, Santiago, Chile

Hays Specialist Recruitment (Shanghai) Co. Limited* (90% owned): Unit 0304, 19/F Shui On Plaza, 333 Huaihai Road, Lot No.7 Luwan District, Shanghai 200020, CN, 0, China

Hays Colombia SAS: AK 45 No. 108-27 Torre 2 Oficina 1105, Bogotá, Colombia

Hays Czech Republic s.r.o: Olivova 4/2096, 110 00 Praha 1, Czech Republic

Hays Information Technology s.r.o: Olivova 4/2096, 110 00 Praha 1, Czech Republic

Hays Specialist Recruitment (Denmark) A/S: Kongens Nytorv 8, 1050 København K, Denmark

Hays BTP & Immobilier SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Clinical Research SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Consulting SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Corporate SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Est SASU: 34 rue Stanislas, 54000 Nancy, France

Hays Executive SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Finance SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays France SAS: 147 boulevard Haussmann, 75008 Paris, France

Hays Ile de France SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Life Sciences Consulting SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Life Sciences Services SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Medias SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Méditerranée SASU: 369/371 Promenade des Anglais - Immeuble Crystal Palace, 06000 Nice, France

Hays Nord Est SASU: 6, rue Jean Roisin, 59000 Lille, France

Hays Ouest SASU: 36 boulevard Guist'Hau, 44000 Nantes, France

Hays Outsourced Solutions SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Pharma Consulting SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Pharma SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Pharma Services SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Pharma Technology SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Pharma Technology Consulting SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Pharma Technology Services SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays Services SASU : 147 boulevard Haussmann, 75008 Paris, France

Hays Sud Est SASU: Immeuble Grand Bazar, 2 rue Grolee, 69002 Lyon, France

Hays Sud Ouest SASU: 23 rue Lafayette, 31000 Toulouse, France

Hays Talent Solutions SASU: 23 rue Lafayette, 31000 Toulouse, France

Hays Travail Temporaire SASU: 147 boulevard Haussmann, 75008 Paris, France

Hays AG: Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany

Hays Talent Solutions GmbH: Völklinger Straße 4, 40219 Düsseldorf, Germany

Hays Holding GmbH : Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany

Hays Technology Solutions GmbH: Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany

Hays Professional Solutions GmbH: Völklinger Straße 4, 40219 Düsseldorf, Germany

Hays Verwaltungs GmbH: Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany

Hays Beteiligungs GmbH & Co. KG: Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany

Hays Hong Kong Limited: Unit 6604-06, 66/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

Hays Specialist Recruitment Hong Kong Limited: Unit 6604-06, 66/F, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong

18 Subsidiary undertakings (continued)

Subsidiaries and country of registration (continued)

Hays Hungary Kft.: 1054 Budapest, Szabadság tér 7, Bank Center, Hungary
Hays Professional Services Kft: 1054 Budapest, Szabadság tér 7, Bank Center, Hungary
Hays Business Solutions Private Limited (Gurgaon): Buildings 9B, 11th Floor, DLF Cyber City, Gurgaon, Haryana-HR, India, 122002
Hays Specialist Recruitment Private Limited: Level 3, Neo Vikram, New Link Road, Above Audi Showroom, Andheri West, Mumbai, Maharashtra-MH, India, 400053
Hays Business Services Ireland Limited: 26/27a Grafton St, Dublin 2, Ireland
Hays Specialist Recruitment (Ireland) Limited: 26/27a Grafton St, Dublin 2, Ireland
Hays Professional Services S.r.l: Corso Italia 13, CAP 20122, Milano, Italy
Hays Solutions S.r.l: Corso Italia 13, CAP 20122, Milano, Italy
Hays S.r.l: Corso Italia 13, CAP 20122, Milano, Italy
Hays Resource Management Japan K.K.: Izumi Garden Tower 28F 1-6-1 Roppongi, Minato-ku, Tokyo 106-6028,
Hays Specialist Recruitment Japan K.K.: Izumi Garden Tower 28F 1-6-1 Roppongi, Minato-ku, Tokyo 106-6028,
Hays Finance (Jersey) Limited: 44 Esplanade St, Helier, Jersey JE4 9WG
Hays S.a.r.l: 65 Avenue de la Gare - L 1611, Luxembourg
Hays Travail Temporaire Luxembourg: 65 Avenue de la Gare - L 1611, Luxembourg
Agensi Pekerjaan Hays Specialist Recruitment (Malaysia) Sdn. Bhd.* (49% owned): B4-3A-6, Solaris Dutamas, No 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia
Hays Solution Sdn. Bhd.: B4-3A-6, Solaris Dutamas, No 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia
Hays Specialist Recruitment Holdings Sdn. Bhd.: B4-3A-6, Solaris Dutamas, No 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Malaysia
Hays Flex. S.A. de C.V.: Avenida Paseo de las Palmas No. 405, 1003, Colonia Lomas de Chapultepec VII Seccion, C.P. 11000, México,CD.MX.
Hays Servicios S.A. de C.V.: Avenida Paseo de las Palmas No. 405, 1003, Colonia Lomas de Chapultepec VII Seccion, C.P. 11000, México,CD.MX.
Hays, S.A. de C.V.: Avenida Paseo de las Palmas No. 405, 1003, Colonia Lomas de Chapultepec VII Seccion, C.P. 11000, México,CD.MX.
Hays B.V.: Ellen Pankhurststraat 1G, NL-5032 MD, Tilburg, Netherlands
Hays Holdings B.V.: Ellen Pankhurststraat 1G, NL-5032 MD, Tilburg, Netherlands
Hays Services B.V.: Ellen Pankhurststraat 1G, NL-5032 MD, Tilburg, Netherlands
Hays Temp B.V.: Ellen Pankhurststraat 1G, NL-5032 MD, Tilburg, Netherlands
Hays Specialist Recruitment (NZ) Limited: Level 12, PwC Tower, 188 Quay Street, Auckland, 1010, New Zealand
Hays Document Management (Private) Limited: 6th Floor, AWT Plaza, I.I Chundrigar Road, Karachi, Pakistan
Hays Outsourcing Sp. z.o.o.: ul. Marszałkowska 126/134, 00-008 Warszawa, Poland
Hays Poland Sp. z.o.o.: ul. Marszałkowska 126/134, 00-008 Warszawa, Poland
Hays Poland Centre of Excellence sp. z.o.o.: ul. Marszałkowska 126/134, 00-008 Warszawa, Poland
HaysP Recrutamento Seleccion e Empresa de Trabalho Temporario Unipessoal LDA: Avenida da Republica, no 90 - 1º andar, fração 4, 1600-206 - Lisbon, Portugal
Hays Specialist Recruitment Romania SRL: Premium Plaza, 63-69 Dr. Iacob Felix Street, 7th floor, Bucharest, 011033 Romania
Hays Business Solutions Limited Liability Company: Room 35, premises 1, 3 floor, bld. 2.2, Paveletskaya Square, Moscow, 115054, Russia
Hays IT Solutions Limited Liability Company: Room 35, premises 1, 3 floor, bld. 2.2, Paveletskaya Square, Moscow, 115054, Russia
Hays Specialist Recruitment Limited Liability Company: Room 35, premises 1, 3 floor, bld. 2.2, Paveletskaya Square, Moscow, 115054, Russia
Hays Specialist Recruitment P.T.E Limited: 80 Raffles Place, #27-20 UOB Plaza 2, Singapore
Hays Business Services S.L.: Paseo de la Castellana 81, 28046 Madrid, Spain
Hays Personnel Espana Empresa de Trabajo Temporal SA: Paseo de la Castellana 81, 28046 Madrid, Spain
Hays Personnel Services Espana SA: Paseo de la Castellana 81, 28046 Madrid, Spain
Hays Specialist Recruitment AB: Stureplan 4 C, 114 35, Stockholm, Sweden
Hays (Schweiz) AG: Nüscherstrasse 32, CH-8001 Zurich, Switzerland
Hays Talent Solutions (Schweiz) GmbH: Nüscherstrasse 32, CH-8001 Zurich, Switzerland
Hays FZ-LLC: Block 19, 1st Floor, Office F-02, Knowledge Village, Dubai 500340, United Arab Emirates
3 Story Software LLC: 63 Bridge Street New Milford, CT, 06776 USA
Hays Holding Corporation: 160 Greentree Dr. Suite 101 Dover DE 19904 USA
Hays Specialist Recruitment LLC: 4350 W Cypress Street Suite 1000 Tampa, FL 33607 USA
Hays Talent Solutions LLC: 4350 W Cypress Street Suite 1000 Tampa, FL 33607 USA
Hays U.S. Corporation: 4350 W Cypress Street Suite 1000 Tampa, FL 33607 USA
Hays Holdings U.S. Inc.: 4350 W Cypress Street Suite 1000 Tampa, FL 33607 USA
Veredus Government Solutions, LLC (In dissolution): 4350 W Cypress Street Suite 1000 Tampa, FL 33607 USA
Veredus, LLC (In dissolution): 4350 W Cypress Street Suite 1000 Tampa, FL 33607 USA

19 Restatement - Investment in subsidiaries

A change in accounting policy resulted in a restatement of the Company's prior year financial statements (note 19); investment in subsidiaries denominated in foreign currency were being revalued each year at the spot rate prevailing at the balance sheet date. However, given that investment in subsidiaries are non-monetary assets they should be held at their historic cost and not revalued.

The result of this correction to the 2019 financials is that both the investment in subsidiaries and retained earnings have reduced by £35,459k and total comprehensive income has reduced by £2,612k.

Details of the adjustments and restated balances are shown below.

| In £'000 | 30 June 2019 Prior stated | 2019 Adjustment | 30 June 2019 Restated |
|---|------------------------------|--------------------|--------------------------|
| Income statement | | | |
| Foreign currency exchange (loss)/gain on intercompany | 5,503 | (2,612) | 2,891 |
| Profit before taxation | 175,371 | (2,612) | 172,759 |
| Tax | (2,366) | - | (2,366) |
| Profit for the financial year | 173,005 | (2,612) | 170,393 |
| Statement of Comprehensive Income | | | |
| Total comprehensive income | 173,005 | (2,612) | 170,393 |
| Balance sheet | | | |
| Investment in subsidiaries | 387,424 | (35,459) | 351,965 |
| Total Assets | 538,332 | (35,459) | 502,873 |
| Retained Earnings | 431,615 | (35,459) | 396,156 |
| Total Equity | 431,615 | (35,459) | 396,156 |
| | | | |
| In £'000 | 30 June 2018 Prior stated | 2018 Adjustment | 30 June 2018 Restated |
| Income statement | | | |
| Foreign currency exchange (loss)/gain on intercompany | (3,062) | (1,250) | (4,312) |
| Profit before taxation | 111,452 | (1,250) | 110,202 |
| Tax | (13) | - | (13) |
| Profit for the financial year | 111,439 | (1,250) | 110,189 |
| Statement of Comprehensive Income | | | |
| Total comprehensive income | 111,439 | (1,250) | 110,189 |
| Balance sheet | | | |
| Investment in subsidiaries | 367,019 | (32,847) | 334,172 |
| Total Assets | 492,433 | (32,847) | 459,586 |
| Retained Earnings | 308,610 | (32,847) | 275,763 |
| Total Equity | 308,610 | (32,847) | 275,763 |

20 Ultimate parent company

The Company's ultimate and immediate parent company and controlling entity is Hays plc, registered in England and Wales, the parent undertaking of the smallest and largest groups, which include the Company, and for which Group financial statements are prepared. The smallest and largest group that prepares Group financial statements is Hays plc. Copies of the 2020 Annual Report and Financial Statements for Hays plc are available from the Company Secretary at Hays plc, 4th Floor, 20 Triton Street, London, NW1 3BF and also online at www.haysplc.com/investors.

21 Subsequent events

There were no subsequent events after the end of the reporting year.