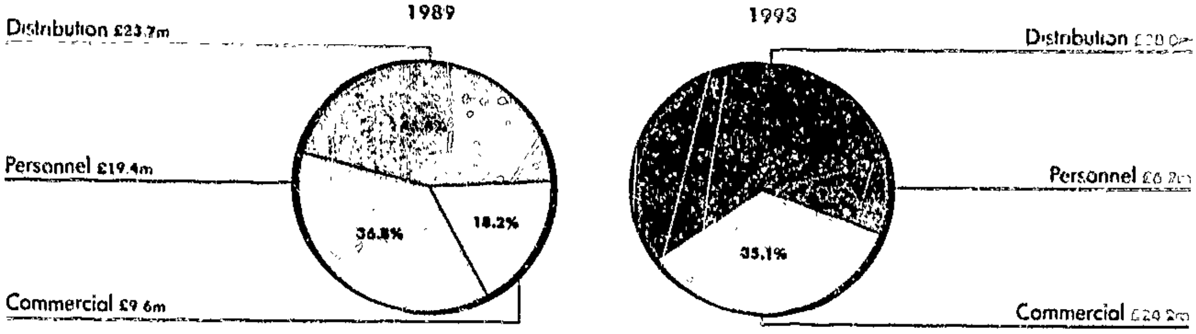
This report sets out the Group's performance and demonstrates our drive for progress through partnership with customers, with investors and in all our business relationships.

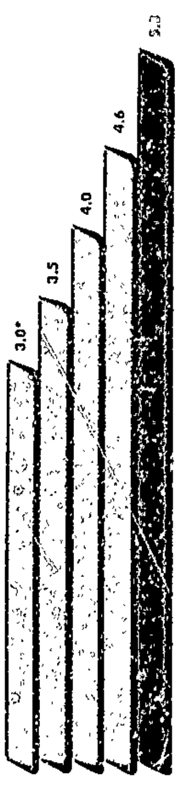
Hays plc is a group of over 40 companies providing business-to-business services 24 hours a day to industrial, commercial and professional customers under the three core activities – Distribution, Personnel and Commercial services. The Group employs nearly 7,000 people at over 200 sites around the world.



FIVE YEAR CHANGE IN OPERATING PROFIT BY CORE ACTIVITY

PROFIT BEFORE TAX

EARNINGS PER ORDINARY SHARE



NET DIVIDEND PER ORDINARY SHARE

* *Proforma*

The Group has increased profit before tax by 20% to £66.6 million. Both dividends per share and earnings per share are up by 15% to 5.3p and 11.5p respectively. The increases have been achieved at a time when the economic climate has remained difficult throughout Europe. However, in the second half of our financial year we have seen some evidence of an improvement in demand in the UK, though it is clear that full economic recovery will be a slow process.

The Board During the year the Board was strengthened by a number of new appointments.

Two new Executive Directors were appointed on 8 December 1992. Michael Proffitt, aged 45, joined Hays from Ocean Group plc, where he was chief Executive of their contract distribution and warehousing services business. Dennis Matthewman, aged 53, was promoted to the Board, having been Divisional Managing Director of Hays Chemical Distribution since 1984.

On 31 December 1992, Derrick Frost and Peter Roberts retired as Executive Directors. Both were founder Directors of Hays plc and will be missed. We wish them a long and happy retirement.

On 5 April 1993, Mark Aldridge, aged 43, was appointed as an Executive Director. He joined Hays from BET plc, where he was Chief Executive of the Cleaning Services Division.

Acquisitions and Major Developments The most significant development during the year was the purchase of a majority shareholding in E Mordhorst Internationale Spedition KG GmbH & Co on 30 June 1993 for an initial consideration of £31.5 million before expenses. Payment of the purchase price, financed by bank borrowings, was made on 26 August.

Mordhorst is a long-established national distribution services business, with more than 500 employees and operations throughout Germany. It specialises in multi-user warehousing, detailed order picking and next day delivery for manufacturers of car parts, agricultural chemicals, lubricating oils, office and paper products and wines and spirits. It is being run as a separate division within the Distribution core activity.

In my statement last year, I reported the acquisition of Citidata Storage plc on 1 July 1992 and since the year end we have purchased DataCartel Ltd, another storage company specialising in the storage of computer records, for a consideration of £1.0 million. These acquisitions make us the UK market leader in this specialised sector. On 19 November 1992, the Talin business of Tate & Lyle plc was acquired. Talin is an essential ingredient in many of the flavours produced by International Additives. Since the year end we have also acquired Feed Flavors Inc, the leading US manufacturer of animal feed flavours for a consideration of £5.3 million. Following these two acquisitions Hays is now the clear world market leader in the provision of animal feed flavours.

We are delighted with our recent acquisitions, especially in Continental Europe, where we have national distribution in both France and Germany. The Group is now able to offer its customers pan-European distribution services by combining the skills and facilities of our UK distribution companies with those of Hays Fril in France and Mordhorst in Germany. This represents an exciting step in the continuing planned growth of the Group

Financial Highlights Earnings per share have risen by 15% to 11.5p. Profit before tax has increased to £66.6 million, a rise of 20%.

Tight control of cash continues to be an emphasis and the strong cash generating characteristics of the Group contribute to the strength of the balance sheet year by year. The interest charge is covered more than 30 times by operating profit. The Group's sound financial position puts it in an excellent position to continue its growth whether organically or by acquisition.

Dividends On 28 May 1993, an interim dividend of 1.7p per share (net) was paid. A final dividend of 3.6p per share (net) is proposed for the year to 30 June 1993 to be paid to shareholders on the register at 22 October 1993. The total dividend for the year amounts to 5.3p per share (net), an increase of 15%, which is in line with the Board's policy of providing shareholders with a rising income, provided the financial position of the Group can support the increase. The dividend for the year to 30 June 1993 is covered more than twice by earnings.

Trading All three core activities have increased their profits significantly, with Personnel performing particularly well.

The Distribution activity increased its profits by 13%, with a further excellent performance from Hays Specialist Distribution. Hays Network Distribution, whose formation I reported to you last year, has had a difficult year, with profits well down on the previous period. However, vigorous action by the Division's new management team has set the Division on the road to recovery. Hays Chemical Distribution has felt the effects of a worldwide surplus in certain of its products, which has caused margins to drop. It is too early to forecast the timing of any improvement in margins. Other parts of the business, especially Packaged Products, have seen increased profits. Hays Distribution Services has achieved a pleasing improvement in its results. Hays Fril in its first full year with the Group has performed ahead of our expectations.

The Personnel activity has increased its profits by more than 40%, but still represents less than 10% of Group operating profit. The increased activity in the recruitment market, especially for temporary placements, both in the UK and Australia, during the last few months of the financial year was a significant factor in the improvement. Last year I reported on the reduction in staff which took place whilst the management structure was modified and strengthened.

Ronnie Frost
Executive Chairman
20 September 1993

management structure was modified and strengthened. The consequential reduction in overheads together with the strength and depth of the management team were further factors contributing to the improvement. The staff in this activity have worked through a period of particularly difficult trading during the past 2¼ years. Their loyalty and commitment have contributed in no small part to the success of Hays Personnel.

Our Commercial, or office support services activity, achieved a rise in profit of 16%. Britdoc had a very successful year, winning many new customers, including four clearing banks. The exchange network has expanded to 2,300 exchanges, an increase of 27% in the year, and it now serves 24,000 members. An increase in margins was achieved in the year despite there being no price increase following the decision of the Post Office to hold the first class letter rate. Whilst Data Express increased its profits, the recession continued to affect Rentacrate, causing profits to remain steady. Hays Business Services has only marginally increased its profit as its customers, driven by recessionary pressures on their own profits, have sought to reduce their archive costs by disposing of unwanted records and switching to boxed storage. This general move to boxed storage will, in the long run, improve revenue and strengthen the business. The integration of Hays Business Services's magnetic media storage with Citidata was successfully completed and realised more than the expected benefits. In Aberdeen additional premises had to be acquired to accommodate the new contracts agreed with BP and Conoco.

Staff All members of staff have endured a year in which heavy demands have been made on them. A reorganisation of the Divisional structure, designed to shorten the lines of communication between the Board and the trading units, came into effect on 1 January 1993. It has inevitably added to the workload of many, albeit only in the short term. The new members of the management team at every level have settled into their jobs well. All members of staff have worked hard to make a success of the revised structure, which, I am glad to say, is achieving the goals set and has formed a strong foundation for the next stage in the Group's growth. The Board wishes to thank all members of staff for their contribution to the Group's success and to welcome all new members of staff to Hays.

Prospects Many of the Group's businesses have seen trading conditions improve over the last few months. The experience, however, is not universal and the climb out of recession looks as if it will be long and slow. The recent turmoil within the ERM and the consequential effective devaluation of a number of European currencies, will make it all the harder for the UK to continue its improving economic performance. The Group's strong financial position together with the strengthened senior management team puts Hays in an excellent position to meet the demands of an improving economic climate and to take advantage of every suitable opportunity for profitable expansion.


GROUP MANAGEMENT
Ron Hough
Mike Prewitt
Graham Williams
Henry Seymour
Dennis Matthews
John Naylor
Ray Gudge
Ronnie Frost


Mark Aldridge
Simon Mounsey
Peter Courtney
David Tibble
Nigel Wood
Mike Coop

Since its formation the Board of Hays has always based its actions on the principles of openness, integrity and accountability emphasised by the Cadbury Report on Corporate Governance. Following the issue of the Report, the Board considered its contents and comments as follows:—

The Audit Committee

The Audit Committee, which comprises the non-executive directors and the Executive Chairman, is formally constituted under the Chairmanship of Peter Courtney.

The Remuneration Committee

The Remuneration Committee, which comprises the non-executive directors and the Executive Chairman, is formally constituted under the Chairmanship of Lionel Stammers.

The Committee determines the terms and conditions of employment for the executive directors and agrees the parameters for remuneration of the executive directors and senior management.

The recommendation in the Cadbury Report on the separation of the roles of chairman and chief executive has been noted by the Board. Whilst Ronnie Frost is Executive Chairman, the Board considers that the post of Group Managing Director and the presence of two experienced non-executive directors, who represent a source of strong independent judgement respected by the executive directors, provide the necessary checks and balances, with rigour and objectivity in decision making, considered important by the Cadbury Report.

In conclusion, the Board believes that Hays conducts its affairs with professionalism and integrity and in a manner which is in the best interests of its customers, staff, shareholders and the community at large.

Ronnie Frost, 57, *Executive Chairman*, joined the Hays Group in 1981 when it purchased Farmhouse Securities, whose business was founded by him in 1965. He was immediately appointed Chief Executive of the Distribution Division and in 1983 became Chief Executive and Managing Director of the Group. In November 1987 he led the Buyout of the Group from the KIO and then in October 1989 the Group's Flotation. He was appointed Chairman of the Company in September 1989.

John Napier, 51, *Group Managing Director*, joined the Hays Group in January 1991. He was for four years Chief Executive of AGB plc, a leading international market research and information services company. Before joining AGB plc he had been a main board director for ten years of James Hardie Industries, a major Australian public company.

Mark Aldridge, 43, was appointed as an *Executive Director* of Hays plc in April 1993. Before joining Hays he was Chief Executive of Initial Contract Services, the Cleaning Services Division of BET and was a member of the group management board. He was previously Managing Director of Biffa Waste Services prior to its successful disposal by BET.

Dennis Matthewman, 54, was appointed as an *Executive Director* of Hays plc in December 1992. Prior to that he was Managing Director of the Chemical Distribution Division, a post he held since 1984. He was Managing Director of Leathers Chemicals when it was acquired by Hays in 1983.

Michael Proffitt, 45, was appointed as an *Executive Director* of Hays plc in December 1992. He joined Hays from Ocean Group plc where he was Chief Executive of their contract distribution and warehousing services business, McGregor Cory. Prior to that he was Chief Executive of Cory Vehicle Services and earlier posts include directorships of Cory Oil, Cory Gases and Fuel Supplies (CI).

David Tibble, 41, *Group Finance Director*, is a qualified accountant and joined the Hays Group in 1992. He was for two years Head of Financial Control of BTR plc, a major industrial holding company. Prior to that he was Finance Director of Lowndes Queensway.

Graham Williams, 50, *Group Corporate Development Director*, is a qualified accountant and holds an MBA. Following ten years with Charterhouse in the UK and France, he became a founder director of Barclays Development Capital in 1979 and later Deputy Managing Director. He joined the Board of the Hays Group in 1984.

Peter Courtney, 61, *Non-Executive Director*, joined the Board in September 1990 having retired from The Boots Company PLC in June 1990 where he was Group Finance Director for eight years. He is Chairman of Yorkshire Building Society. He is also a director of The Throgmorton Trust plc and a number of other companies.

Lionel Stammers, 60, *Non-Executive Director*, is also a non-executive director of BTR plc, BBA Group plc, McKechnie plc and Bullough plc. He joined the Board in September 1989. He was previously an executive director of BTR plc.

Executive Chairman
R E Frost

Group Managing Director
J A Napier

Directors
M E Aldridge
D Matthewman
M Proffitt
D C Tibble
G J Williams
P H Courtney (non-executive)
L J Stammers (non-executive)

Secretary
A G Morison

Registered office
Hays House
Millmead, Guildford, Surrey GU2 5HJ
Telephone: Guildford (0483) 302203

Registrars
Lloyds Bank Plc
The Causeway, Worthing, West Sussex BN99 6DA

Auditors
Touche Ross & Co
Chartered Accountants
Hill House, 1 Little New Street, London EC4A 3TR

Solicitors
Freshfields
Whitefriars, 65 Fleet Street, London EC4Y 1HT

Forsyte Kerman
79 New Cavendish Street, London W1M 8AQ

Principal bankers
Barclays Bank PLC
171 High Street, Guildford, Surrey GU1 3AN

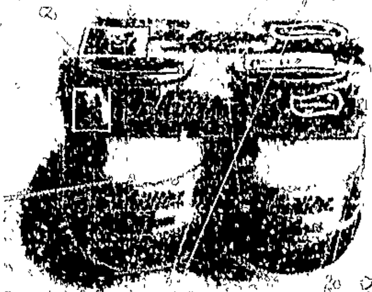
Lloyds Bank Plc
147 High Street, Guildford, Surrey GU1 3AG

Financial advisers
J Henry Schroder Wagg & Co Limited
120 Cheapside, London EC2V 6DS

Stockbrokers
S G Warburg Securities
1 Finsbury Avenue, London EC2M 2PA

Progress through partnership

It has become fashionable for companies to describe their customers as 'business partners'. But at Hays the idea is as old as the company itself. Our growth and success have been built on working in partnership with customers, playing a positive part in their growth and success. Often we take partnership to its logical conclusion, acting virtually as an extension of a customer's own resources. The service is seamless. And the benefit is mutual.

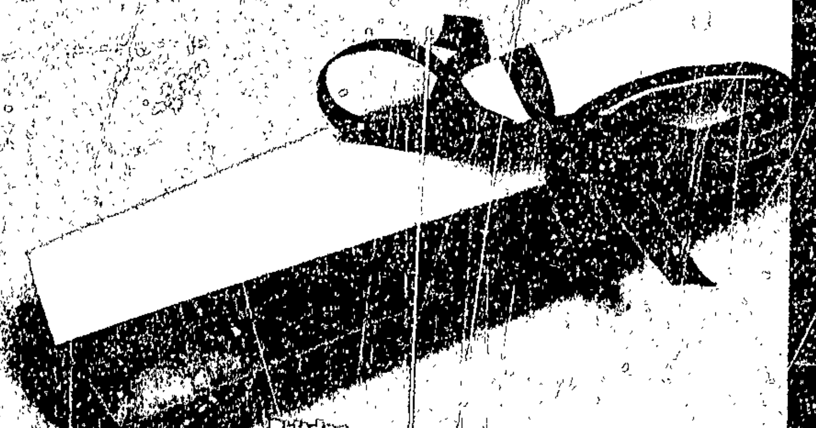


Hays Fril

Hays Fril, acquired by Hays in 1992, is one of France's major food distribution Groups. Its customers include all major yoghurt producers. Each day they distribute 20 million cartons throughout France. An integral part of this service is the national computer network created by Hays Fril, which can track the progress of every single item within our network on behalf of the customer.

Data Express

The feature films used by cinemas throughout the country are high value, time sensitive items. They are also very limited in number. In close cooperation with the major distributors, Data Express ensures that these films reach their destinations safely and on time. The high degree of trust that has been established between Data Express and its customers, means it now handles over 90% of all the films in the country.

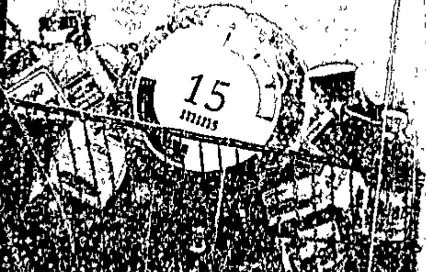


Britdoc

For many years, Britdoc has offered a comprehensive service to over 90% of all solicitors in Great Britain. Every night ¾ million documents which range from house contracts, to sensitive legal papers are placed in Britdoc's trust. A 99% success in delivery before 9am the following day is achieved, at a cost which is ⅓ of that of first class post. The general public place their trust in solicitors, and the solicitors rely on this service to exchange their documents.

Hays Distribution Services

A partnership which began 27 years ago has developed so successfully that a new 25 year contract has recently been signed with Waitrose. 'Total' involvement extends to stock control, quality control and reliable 'just in time' delivery. The service involves the distribution of a full range of food to fifty of their stores within a 15 minute no fail window up to three times a day.



Hays Distribution Services

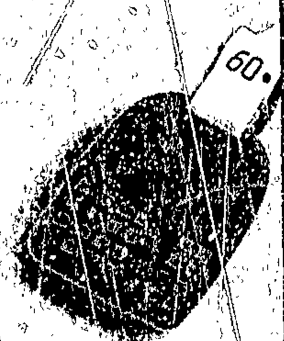
When Scottish & Newcastle first announced that they were considering putting their entire primary distribution in the hands of a third party contractor, the competition was intense. Two years later Hays were awarded the contract and are now in the process of building another close partnership with a relatively new customer.

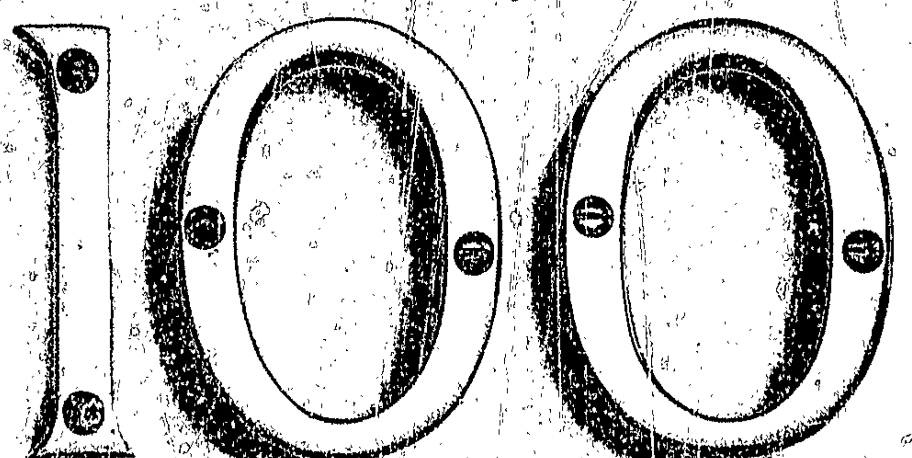
Packaged Chemical Distribution

Hays has worked closely, for many years, with producers such as ICI to provide specialist packaging facilities, transforming bulk chemicals into manageable packs requested by a wide range of customers. This specialisation has resulted in Hays becoming the largest packaged chemical distributor in the U.K.

Hays Specialist Distribution

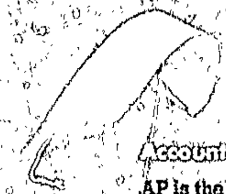
This is yet another example of a long term partnership to provide a reliable service to many areas of Marks & Spencer. All their shopfittings, cold cabinets, shelves etc, are distributed from the Hays Specialist Distribution Centre in Derbyshire. A high quality home delivery service for home furnishings etc has also been developed to match the highest standards now expected by Marks & Spencer's customers.





Hays Distribution Services

We manage and operate one of Tesco's key composite distribution centres on their behalf. The depot is open 24 hours a day, seven days a week and closes only on Christmas day. The 44 million cases it handles each year are delivered to Tesco's stores in the South East at precise times up to 3 times a day.

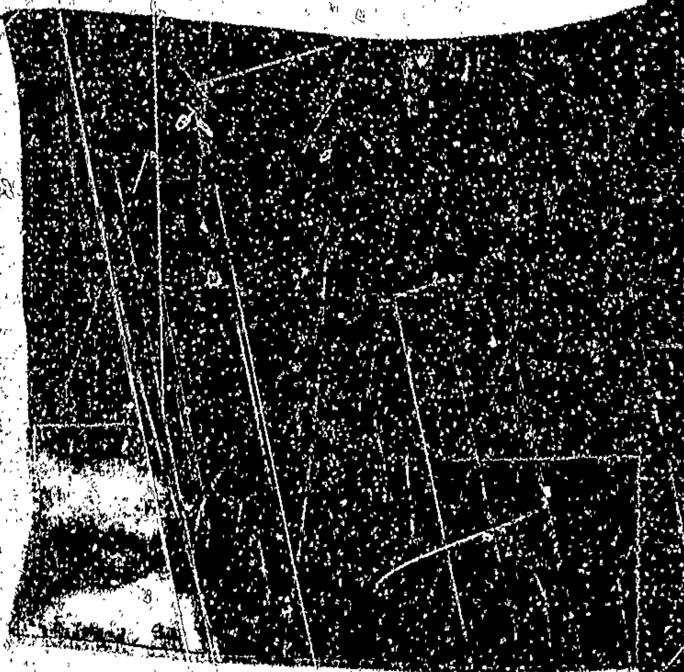


Accountancy Personnel

AP is the largest accountancy recruitment consultancy in the UK. They establish a close working relationship with both customers and potential employees. As part of their effort for major local industries, they hold over 60 Road Shows and Career Fairs each year where they work together with their customers to find the right person for the right job.

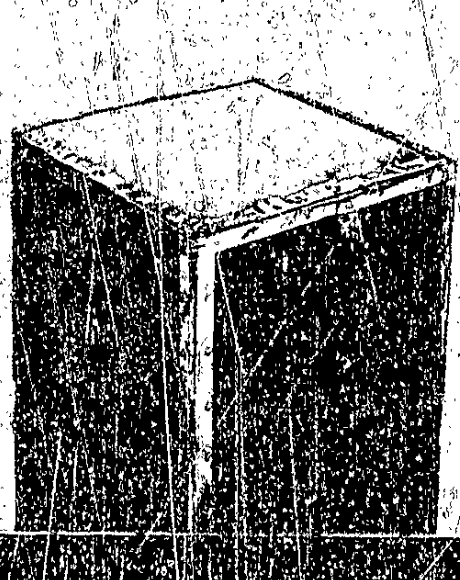
Hays Mondhoust

This new member of the Hays family brings with it a substantial number of long term customers. Spare parts for Nissan, Rover, Renault etc, form an important part of their growth. Oil Products for DEA, one of Germany's largest garage chains and agro-chemical distribution for major players such as Bayer, BASF and Ciba-Geigy clearly show how their philosophy of strong customer relations blend perfectly with that of Hays.



Hays Network Distribution

Since 1651, Hays has been involved in the distribution of vast quantities of tea. In fact, 35% of all the tea consumed in the UK comes through Hays warehouses in Dagenham. The degree of specialist expertise is such that Hays are one of few companies trusted to supply tea samples for auction and even blend a combination of leaves for major tea houses.



Distribution

Distribution is the largest of Hays three core activities comprising seven operating divisions, each providing specialist distribution services to well defined sectors of industry and commerce.

Recessionary pressures encourage the trend among companies to contract out distribution services, so creating opportunities for Hays. Those same pressures also have an impact on volumes, pricing by competitors and margins. The individual divisions have therefore faced differing market conditions in a year which overall has been difficult. The increase of 13% in the profits of the core activity is a good overall performance, but the results from the trading divisions have been mixed. Distribution, however, continues to be a source of further significant expansion and the year ended with the acquisition, already mentioned in the Chairman's Statement, of the German specialist distribution company, E Mordhorst Internationale Spedition KG GmbH & Co.

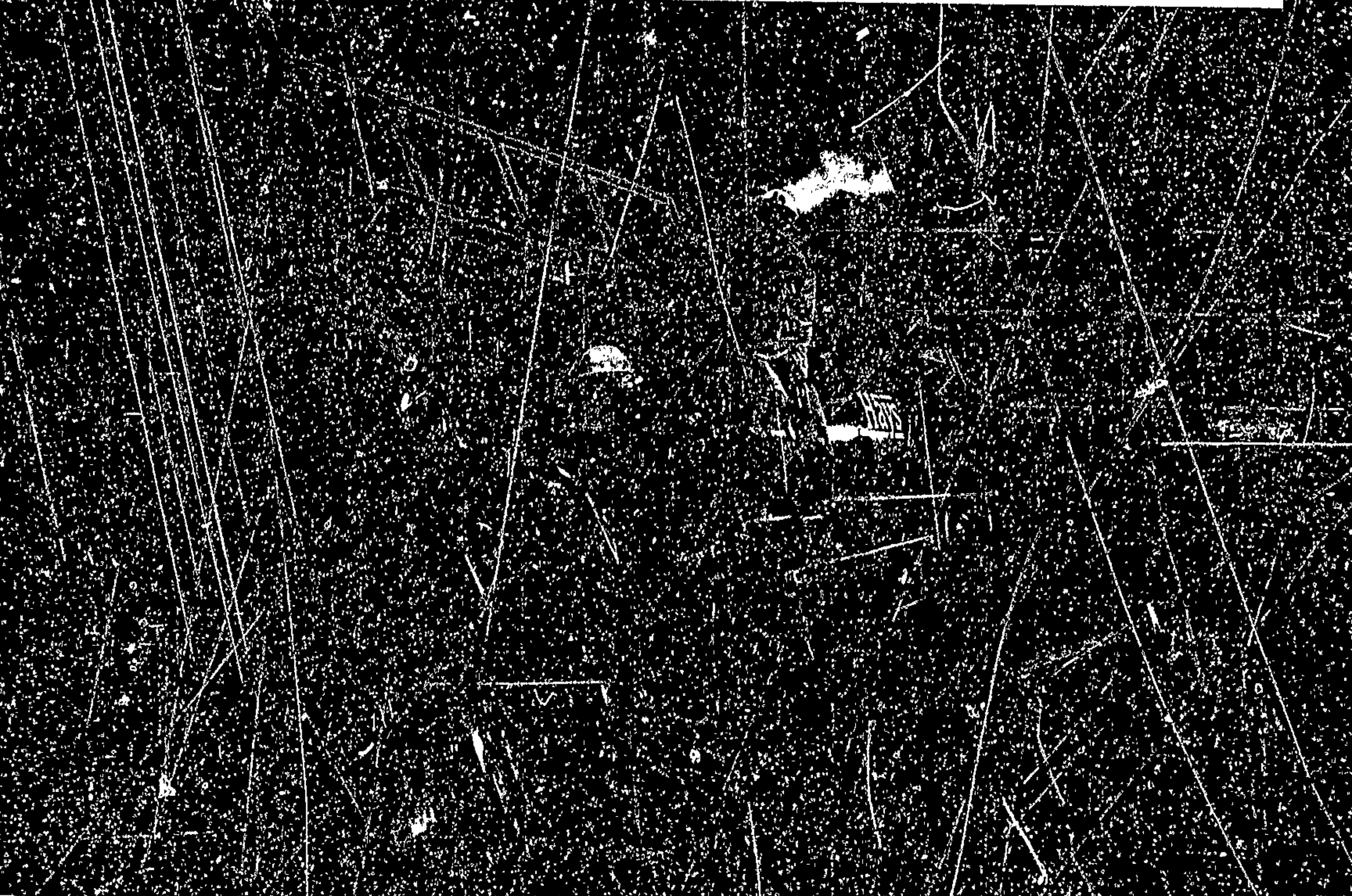
Packaged Chemical Distribution had a further excellent year in an extremely competitive market with sales and profit both continuing to grow. The Division built on its excellent work in improving its I.T. systems and its depot and marketing management, by obtaining new distribution agreements with major manufacturers. In particular, since the year end, a very large contract has been agreed with Shell Chemicals. There was further investment in the infrastructure with a new depot opening in Norwich to replace the previous one which had been outgrown and the doubling in size of the Wimborne Depot. Two more depots gained BS5750 accreditation.

Specialist Chemicals, which operates six businesses, achieved an improved result overall.

International Additives again earned record profits through improved export sales and careful management of costs. The strategic acquisition of the Talin business has given the company control over the supply of a key ingredient in many of its products. *Hays Colours* achieved a substantial increase in profits, aided by the successful restructuring of its operations.

Hays Chemical Distribution

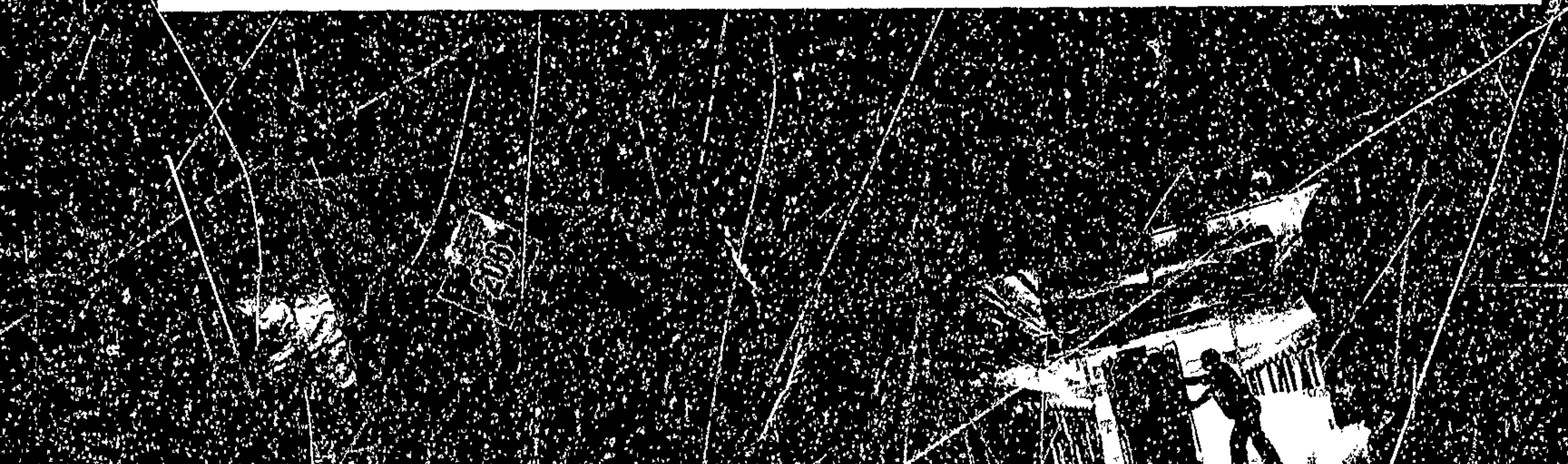
International Additives

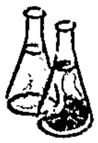


Hays Distribution Services [illegible]

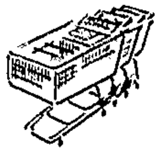
Hays Colours [illegible]

Water Treatment Solutions [illegible]

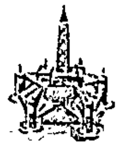




Hays Speichim (UK) [illegible]



Bucks Shop & Office Fittings [illegible]



Blacksmith Chemical Services [illegible]

Sulphur also increased its profits, despite an increase in low cost imports. It consolidated its position as a key supplier of sulphur to a number of major tyre manufacturers.

Water Treatment had a year of mixed fortunes as it reorganised its sales and marketing and rationalised production as between various locations. The new Polyaluminium chloride plant was successfully commissioned. Contracts have been won for the supply of PAC to a number of water companies. *Hays Speichim (UK)* did not have a successful year. Technical problems hampered operation of the plant during the early months. Determined action by the management team has overcome the difficulties. *Blacksmith Chemical Services* remains the dominant supplier to the UK offshore oil industries. It has seen an erosion of its margins as a result of price discounting as it and other suppliers position themselves ahead of partnership awards by the oil majors.

Bulk Chemical Distribution's results reflect the continuing depression in the chemical industry and the effects of the worldwide decline in international chemical prices, particularly in one of its key commodities, caustic soda. The Division performed extremely well to maintain profits just below those of the prior year and to improve margins at the same time. It was successful in offsetting reductions in prices and volumes by expanding its customer base and making significant cost savings, thereby out-performing all of its major competitors.

Hays Distribution Services The Division was able to maintain profits whilst responding to the challenge of opening on schedule and bringing to full operation by August 1993 the new Waitrose composite depot at Brinklow, near Milton Keynes. The warehouse covers in excess of a quarter of a million square feet and serves, under a 25 year contract, all the northern stores of Waitrose.

It successfully developed the second stage of the contract with Scottish & Newcastle Breweries by completing the final phase of distribution to the "on trade" which commenced in February. The first stage of distribution to the "off trade" has been completed with a new centre being opened in Trafford Park. The two operations have been integrated and continue to meet all the objectives set both internally and by Scottish & Newcastle Breweries.

The composite depot at Snodland, near Maidstone, operated on behalf of Tesco continued to operate at a very high standard.

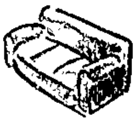
Hays Specialist Distribution The Division made substantial progress in all areas of activity and saw a marked increase in turnover and profit.

Bucks Shop and Office Fittings made solid progress continuing to be the backbone of the Division. It was able to expand its range of services to its key retail customer, Marks & Spencer, and gained important new business with the Burton Group, Forbo Nairn, B&Q and Do-It-All. It remains the market leader in its field and continues to develop its business support services for a broad range of customers.

Abels Retail and Home Delivery achieved a significant improvement in its results, with losses substantially reduced. It successfully rationalised its operations and customer base and was able to attract important new customers in the furniture and high value product markets.

Hays Home Delivery Services Inc is firmly established in the USA and is profitable after its first 18 months. It now has a fleet of some 70 vehicles.

Abels International Moving and Storage achieved a significant improvement in performance. In common with the furniture industry, home removals remain depressed in the



Abels Retail & Home Delivery [illegible] Marks & Spencer, Debenhams, [illegible] Furniture.

Hays Home Delivery Services Inc [illegible] in the USA for customers such as Sears.

Abels International Moving & Storage [illegible] moving companies. [illegible] company to hold the Royal Warrant. [illegible]

current economic situation. Highlights included a £1 million contract with Philips Radio Communications Systems.

Hays Network Distribution The first priority for this new division was to restructure operations and better balance resources with demand. There have been a significant reduction in costs and a substantial improvement in the quality of the business with the appointment of a new senior management team under the leadership of Edward Roderick appointed as Divisional Managing Director in August 1992. In the second half significant sales successes were achieved although the results for the year are well below last year due to the costs of reorganisation and the impact of the recession.

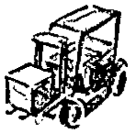
The storage services and distribution activities centred on Dagenham have been successfully reorganised and the management strengthened, resulting in the winning of new business. The wines and spirit and third party distribution services of Interbond ha' a mixed year. There wa some loss of business due to under-investment in I.T. services and management which have been rectified. The Marine operations had a very mixed year with the worldwide recession affecting both volumes and freight rates. The impact of the recession was particularly severe in the ship repair and the wharfage businesses. The Marine operation continues to invest in improved management and it has been successful in gaining full ISO 9002 accreditation.

Hays Fril In its first year in the Group, Hays Fril showed an increase in profit compared to the previous year, despite the transport strike in July 1992 and the French recession which started last autumn.

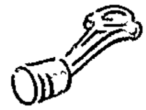
Though volumes for some existing contracts fell, particularly in the wines and spirits sector, Hays Fril was able to more than offset this by greater efficiency and new contracts as customers closely examined their costs and contracted out their distribution.

In the retail sector, new contracts were signed with Carrefour that will double volume n Paris and Lyon.

Two important contracts were signed with Chambourcy and Yoplait to store and deliver an additional 60,000 tonnes p annum of chilled products in the Lyon area. Other new contracts won include the distribution of beer for Interbrew (Stella Artois), wine for Baron Phillippe de Rothschild and biscuits for Chat Botte.

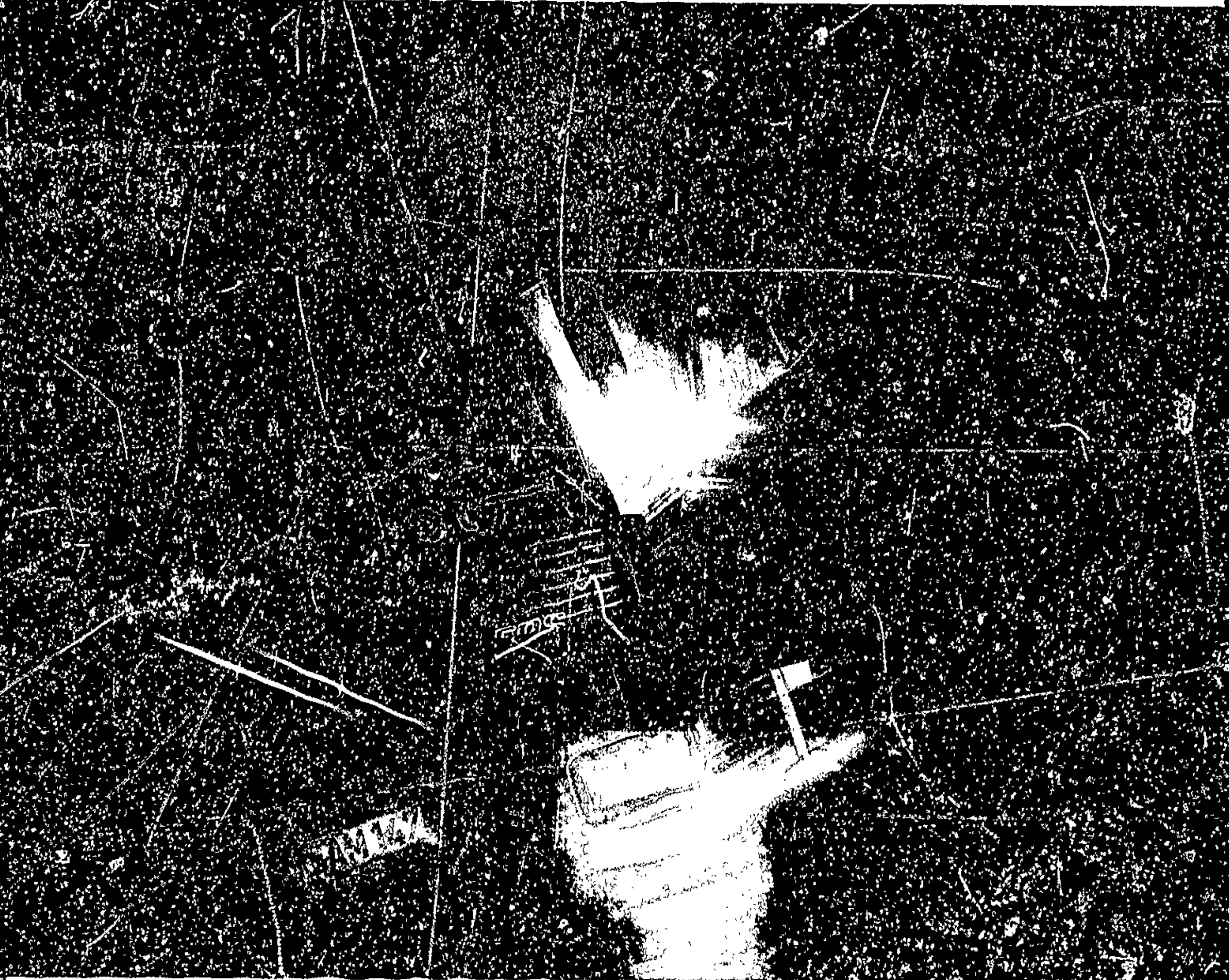


Hays Network Distribution.



E. Mordhorst Internationale Spedition K.G.

Hays Fril



Personnel

Hays Personnel Services operates a national network of specialist recruitment agencies in the UK and Australia. Whilst its main business is the placing of accountants and accountancy staff, both permanent and temporary, separate companies specialise in providing banking, legal and insurance, and construction and technical staff.

Last year Hays Personnel Services was seriously affected by the recession with demand for its services reducing as unemployment rose. Significant actions were taken to balance resources and demand by restructuring the operation and streamlining the management whilst maintaining a strong national presence. The Division retained its ability to respond to the upturn. Results for the current year improved by 40% as demand started to quicken in the second half of the year particularly for temporary placements. A substantial part of the increased sales was translated into profits.

Accountancy Personnel is the UK market leader for full-time and temporary accountancy placements. Its national network is divided into three major regions all of which traded profitably in the first half of the year and achieved significantly higher profits in the second half as demand increased, especially for temporaries. There were also a number of important initiatives with the development of longer term contracts for the supply of temporary and permanent staff to local authorities, the National Health Service and the banking sector. Expenditure on marketing has continued as has investment in management training and systems infrastructure to maintain operating standards and profit margins in the future.

Despite the low level of activity in the construction industry, *Montrose Technical Recruitment*, had a very successful year. It took early action last year to reduce costs and its exposure to potential bad debts in the construction industry. The strategies have been successful, and in conjunction with a greater emphasis on temporary placements, have enabled the business to continue its robust expansion and strengthen its market position. It has been particularly successful with specialised contracts providing recruitment services to local authorities and large civil contracts.

Accountancy Placements Pty in Australia also enjoyed a significant increase in profits. The pattern of action was similar to the UK with an initial cutback in numbers and streamlining of operations prior to the anticipated recovery in the economy. There was strong growth in both the public and private sectors with turnover increasing substantially. There has been a pleasing increase in productivity and an improvement in margins. New business has been gained in open competition without any erosion of margins.

Accountancy Personnel

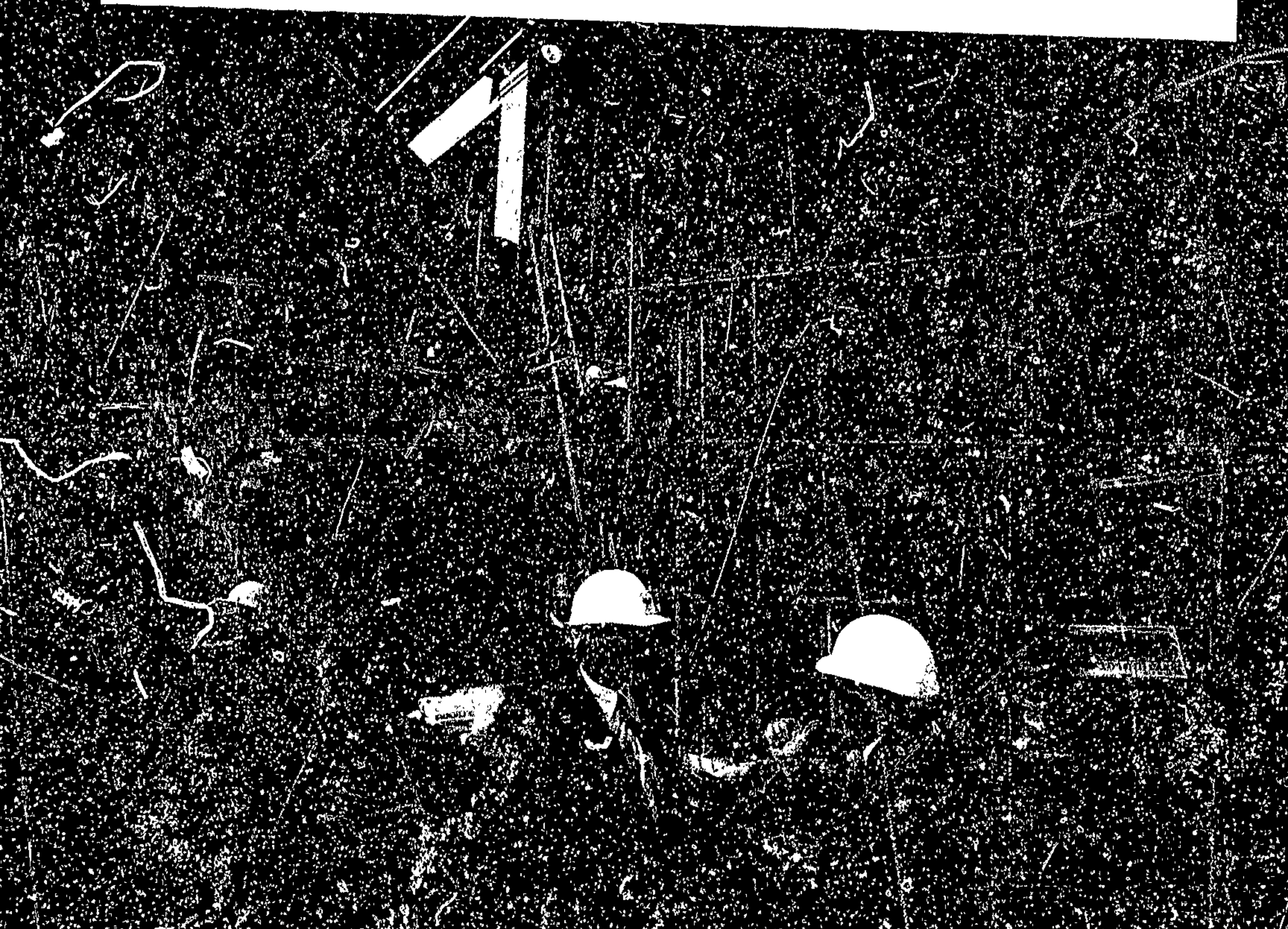
Accountancy Placements,

Banking Personnel and Securities & Investment Personnel

Richard Owen and Harper

Montrose Technical Staff

TAV Staff Agency



Commercial

The Commercial activity is organised into three Divisions providing a range of specialist office support services for businesses in the UK and parts of Europe.

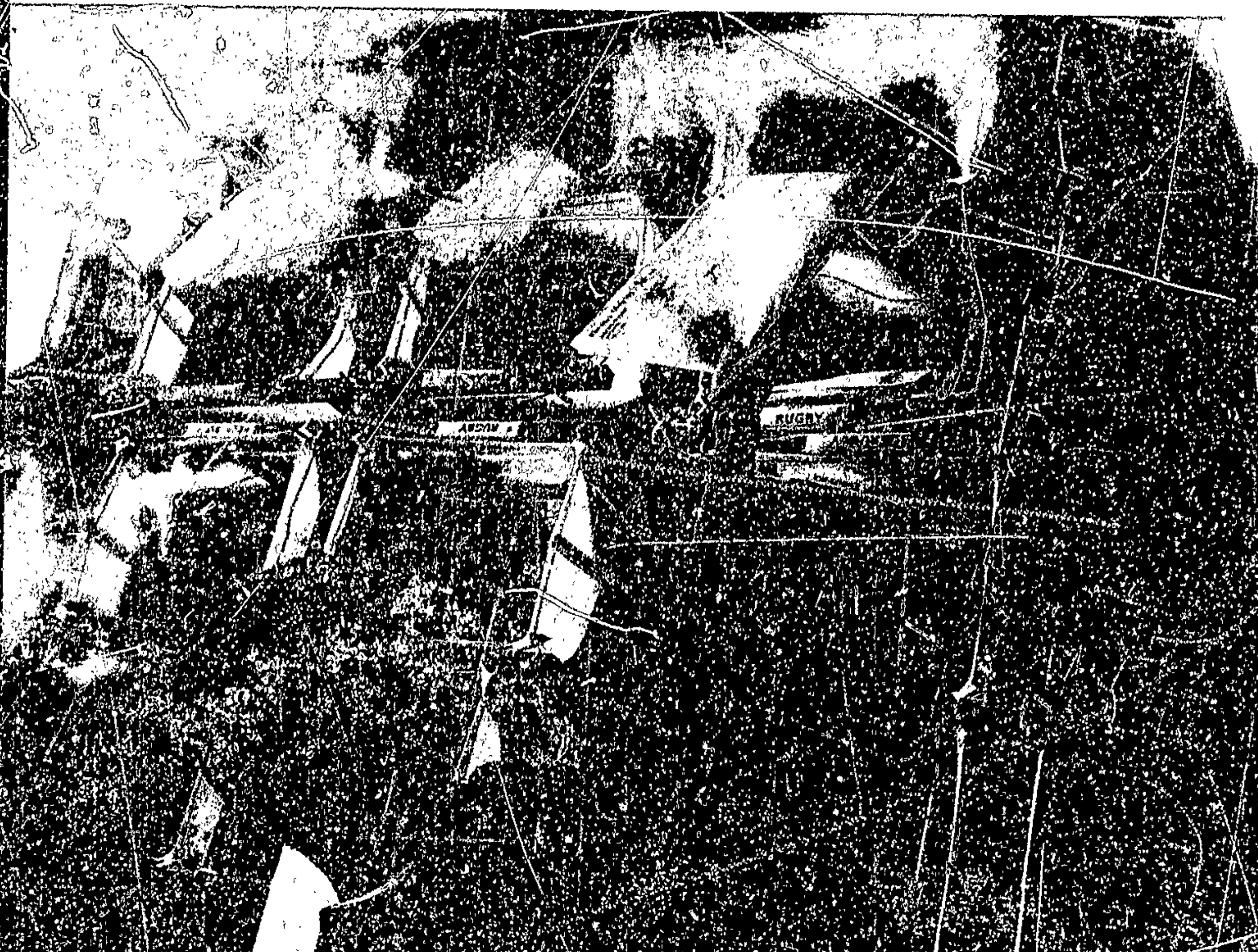
The continuing UK recession had a different impact on the various businesses given that they provide a range of services to different market segments. The overall result of an increase in profit of 16% is lower than that traditionally achieved but does mask continuing strong growth in most of the major businesses.

The Mail Services Division encompasses *Britdoc* which is a UK based network of 2,300 exchanges used for the overnight delivery and collection of business mail throughout Great Britain. The major users are the legal and financial service sectors. Britdoc has continued to expand despite the recession. The volume of mail from existing customers has been maintained whilst the range of users of the exchange network has been expanded. There were new clearing bank customers, including Barclays Bank, which signed a contract following a successful trial, The Clydesdale Bank, Bank of Scotland, The Royal Bank of Scotland and the Midland Bank, and important new customers in the British Transport Police, Strathclyde Police and the Lord Chancellor's Department. There continue to be further initiatives in the expansion of Britdoc's customer base. There was also significant success in maintaining and improving margins in the business by rigorous control of costs and improved operational efficiency. Britdoc's prices are linked to the first-class letter rate which has not been increased for two years. Consequently there has been no scope for price increases so the improvement in margins is particularly commendable. There has also been further development of the Britdoc operations in France and Belgium. Expansion of the network in France has increased the scope for further steady growth and development. It takes time for a new network to become profitable and a balance has to be kept in the short run between investment in expansion of the network and the

Britdoc provides a nationwide overnight business mail service that is cheaper, faster and more reliable than the Post Office. Britdoc expects 175 million documents to pass through its system between its 23,232 members in the coming year via its network of 2,314 document exchange centres throughout England, Scotland and Wales. It offers an overnight business mail service at only two-thirds the cost of first class mail. Demand continues to grow. The number of documents carried has increased significantly every year since the business started in 1975. Originally a service to the legal profession, Britdoc now has customers in many sectors of business including retail chains, estate agents and the financial services sector.

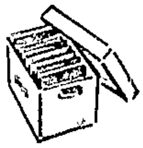
Francedoc commenced as a [illegible] organisation based in Paris in April 1991.

Boldoc operates a document exchange service covering the major commercial centres of Belgium primarily for the insurance industry.

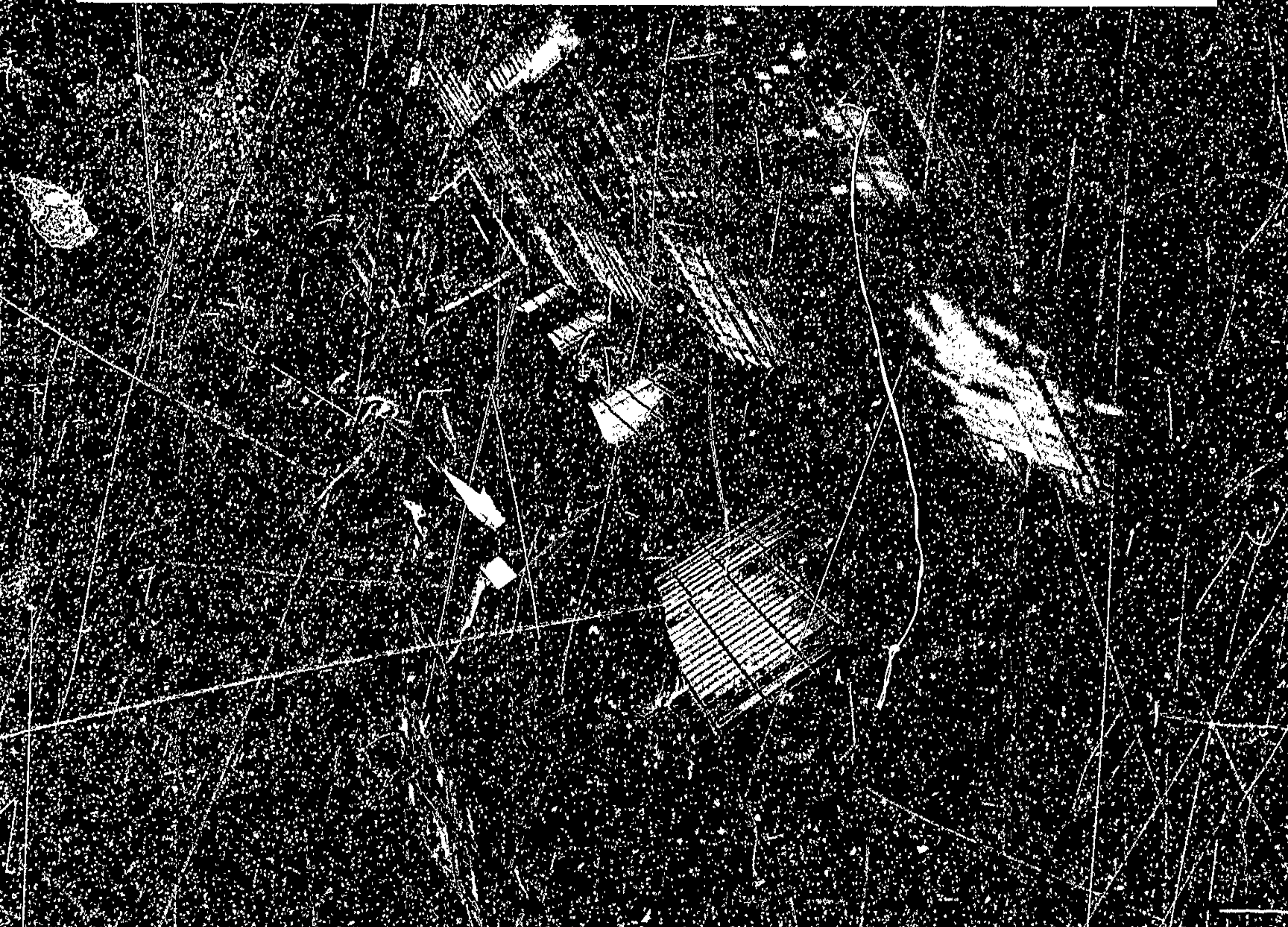


Hays Business Services [illegible]

[illegible]



Hays Business Services S.A., [illegible]



Data Express [illegible]

Rentacrate [illegible]

revenue likely to be generated in the medium term.

The Parcels and General Services Division comprises *Data Express* and *Rentacrate*. Data Express, the specialised overnight parcels delivery service, had an outstanding year in an industry which suffers from over capacity and the concomitant pressure on margins and profits. It has continued to improve profits by pursuing excellence in service for the carriage of small high value parcels for demanding customers and refuses to pursue volume at unprofitable prices. It has thus been possible to achieve a modest increase in both turnover and profits in a difficult market place.

Data Express also launched an important new service, Hays PartSpeed, which is planned to distribute specialised spare parts to field service engineers via the combined services of Data Express and the Britdoc Network. The service is still at the trial stage but has been enthusiastically received. It provides significant advantages over the existing and less flexible systems in terms of speed, reliability and particularly convenience. It is not likely to contribute significantly in the coming year but the prospects are very promising.

Rentacrate's level of activity remained static in the very depressed market for office relocations and removals. Profit was maintained at the prior year's level by continuing attention to expenses and overheads.

In the *Hays Business Services Division*, the Records Management business was affected by the recession in two ways. First was a down-turn in volume from existing customers as business activity slackened and a significant surplus in central London office space took the pressure off efficient usage of existing occupancies. The second has been a switch from private space storage to computer based box storage services as customers become selective in the records they store. This latter trend enhances the longer term prospects of value added services but has some short term effect on volumes and the utilisation of existing space. The market is also competitive on price. The business did extremely well to maintain its position in these circumstances. It has continued to strengthen its management and its operations and to invest in enhanced computer systems which will provide more effective records management services and potential for greater value added.

The oil field data storage business, Hays Energy Services, continued to win new customers and business. It was successful in Aberdeen in obtaining major contracts with BP and Conoco. It invested in a significant expansion of its facilities to service these contracts. It has also gained the contract for the management of the Department of Trade and Industry's geological store for core samples and drill cuttings. The store contains a sample taken from all the 4,500 offshore wells in the UK sector of the North Sea. There are more than 140 miles of core sample and 2 million drill cuttings.

The magnetic media facility, *Hays Citidata*, also enjoyed continued expansion. The acquisition of Citidata Storage plc was completed at the beginning of the year and the successful integration of all Hays magnetic media facilities was achieved. There were gains in both sales and margins. The business continues to expand. In April a store was opened in Manchester and since the year end there has been a further acquisition of a small business, DataCartel, which has an operation in High Wycombe. Its acquisition is part of the strategy of expanding magnetic media storage services on a national basis.

SHAREHOLDERS' INFORMATION

Share Information

Information concerning the day to day movement of the share price of the Company can be found on SEAQ page No. 51346, TOPIC 228 or by dialing 0836 435 377 for the Financial Times share price service.

Market Makers

The following companies have indicated to The Stock Exchange that they make a market in the Company's shares:

Barclays de Zoete Wedd Securities Ltd
Hoare Govett Securities Ltd
UBS Phillips & Drew
S G Warburg Securities
Smith New Court
NatWest Markets
Kleinwort Benson Securities
Morgan Stanley International

Financial Calendar

Interim Statement March
Interim Dividend 31 May
Preliminary Announcement September
Annual Report posted October
Final Dividend 30 November
Annual General Meeting November

The directors present their report and the audited financial statements of the Company and its subsidiary undertakings for the year ended 30 June 1993.

Activities

The Company and its subsidiary undertakings form a business services group which provides a range of specialist services for commercial, industrial and professional customers. The Group has three core activities:

Distribution *Specialised distribution activities.*

Personnel *Specialist staff recruitment agencies.*

Commercial *Office support services.*

Review of the Business

The Group traded satisfactorily during the year, as shown in the financial statements on pages 34 to 54.

The Group intends to secure its leading position in its various markets by continued investment in people and assets of the highest quality. Further development will come both from organic growth and acquisition.

Details of the Group's operations are set out in the Chairman's Statement and the Review of Activities on pages 4 to 27.

Results and Dividends

The financial results for the year ended 30 June 1993 set out in the accompanying financial statements were approved by the Board on 20 September 1993. They show a profit before tax of £66.6 million. The retained profit of £24.7 million has been transferred to reserves.

An interim dividend of 1.7p per share net in respect of the year to 30 June 1993 was paid on 28 May 1993. The directors recommend a final dividend of 3.6p per share net which, if approved at the Annual General Meeting, will be paid on 30 November 1993 to shareholders on the register on 22 October 1993.

Fixed Assets

Changes during the year are shown in notes 9 and 10 to the accounts on pages 44 to 46.

Share Capital

During the year 270,000 ordinary shares of 1p each were allotted in accordance with the rules of the Hays Share Option Scheme, 2,163,125 ordinary shares of 1p each were allotted in accordance with the rules of the Hays plc 1989 Executive Share Option Scheme and 48,183 ordinary shares of 1p each were allotted in accordance with the rules of the Hays plc Savings-Related Share Option Scheme.

Substantial Shareholdings

The following shareholders had advised the Company of holding an interest of 3% or more in the issued share capital of the Company at 20 September 1993:

Gartmore Investment Management Limited (non-beneficial)	9.57%
R E Frost	4.96%
Schroder Investment Management Limited	3.66%
Provident Mutual Group	3.63%
CIN Venture Nominees Limited (and other nominees for British Coal Pension Funds)	3.43%

Company Status

During the year the Company was not a close company for taxation purposes. Its status has remained unchanged up to the date of this report.

Directors

The following have been directors during the year and held office throughout the year except as otherwise indicated.

R E Frost *Executive Chairman*

J A Napier *Group Managing Director*

M E Aldridge *Appointed 5 April 1993*

D C Frost *Resigned 31 December 1992*

Directors continued

D Matthewman *Appointed 8 December 1992*
M Proffitt *Appointed 8 December 1992*
P D T Roberts *Resigned 31 December 1992*
D C Tibble
G J Williams
P H Courtney*
B A Dawson* *Resigned 9 November 1992*
L J Stammers*

**Non-executive director*

Mr M E Aldridge, Mr D Matthewman and Mr M Proffitt, having been appointed since the last Annual General Meeting, will retire in accordance with the Company's articles of association and, being eligible, offer themselves for re-election.

Mr J A Napier and Mr G J Williams will retire by rotation and, being eligible, offer themselves for re-election.

At the date of the Annual General Meeting the service contracts of Mr M E Aldridge, Mr D Matthewman, Mr M Proffitt, Mr J A Napier and Mr G J Williams will have a period of 3 years unexpired.

The beneficial interests of directors in office at 30 June 1993 in the shares of the Company were as follows:

	30 June 1993		1 July 1992 or subsequent appointment	
	Shares	Options	Shares	Options
R E Frost	20,000,000	447,703	20,000,000	Nil
J A Napier	150,000	490,000	150,000	490,000
M E Aldridge	100,000	Nil	Nil	Nil
D Matthewman	1,270,500	130,000	1,270,500	130,000
M Proffitt	30,000	186,061	Nil	Nil
D C Tibble	Nil	248,980	Nil	Nil
G J Williams	5,865,000	323,918	5,865,000	12,668
P H Courtney	5,000	Nil	5,000	Nil
L J Stammers	2,000	Nil	2,000	Nil

The options outstanding are exercisable at prices ranging from 148p to 184p per share under the Hays plc Savings-Related Share Option Scheme and from 122p to 227p per share under the Hays plc 1989 Executive Share Option Scheme. The normal exercise dates for the Savings-Related options are between 1 June 1997 and 1 December 1998 and for the Executive options between 26 March 1994 and 2 April 2003.

There have been no changes in the above interests between 30 June 1993 and the date of this report. Except as shown above no director had any interest in the shares of the Company or any subsidiary (other than as nominee for the Company) and no right to subscribe for shares or debentures was granted to or exercised by any director or any member of their immediate family during the year.

No director had an interest at any time during the year in any significant contract or arrangement to which the Company or its subsidiaries was a party, other than the service agreements of the executive directors with the Company.

Directors' and Officers' Insurance

In the year, the Company purchased insurance for its directors and certain officers against liability for negligence, default, breach of duty or breach of trust in relation to the Company as mentioned in section 310 of the Companies Act 1985.

Employee Involvement

The Group maintains a strong commitment to employee involvement and ensures that current practices are evolved in an enlightened manner. The details are appropriately different in each operating company, as they have been developed over time by local management to best reflect specific requirements and circumstances. Typically, however, they include staff committees, briefing groups, in-house newspapers, special publications and videos on particular subjects of interest. The Group has established various share schemes to encourage the involvement of employees in the Group's performance.

Employment of the Disabled

The Group's policy on recruitment is based on the ability of a candidate to perform the job. Full and fair consideration is given to applications for employment from the disabled where they have the appropriate skills and abilities to perform the job.

If a disabled applicant proves a suitable candidate for employment, modification of facilities and the provision of special equipment and aids are considered favourably. If employees become disabled during the course of their employment with the Group and as a result are unable to perform their normal jobs, every effort is made to offer suitable alternative employment to them, to provide assistance with re-training and to deal with their cases as compassionately as possible.

It is Group policy to encourage the training and further development of all its employees where this is of benefit to the individual and to the company concerned. This of course includes the provision of training to meet the special needs of disabled employees. The Group pays attention to employees' health and safety and pays particular regard to the health and safety at work legislation.

Charitable and Political Donations

Charitable donations totalling £67,000 were made during the year ended 30 June 1993.

No payments were made to political parties.

Changes in Accounting Policy and Presentation of Accounts

The Board has changed its accounting policy for the translation of the profits and losses of foreign subsidiaries from using the year end rate of exchange to using the average rate of exchange. The Board considers that as the profits of overseas operations become increasingly significant, this policy will more accurately reflect the performance of the Group as a whole by reducing the effect of volatility in exchange rates upon reported profits. Comparative amounts for 1992 have not been restated as the effect of this change in accounting policy on the amounts as previously published is immaterial.

Since the previous Annual Report, the Accounting Standards Board has issued two Financial Reporting Standards: FRS 2 — Accounting for Subsidiary Undertakings and FRS 3 — Reporting Financial Performance. The financial statements for the year ended 30 June 1993 comply with both standards. FRS 3 prescribes a new format for the profit and loss account and requires that the accounts include a statement of total recognised gains and losses and a reconciliation of movements in shareholders' interests. FRS 3 has also changed the definition of extraordinary items and the basis of calculation of earnings per share. On this basis extraordinary items charged in 1992 have been reclassified as exceptional items and other comparative amounts have been restated accordingly.

Goods purchased and sold under contracts which oblige the Group to purchase goods from third parties and sell them on to customers at cost, which have previously been reported within turnover and cost of sales, are now excluded from turnover and cost of sales. Comparative figures have been restated to reflect this change in definition of turnover, which has been made to prevent future distortion of the reported levels of turnover as these contracts are replaced by others where the customer purchases goods direct from its suppliers.

Auditors

The Company's auditors, Touche Ross & Co., are willing to continue in office. Their reappointment, at a remuneration to be agreed by the directors, will be proposed at the Annual General Meeting.

Special Business at Annual General Meeting

The notice of Annual General Meeting on pages 55 and 56 sets out the following special business (resolutions 9, 10 and 11).

Allotment of Shares

Resolution 9 authorises the directors to allot ordinary shares of the Company up to an aggregate nominal amount of £1,343,688. This authority will expire on the date of the following Annual General Meeting.

Resolution 10 enables the directors to allot ordinary shares of the Company as if the pre-emption provisions of section 89 of the Companies Act 1985 did not apply, provided that such power of the directors is limited to the allotment of ordinary shares up to an aggregate nominal amount of £201,553 other than the allotment of ordinary shares pursuant to a rights issue.

These two resolutions comply with the guidelines issued by the various investor protection committees.

Authority to Purchase Own Shares

Resolution 11 renews the Company's general authority to re-purchase up to 40,000,000 of its own shares in the market at or between the maximum and minimum prices specified in the Resolution giving the authority. No purchase of shares has been made pursuant to last year's authority but the directors consider it desirable that the possibility of making such purchases under appropriate circumstances remains available. The directors have no present intention of using such authority and, in reaching a decision to purchase shares, will take into account the Company's cash resources, capital requirements and the effect of any purchase on earnings per share. It is anticipated that renewal of the authority will be requested at subsequent Annual General Meetings.

By Order of the Board

A G Morison
Secretary

20 September 1993

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are obliged under company law to prepare financial statements for each financial year and to present them annually to the Company's members in Annual General Meeting.

The financial statements, of which the form and content is prescribed by the Companies Act 1985, must give a true and fair view of the state of affairs of the Company at the end of the financial year, and the profit for that period, and they must comply with applicable accounting standards.

The directors are also responsible for the adoption of suitable accounting policies, their consistent use in the financial statements, supported where necessary by reasonable and prudent judgements.

The directors confirm that the above requirements have been complied with in the financial statements.

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

AUDITORS' REPORT

To the Members of Hays plc

We have audited the financial statements on pages 34 to 54 which have been prepared under the accounting policies set out on pages 39 and 40.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 30 June 1993 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co. Touche Ross & Co.

Chartered Accountants and Registered Auditors

20 September 1993

Hill House, 1 Little New Street, London EC4A 3TR

CONSOLIDATED PROFIT AND LOSS ACCOUNT for the year ended 30 June 1993

	Note	1993 £'000	1992 £'000	Increase
Turnover				
Continuing operations		474,001	379,695	
Acquisitions		3,132	—	
	1	477,133	379,695	
Operating profit				
Continuing operations		67,934	59,063	
Acquisitions		931	—	
Total operating profit	2	68,865	59,063	
Exceptional items				
Loss on disposal of discontinued operations	2	—	(1,791)	
Profit on ordinary activities before interest		68,865	57,272	+20%
Net interest payable	3	(2,263)	(1,706)	
Profit on ordinary activities before taxation		66,602	55,566	+20%
Tax on profit on ordinary activities	6	(20,389)	(17,487)	
Profit on ordinary activities after taxation		46,213	38,079	
Minority interests		(123)	—	
Profit for the financial year		46,090	38,079	+21%
Dividends	7	(21,357)	(18,150)	
Transferred to reserves	19	24,733	19,929	
Earnings per share	8	11.5p	10.0p	+15%

	Note	1993 £'000	1992 £'000
Fixed assets			
Tangible assets	9	236,001	206,915
Investments	10	3,321	2,537
		239,322	209,452
Current assets			
Stocks	11	15,867	14,535
Debtors	12	116,250	99,001
Cash at bank and in hand		26,321	22,531
		158,438	136,067
Creditors: amounts falling due within one year			
Borrowings	13	(16,567)	(25,397)
Acquisition liability	20	(44,970)	—
Other creditors	14	(164,563)	(142,377)
		(226,100)	(167,774)
Net current liabilities		(67,662)	(31,707)
Total assets less current liabilities		171,660	177,745
Creditors: amounts falling due after more than one year			
Borrowings	13	(13,313)	(11,963)
Other creditors	14	(14,275)	(14,237)
Provisions for liabilities and charges	16	(10,450)	(8,741)
		133,622	142,804
Capital and reserves			
Called up share capital	17	4,030	4,005
Share premium account	17	261,721	259,274
Revaluation reserve	19	26,401	36,217
Other reserves	19	1,583	521
Profit and loss account	19	98,443	73,556
		392,178	373,573
Goodwill reserve	19	(262,376)	(230,769)
Shareholders' interests		129,802	142,804
Minority interests		820	—
		,622	142,804

These accounts were approved by the Board of Directors on 20 September 1993.

Signed on behalf of the Board of Directors

R E Frost

D C Tibble

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 30 June 1993

	1993 £'000	1992 £'000
Profit for the financial year transferred to reserves	24,733	19,929
Diminution in value of properties	(9,662)	—
	15,071	19,929
Currency translation differences on foreign currency net investments	1,062	(109)
Total recognised gains and losses relating to the year	16,133	19,820

There is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis. Accordingly, a note of the historical cost profits and losses for the year is not given.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' INTERESTS for the year ended 30 June 1993

	1993 £'000	1992 £'000
Profit for the financial year	46,090	38,079
Dividends	(21,357)	(18,150)
	24,733	19,929
Diminution in value of properties	(9,662)	—
Other recognised gains and losses relating to the year (net)	1,062	251
New share capital subscribed	2,472	34,510
Goodwill written-off	(31,607)	(18,535)
Net (decrease)/increase in shareholders' interests	(13,002)	36,155
Opening shareholders' interests	142,804	106,649
Closing shareholders' interests	129 802	142,804

The particular accounting policies adopted are described below. Financial Reporting Standard 3 – Reporting Financial Performance has been adopted and comparative figures have been restated accordingly. Comparative figures have also been amended, where appropriate, for minor changes in presentation.

a Accounting convention

The financial statements have been prepared in accordance with applicable accounting standards using the historical cost convention as modified by the revaluation of certain freehold and long and short leasehold properties.

b Consolidation

The results of subsidiary undertakings ("subsidiaries") acquired during the year are included from the effective date of acquisition. The results of subsidiaries sold are included up to the effective date of disposal.

c Investments

(i) *Subsidiaries*

Shares in subsidiaries are valued at cost less provision for permanent diminution in value.

(ii) *Associated companies*

Investments in associated undertakings ("associated companies") are stated at the amount of the Group's share of net assets. The consolidated profit and loss account includes the Group's share of associated companies' profits after taxation.

(iii) *Other investments*

Investments held as fixed assets are shown at cost less provision for permanent diminution in value.

d Foreign currencies

The assets and liabilities of foreign subsidiaries denominated in foreign currencies are translated into £ sterling at the rates ruling at the year end. Profits and losses of foreign subsidiaries are translated into £ sterling at average rates of exchange.

The differences arising from the translation of the opening balance sheets and retained earnings of foreign subsidiaries at the year end rate are dealt with through reserves. Other translation differences are dealt with in the profit and loss account.

e Goodwill

Goodwill arising on the acquisition of subsidiaries and associated companies is written off directly to reserves in the year of acquisition.

f Deferred taxation

Deferred taxation is provided on all timing differences which are expected to reverse in the future at the rate of tax which it is anticipated will apply.

g Stocks and work in progress

Stocks and work in progress are valued at the lower of cost, inclusive of appropriate overheads, and estimated net realisable value.

h Tangible fixed assets and depreciation

Tangible fixed assets are shown at cost as modified by the revaluation of certain freehold and long and short leasehold properties.

Depreciation of fixed assets is on a straight line basis calculated at annual rates estimated to write off each asset over the term of its useful life.

The rates in use are as follows:

Freehold land	No depreciation is provided
Freehold buildings	2% to 10%
Leasehold properties	The book value is written off over the unexpired period of the lease
Plant and machinery	5% to 33%
Fixtures and fittings	10% to 25%

No depreciation is provided on assets in the course of construction.

Government grants are credited to deferred income when received and are released to the profit and loss account over the expected useful economic lives of the assets concerned.

i Capitalisation of interest

Interest incurred on borrowings to finance specific developments is capitalised; full provision is made for deferred tax thereon.

j Leased assets

Finance leases

Certain items of plant and machinery and certain freehold properties and ships and craft financed by leasing agreements giving rights approximating to ownership ("finance leases") are included in the balance sheet as fixed assets at cost or valuation less accumulated depreciation. The capital element of future rentals is treated as a liability. The interest element is charged to the profit and loss account over the period of the finance leases in proportion to the balance of capital repayments outstanding.

Operating leases

Leasing rentals in respect of operating leases are charged to the profit and loss account in the period in which the leasing expenditure is incurred.

k Turnover

Turnover represents the amounts receivable for services provided and goods sold excluding trade discounts, value added tax and similar sales related taxes, apportioned over the period to which they relate.

Certain distribution contracts oblige the Group to purchase goods from third parties and sell them on to the customer at cost. As the Group is rewarded for the distribution service provided, and as the sale and purchase of the goods have no impact on the operating profit, the amounts invoiced on to customers and charged by suppliers for the sale and purchase of these goods are excluded from turnover and cost of sales. Stocks, debtors and creditors relating to such transactions are included in the consolidated balance sheet.

l Pension costs

Defined retirement benefits to employees are funded by contributions from the Group companies and employees. Payments are made into the various pension funds in accordance with periodic calculations by consulting actuaries and are charged against the profits of the year so as to create a stable contribution rate.

1 Segmental Information

	1993 Turnover £'000	1993 Operating Profit £'000	1993 Operating Net Assets £'000	1992 Turnover £'000	1992 Operating Profit £'000	1992 Operating Net Assets £'000
By Business Sector						
Distribution	304,196	37,973	191,991	233,480	33,510	170,376
Personnel	98,831	6,714	6,442	79,329	4,771	5,995
Commercial	74,106	24,178	35,238	66,886	20,782	32,381
Discontinued operations	—	—	—	—	(1,791)	—
	477,133	68,865	233,671	379,695	57,272	208,752
By Geographical Area						
United Kingdom	385,143	59,610	172,152	356,170	56,376	173,101
Other EC	66,537	8,250	59,607	9,097	460	34,757
Rest of the World	25,453	1,005	1,912	14,428	436	894
	477,133	68,865	233,671	379,695	57,272	208,752

Turnover excludes sales of £307,074,000 (1992 — £300,169,000) where the Group is obliged under certain distribution contracts to purchase goods on customers' behalf and sell them on at cost.

There is no material difference between the geographical split of the Group's turnover by area of origin and area of destination.

Operating net assets are net assets excluding interest bearing assets/liabilities, tax, dividend creditors and acquisition liability.

2 Operating Profit

	Note	1993 £'000	1992 £'000
Operating profit is after charging/(crediting)			
Purchases, raw materials, consumables and other charges		248,560	202,5?7
Staff costs	5	129,201	94,693
Depreciation		15,214	12,254
Hire of plant and machinery			
Operating lease rentals		5,336	3,959
Other rentals		4,272	3,006
Other operating lease rentals (including land and buildings)		9,547	8,320
Changes in stocks, own work capitalised and other operating income		(3,250)	(3,082)
Share of profits of associated companies		(612)	(1,075)
		408,268	320,632
Exceptional items			
Disposal of Traveldoc		—	1,431
Goodwill written back on disposal of Aries Paper Limited		—	360
		408,268	322,423

Auditors' remuneration amounted to £645,000 (1992 — £595,000) in respect of audit services and in addition the auditors received £308,000 (1992 — £241,000) in respect of non-audit services.

Amounts included in the operating expenses above in respect of acquisitions have not been analysed separately as they are immaterial.

3 Net Interest Payable

	1993 £'000	1992 £'000
Interest payable and similar charges:		
Bank overdrafts and other loans wholly repayable within five years	(1,845)	(3,109)
Other loans not wholly repayable within five years	(1,210)	—
Finance charges payable under finance leases	(1,639)	(374)
Capping expense	—	(256)
	(4,694)	(3,739)
Interest capitalised on freehold developments	2,179	1,973
	(2,515)	(1,766)
Interest receivable and similar income	252	60
Net interest payable	(2,263)	(1,706)

Interest capitalised during the year is in respect of the construction of a new composite distribution warehouse to fulfil a 25 year contract with Waitrose Ltd (see note 9).

4 Directors' Emoluments

	1993 £'000	1992 £'000
Fees	36	38
Management remuneration	1,026	825
Pension contributions	400	425
	1,462	1,288
Analysis of directors' emoluments (excluding pension contributions)		
Chairman and highest paid director	224	210

Scale of other directors' emoluments	Number	Number
£ 5,001 — £ 10,000	1	1
£ 10,001 — £ 15,000	2	3
£ 50,001 — £ 55,000	1	—
£ 55,001 — £ 60,000	1	—
£ 60,001 — £ 65,000	1	—
£ 80,001 — £ 85,000	1	—
£ 85,001 — £ 90,000	1	—
£115,001 — £120,000	1	—
£135,001 — £140,000	—	1
£140,001 — £145,000	—	1
£145,001 — £150,000	—	1
£155,001 — £160,000	1	—
£175,001 — £180,000	—	1
£185,001 — £190,000	1	—

No director waived fees during the year.

5 Staff Costs

	1993 £'000	1992 £'000
Wages and salaries	108,946	83,817
Social security costs	15,409	7,493
Other pension costs	4,846	3,383
	129,201	94,693

Average Number of Persons Employed	Number	Number
Distribution	4,448	3,312
Personnel	800	829
Commercial	1,292	1,194
	6,540	5,335

Pension Schemes

The Group operates a number of pension schemes for employees and executive directors. The most significant schemes are of the defined benefit type. The assets of each scheme are held in separate trustee administered funds.

Pension costs for the Group in the year were £3,133,000 (1992 — £3,383,000), based on a regular cost of £4,448,000 (1992 — £4,727,000) and variation of £1,315,000 (1992 — £1,344,000). The principal schemes were assessed by independent actuaries as at 1 July 1991 to ascertain the cost of the schemes to the Group using the projected unit method. The principal assumption is that the average long-term rate of return earned by the schemes would be 2% per annum higher than the rate of salary inflation and 4% per annum higher than the rate of increase of present and future pensions.

At the date of the latest actuarial valuations, the market value of the assets of the most significant defined benefit schemes was £50.5 million and the actuarial value of the assets was sufficient to cover 110% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The actuarial surplus is being spread over the average remaining service life of current employees (estimated 12 years), on a straight line basis.

6 Tax on Profit on Ordinary Activities

	1993 £'000	1992 £'000
United Kingdom corporation tax at 33% (1992 — 33%) based on profits for the year	18,130	17,240
Less: double taxation relief	(1)	(16)
	18,129	17,224
United Kingdom deferred taxation	2,445	353
Overseas taxation — current	521	185
— deferred	(107)	28
Associated companies — corporation tax	259	355
	21,247	18,145
Adjustment to prior years' tax provisions	(858)	(658)
	20,389	17,487

7 Dividends

	1993 £'000	1992 £'000
Interim — 1.7p (1992 — 1.5p) per Ordinary Share	6,849	5,734
Final proposed — 3.6p (1992 — 3.1p) per Ordinary Share	14,508	12,416
	21,357	18,150

8 Earnings per Share

The calculation of earnings per share is based on earnings from ordinary activities after taxation and minority interests of £46,090,000 and 401,845,315 shares. (1992 — £38,079,000 and 381,284,862 shares.)

9 Tangible Fixed Assets

The Group	Freehold properties £'000	Leasehold properties Long £'000	Leasehold properties Short £'000	Plant and machinery £'000	Fixtures and fittings £'000	Assets in course of construction £'000	Total £'000
Cost or Valuation							
At 1 July 1992	104,997	10,255	6,562	142,534	11,693	28,085	304,126
Exchange adjustments	3,149	—	28	3,140	517	10	6,844
Additions							
Subsidiaries and businesses acquired	18,175	—	190	13,046	1,818	117	33,346
Capital expenditure	3,628	229	387	14,305	1,458	6,660	26,667
Disposals	(56)	(57)	(118)	(7,237)	(573)	—	(8,041)
At 30 June 1993	129,893	10,427	7,049	165,788	14,913	34,872	362,942
Accumulated Depreciation							
At 1 July 1992	5,406	716	1,820	81,633	7,636	—	97,211
Exchange adjustments	397	—	27	1,528	233	—	2,185
Relating to assets of subsidiaries and business acquired	—	—	51	7,578	1,108	—	8,737
Provision for the year	1,675	149	322	11,906	1,162	—	15,214
Disposals	(55)	(45)	(82)	(5,556)	(330)	—	(6,068)
Provisions for permanent diminution	8,690	628	344	—	—	—	9,662
At 30 June 1993	16,113	1,448	2,482	97,089	9,809	—	126,941
Net Book Value							
At 30 June 1993	113,780	8,979	4,567	68,699	5,104	34,872	236,001
At 30 June 1992	99,591	9,539	4,742	60,901	4,057	28,085	206,915

Comparable amounts determined according to the historical cost convention:	Freehold properties £'000	Leasehold properties Long £'000	Leasehold properties Short £'000
Cost	102,313	6,576	6,164
Accumulated depreciation	(10,711)	(1,105)	(2,312)
Net Book Value			
At 30 June 1993	91,602	5,471	3,852
At 30 June 1992	68,606	5,393	3,656

Freehold properties include land at cost or valuation of £43,840,000 (1992 — £38,153,000) which is not depreciated. Freehold properties, plant and machinery and fixtures and fittings include cost of £15,210,000 (1992 — £26,980,000) and aggregate depreciation of £6,605,000 (1992 — £8,465,000) in respect of assets held under finance leases and hire purchase contracts. The depreciation charge for the year includes £1,947,000 (1992 — £656,000) in respect of these assets.

9 Tangible Fixed Assets continued

Freehold, long leasehold and short leasehold land and buildings comprising certain of the major properties were revalued on 30 June 1989 at £62,575,000, £9,750,000 and £3,225,000 respectively. Following a review at 30 June 1993 of certain properties where a permanent diminution to the Group may exist the Directors have made a downward revaluation of these properties by £9,662,000. This has been accounted for by an adjustment to the revaluation reserve as no properties have been written down below their depreciated historical cost.

Assets in course of construction represent primarily the costs incurred to date on the construction of a dedicated distribution depot at Milton Keynes. The depot will be used to fulfil a 25 year contract to distribute ambient and chilled products on behalf of Waitrose Ltd to approximately half of their shops. The project commenced in May 1991 and was fully operational at 1 August 1993. Total project costs are £29 million (before capitalisation of interest) of which £9.7 million relates to the purchase of land and the remainder to buildings. The land is included in the figure for assets in the course of construction and is not depreciated. At 30 June 1993 interest of £4,548,000 (1992 — £2,369,000) has been capitalised as part of the cost of the project.

The Company	Short leasehold properties £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost				
At 1 July 1992	238	882	360	1,480
Additions	11	289	17	317
Disposals	—	(209)	—	(209)
At 30 June 1993	249	962	377	1,588
Accumulated Depreciation				
At 1 July 1992	95	529	278	902
Provision for the year	17	133	23	173
Disposals	—	(131)	—	(131)
At 30 June 1993	112	531	301	944
Net Book Value				
At 30 June 1993	137	431	76	644
At 30 June 1992	143	353	82	578

Commitments

	Group 1993 £'000	1992 £'000
Capital expenditure — authorised and contracted for	3,054	1,866
Capital expenditure — authorised but not contracted for	9,108	11,999

10 Investments

The Group	Associated companies: Shares at cost £'000	Associated companies: Share of post acquisition reserves £'000	Loans £'000	Other investments £'000	Total £'000
At 1 July 1992	1,835	664	15	23	2,537
Exchange adjustments	—	73	—	2	75
Additions					
Subsidiaries and business acquired	482	—	—	429	911
Other	74	—	90	86	250
Disposals	(281)	—	—	(16)	(297)
Dividends	—	(508)	—	—	(508)
Share of profits of associated companies	—	353	—	—	353
At 30 June 1993	2,110	582	105	524	3,321

The Company	Shares in subsidiaries £'000
At 1 July 1992	185,786
Purchases of shares from subsidiaries	149,230
At 30 June 1993	335,016

Details of the principal subsidiaries and associated companies are shown in note 25.

11 Stocks

	1993 £'000	1992 £'000
Finished goods and goods for resale	11,977	11,079
Work in progress	658	608
Raw materials and consumables	3,232	2,848
	15,867	14,535

12 Debtors

	Group 1993 £'000	Group 1992 £'000	Company 1993 £'000	Company 1992 £'000
Trade debtors	92,125	77,748	—	—
Amounts owed by subsidiaries	—	—	261,559	168,636
Other debtors	11,225	9,507	4,340	4,454
Prepayments and accrued income	12,900	11,746	942	571
	116,250	99,001	266,841	173,661

Group and Company other debtors include advance corporation tax recoverable of £1,093,000 (1992 — £2,208,000) and £4,213,000 (1992 — £4,138,000) respectively, due after more than one year.

13 Borrowings

	Group		Company	
	1993 £'000	1992 £'000	1993 £'000	1992 £'000
Loan notes	6,761	4,977	3,481	4,644
Bank loans — secured	12,860	12,429	—	—
— unsecured	2,371	14,755	—	—
Revolving committed facilities	7,870	3,783	33,289	13,210
Other loans — secured	18	—	—	—
— unsecured	—	1,416	—	—
	29,880	37,360	36,770	17,854
Loan obligations are repayable as follows:				
Over five years — by instalment	5,708	7,213	—	—
— other	2,051	—	—	—
Over two years and under five years	3,706	3,144	—	—
Over one year and under two years	1,848	1,606	—	—
Total over one year	13,313	11,963	—	—
Under one year	16,567	25,397	36,770	17,854
Total borrowings	29,880	37,360	36,770	17,854

The loan notes have been issued in connection with subsidiaries acquired and the majority are payable on demand and bear interest at money market deposit rates.

The secured bank loans are secured on certain properties and other fixed assets.

Loans due after more than five years bear interest at rates between 9.25% and 13.5% and are repayable between July 1998 and October 2006.

14 Other Creditors

	Group 1993 £'000	Group 1992 £'000	Company 1993 £'000	Company 1992 £'000
Amounts falling due within one year				
Trade creditors	64,936	55,220	132	253
Amounts owed to subsidiaries	—	—	261,918	55,872
Taxation	36,456	34,323	9,110	7,922
Social security	3,542	2,938	24	20
Other creditors	9,474	5,117	2	66
Finance lease obligations	2,829	3,292	—	—
Dividends payable	14,508	12,416	14,508	12,416
Pension accrual	288	700	288	700
Accruals and deferred income	32,530	28,371	454	1,031
	164,563	142,377	286,436	78,280
Amounts falling due after more than one year				
Finance lease obligations	11,513	12,229		
Other creditors	1,087	403		
Accruals and deferred income	1,675	1,605		
	14,275	14,237		

Accruals and deferred income include an amount of £1,145,000 (1992 — £1,211,000) which is due after more than five years.

15 Lease Commitments

a Finance Leases

	1993 £'000	1992 £'000
Net obligations are payable as follows:		
Within one year	2,829	3,292
Over one year and under two years	2,172	2,210
Between two and five years	3,870	4,174
After five years	5,471	5,845
	14,342	15,521

The finance leases relate to freehold properties, plant and machinery, fixtures and fittings and ships. They are secured by retention of title to the relevant assets and bear interest at market rates.

b Operating Leases

At 30 June 1993 the Group and the Company were committed to making the following payments in the year to 30 June 1994 in respect of operating leases:

		Group Land and buildings £'000	Group Other £'000	Company Land and buildings £'000
Leases which expire:	Within one year	438	789	—
	Within two to five years	2,557	4,146	—
	After five years	6,999	1,820	231
		9,994	6,755	231

16 Provisions for Liabilities and Charges

The Group	Pensions £'000	Deferred taxation £'000	Other £'000	Total £'000
At 1 July 1992	960	2,503	5,278	8,741
Exchange adjustments	—	240	36	276
Acquisitions	2,439	—	2,171	4,610
Charged/(credited) to profit & loss account	(960)	2,338	(832)	546
Utilised	—	—	(2,533)	(2,533)
Movement in advance corporation tax offset against deferred taxation	—	(1,190)	—	(1,190)
At 30 June 1993	2,439	3,891	4,120	10,450

Other provisions consist of rationalisation, reorganisation and closure costs.

The Company	Pensions £'000	Deferred taxation £'000	Other £'000	Total £'000
At 1 July 1992	960	—	982	1,942
Credited to profit and loss account	(960)	—	(750)	(1,710)
Applied	—	—	(14)	(14)
At 30 June 1993	—	—	218	218

UK deferred taxation is calculated at 33%. Deferred taxation for the Group companies comprises £4,973,000 (1992 — £3,695,000) relating to accelerated tax allowances and £2,039,000 (1992 — £738,000) in respect of other timing differences. Against the total provision of £7,012,000 (1992 — £4,433,000), £3,120,000 (1992 — £1,930,000) of advance corporation tax has been offset.

Provision has not been made for further deferred taxation liabilities of £28,332,000 (1992 — £12,380,000), relating mainly to tax allowances of £20,672,000 (1992 — £7,962,000) and gains on revalued properties of £7,660,000 (1992 — £4,769,000) which are not expected to crystallise in the foreseeable future.

17 Called Up Share Capital and Share Premium

Authorised Share Capital

	1993 Number 000's	1993 £'000	1992 Number 000's	1992 £'000
Ordinary Shares of 1p each	1,067,180	10,672	1,067,180	10,672
Undesignated Shares of 1p each	7,823,714	78,237	7,823,714	78,237
	8,890,894	88,909	8,890,894	88,909

Called Up Share Capital and Share Premium Account

	Share Capital Number 000's	Share Capital £'000	Share Premium Account £'000
Allotted and fully paid Ordinary Shares of 1p each			
At 1 July 1992	400,477	4,005	259,274
Shares allotted on the exercise of options between 1p and 227p under the Company's share option schemes	2,481	25	2,447
At 30 June 1993	402,958	4,030	261,721

18 Share Options

At 30 June 1993 the following options had been granted and remained outstanding in respect of the Company's Ordinary Shares of 1p each under the Company's share option schemes:

	Number of shares	Amount of shares £'s	Subscription price	Date normally exercisable
The Hays Share Option Scheme:	50,000	500	1p	1991-1998
	15,000	150	10p	1992-1999
	20,000	200	37p	1992-1999
	85,000	850		
The Hays plc 1989 Executive Share Option Scheme:	1,497,375	14,974	105p	1992-1999
	485,725	4,857	105p	1993-2000
	490,000	4,900	122p	1994-2001
	1,611,000	16,110	164p	1994-2001
	140,000	1,400	180p	1995-2002
	4,742,593	47,426	184p	1995-2002
	1,803,443	18,034	227p	1996-2003
	10,770,136	107,701		
The Hays plc Savings-Related Share Option Scheme:	3,697,886	36,979	111p	1996-1998
	1,423,734	14,237	148p	1997-1999
	1,199,232	11,992	184p	1998-2000
	6,320,852	63,206		
	17,175,988	171,759		

19 Reserves

The Group	Revaluation reserve £'000	Other reserves £'000	Profit and loss account £'000	Goodwill reserve £'000
At 1 July 1992	36,217	521	73,556	(230,769)
Translation differences in respect of foreign subsidiaries	—	1,062	—	—
Transfer of additional depreciation on revalued assets	(154)	—	154	—
Provisions for permanent diminution	(9,662)	—	—	—
Transferred from profit and loss account	—	—	24,733	—
Goodwill (note 20)	—	—	—	(31,607)
At 30 June 1993	26,401	1,583	98,443	(262,376)

The consolidated goodwill reserve represents the excess of the consideration for the operations acquired by the Group over the fair value of the assets acquired. The goodwill has been written off to reserves and is maintained as a separate negative reserve.

The Company	Profit and loss account £'000
At 1 July 1992	14,777
Transferred from profit and loss account	10,080
At 30 June 1993	24,857

As permitted by Section 230 of the Companies Act 1985 the profit and loss account of the Company is not presented as part of these financial statements. The consolidated profit for the financial year includes a profit of £3[illegible],437,000 (1992 — £22,191,000) which is dealt with in the accounts of Hays plc

20 Acquisitions

Acquisitions completed during the year were Citidata Storage PLC, the Talin business of Tate & Lyle PLC and E Mordhorst Internationale Spedition KG GmbH & Co (Mordhorst). The effective dates of acquisition were respectively 1 July 1992, 19 November 1992 and 30 June 1993. The goodwill written-off on each acquisition was £5,132,000, £1,041,000 and £25,434,000 respectively.

Goodwill arising during the year is as follows:	Net tangible assets acquired £'000	Fair value adjustments £'000	Fair value of assets acquired £'000
Tangible fixed assets	15,271	9,338	24,609
Fixed asset investments	911	—	911
Cash	7,182	—	7,182
Debtors	7,700	—	7,700
Stocks	301	—	301
Borrowings	(1,642)	—	(1,642)
Creditors & Provisions	(24,088)	(2,171)	(26,259)
	5,635	7,167	12,802
Minority interest			(3,672)
			9,130
Consideration			(40,737)
Goodwill (see note 19)			(31,607)

20 Acquisitions continued

Included in fair value adjustments are reorganisation provisions of £2,171,000 and revaluations of tangible fixed assets.

The acquisition of 75% of the equity of Mordhorst completed on 30 June 1993 was conditional on clearance by the German Cartel office and the satisfactory reissuing of various transport licences. These conditions were subsequently met and the initial purchase price of £31,496,000 was paid to the vendors on 26 August 1993. A further £1,970,000 is payable depending upon earnings for the 6 months to 30 June 1993 reaching a specified level. The directors believe that this level will be met and their provisional determination of goodwill has included this further payment.

Mordhorst has been consolidated into the Group accounts at 30 June 1993 and therefore none of its operating results have been included in those of the Group. As the conditions mentioned above were not satisfied at the balance sheet date the full purchase price of £33,466,000 and the repayment of partnership loans of £11,504,000 have been included on the face of the balance sheet as an acquisition liability. It is expected that these amounts will be fully paid-out by 31 December 1993. There are put and call options on the remaining shareholdings from 31 December 1998 based upon earnings related formulae.

21 Contingent Liabilities

	Group		Company	
	1993	1992	1993	1992
	£'000	£'000	£'000	£'000
Bank and other guarantees	100	100	20,385	27,008
Other	309	502	—	—
	409	602	20,385	27,008

Performance bonds and other guarantees given in the normal course of business are not included above

There is additional contingent purchase consideration payable in respect of the acquisition of Fril up to an estimated maximum of French Francs 75,000,000, based upon an earnings formula for the years ending 30 June 1994 and 1995.

22 Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	1993	1992
	£'000	£'000
Operating profit	68,865	59,063
Depreciation	15,214	12,254
Share of profit of associated companies	(612)	(1,075)
Profit on sale of fixed assets and investments	(1,171)	(703)
Exceptional items	—	(1,431)
Increase in debtors	(9,843)	(1,300)
Increase in stocks	(1,031)	(363)
Increase in creditors	6,129	8,112
Net cash inflow from operating activities	77,551	74,557

23 Acquisition and Disposal of Subsidiary Undertakings

	Acquisitions 1993 £'000	Acquisitions 1992 £'000	Disposals 1993 £'000	Disposals 1992 £'000
Tangible fixed assets	24,609	35,954	—	11
Fixed asset investments	911	490	—	—
Stocks	301	327	—	165
Debtors	7,700	13,033	—	5
Creditors	(21,649)	(12,956)	—	—
Loans and finance leases	(1,642)	(28,105)	—	—
Deferred taxation	—	(1,807)	—	—
Provisions for liabilities and charges	(4,610)	(3,086)	—	—
Goodwill	31,607	18,535	—	—
Minority interest	(3,672)	—	—	—
	33,555	22,385	—	181
Satisfied by cash	2,990	24,077	—	181
Cash and cash equivalents acquired	(7,182)	(1,767)	—	—
	(4,192)	22,310	—	181
Deferred consideration	—	75	—	—
Consideration payable	37,747	—	—	—
	33,555	22,385	—	181

24 Movement in Net Debt

	Cash & Cash Equivalents 1993 £'000	Cash & Cash Equivalents 1992 £'000	Borrowings 1993 £'000	Borrowings 1992 £'000
At 1 July	17,334	(7,823)	47,683	15,224
Foreign exchange movement	91	38	3,691	(7)
Movement during year	1,008	25,119	—	—
Borrowings repaid	—	—	(20,730)	(682)
Borrowings raised	—	—	4,048	5,043
Borrowings acquired (net)	—	—	1,642	28,105
At 30 June	18,433	17,334	36,334	47,683

Cash and cash equivalents comprise cash at bank and in hand, short-term deposits less overdrafts, bank and other loans with a maturity date within three months of inception. Borrowings include finance lease obligations.

25 Principal Subsidiaries and Associated Companies

Holding Companies

*Hays Specialist Holdings Ltd

*Hays Overseas Holdings Ltd

Hays France S.A. (France)

Hays Overseas Holdings GmbH (Germany)

Hays USA Holdings, Inc (USA)

25 Principal Subsidiaries and Associated Companies continued

Distribution *(specialised distribution activities)*

*Hays Chemical Distribution Ltd *(bulk and packaged chemical distribution)*

Blacksmith Chemical Services Limited (50%) (Scotland)
Hays Chemical Distribution (Ireland) Limited (Eire)
Hays Colours Ltd
Hays Speichim (UK) Ltd (50%)
International Additives Limited

*Hays Distribution Services Ltd *(distribution and warehousing services for retailers and manufacturers)*

Hays Contract Distribution Ltd
T C D Temperature Controlled Distribution Limited

*Hays Specialist Distribution Ltd *(distribution of shopfittings and home delivery for retailers and manufacturers)* (trading as Bucks and Abels)

Groupe Fril S.A. (France)
TAC Transports S.A. (France)
Transports Barre & Fils S.A. (France)
(distribution and warehousing services in France for retailers and manufacturers — trading as Hays Fril)

Hays — E Mordhorst Beteiligungs GmbH (Germany)
E Mordhorst Internationale Spedition KG GmbH & Co (75%) (Germany) *(distribution and warehousing services in Germany for manufacturers)*

*Hays Network Distribution Ltd *(multi-user storage distribution)*

Hays Storage Services Ltd
Interbond Distribution Ltd
Crescent Shipping Ltd
Crescent Marine Services Ltd
Crescent Wharves Ltd
Trafco UK Ltd

Personnel *(specialist staff recruitment agencies)*

*Hays Personnel Services Limited

The Career Care Group Limited (trading as Accountancy Personnel)
Accountancy Placements Pty Limited (Australia)
Montrose Technical Staff Limited

Commercial *(office support services)*

*Hays Commercial Services Limited *(trading as Britdoc, Data Express, Hays Business Services and Rentacrate)*

Hays Business Services S.A. (Belgium)
Francedoc S.A. (France)
Citidata Storage PLC

*St Olaf Insurance Brokers Limited

1. At 30 June 1993 Hays plc (and/or a subsidiary or subsidiaries in aggregate) owned 100% of each class of the issued shares of the companies except where a smaller proportion is indicated. Shares in companies marked with an asterisk (*) were owned directly by Hays plc and in companies not so marked were owned by a subsidiary or subsidiaries of Hays plc.

2. Companies are registered and operate in England and Wales unless otherwise indicated.

3. The list of companies includes holding companies and those which had a material effect on the consolidated results to 30 June 1993. Information on the other companies in the Group will be included in the next annual return.

Notice is hereby given that the sixth Annual General Meeting of Hays plc will be held at Woodlands Park Hotel, Woodlands Lane, Stoke D'Abernon, Cobham, Surrey KT11 3QB at 12 noon on Monday 8 November 1993 for the following purposes:

Ordinary Business

Resolution No 1
To receive and adopt the Accounts for the year ended 30 June 1993 and the reports of the directors and auditors thereon.

Resolution No 2
To declare a final dividend for the year ended 30 June 1993 which, if approved, will be paid on 30 November 1993 to shareholders on the register at the close of business on 22 October 1993.

To re-elect the following directors who retire from the Board having been appointed since the last Annual General Meeting:

Resolution No 3
Mr M E Aldridge

Resolution No 4
Mr D Matthewman

Resolution No 5
Mr M Proffitt

To re-elect the following directors who retire from the Board by rotation:

Resolution No 6
Mr J A Napier

Resolution No 7
Mr G J Williams

Resolution No 8
To reappoint Messrs Touche Ross & Co as auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the directors to fix their remuneration.

Special Business

Resolution No 9

Ordinary Resolution
That the directors be and are hereby generally and unconditionally authorised pursuant to and for the purposes of Section 80 of the Companies Act 1985 to exercise all the powers of the Company to allot relevant securities (as defined in Section 80(2) of the Companies Act 1985) up to the aggregate nominal amount of £1,343,688 provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company save that the Company may make an offer or agreement before the expiry of such authority which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

Resolution No 10

Special Resolution
That, subject to the passing of resolution 9 above:

(a) pursuant to Section 95(1) of the Companies Act 1985 the directors be and they are hereby empowered to allot equity securities (as defined by Section 94(2) of the Companies Act 1985) wholly for cash pursuant to the authority conferred by Resolution No 9 (otherwise than in compliance with Section 89(1) of the Companies Act 1985) provided that equity securities so allotted otherwise than in connection with a rights issue shall not exceed the aggregate nominal value of £201,553 and that this power shall expire at the conclusion of the next Annual General Meeting of the Company save that the Company may make an offer or agreement before the expiry of this power which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired, and

(b) for the purpose of this resolution the expression "rights issue" shall mean an offer of securities open for acceptance for a period fixed by the directors by way of rights to holders of Ordinary Shares on the register on a fixed record date or dates in proportion to their then holdings of such shares (but subject to such exclusion or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange).

Resolution No 11

Ordinary Resolution

That the Company be hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163 of the Companies Act 1985) of Ordinary Shares of 1p each in the capital of the Company ("Ordinary Shares") provided that:—

(a) the maximum number of Ordinary Shares hereby authorised to be purchased is 40,000,000,

(b) the minimum price which may be paid for each Ordinary Share is 1p,

(c) the maximum price which may be paid for each Ordinary Share is an amount equal to 105 per cent of the average of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the ten business days immediately preceding the day on which the Ordinary Share is purchased,

(d) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or 31 December 1994, whichever is earlier, (except in relation to the purchase of Ordinary Shares the contract for which was concluded before such date and which would or might be executed wholly or partly after such date) unless such authority is renewed prior to such time.

Words and expressions defined in or for the purposes of the Companies Act 1985 shall bear the same meaning herein.

By Order of the Board

A G Morison

Secretary

5 October 1993

Hays House, Millmead, Guildford, Surrey GU2 5HJ

Notes

1 A member entitled to attend and vote is entitled to appoint one or more proxies to attend and on a poll vote instead of him or her. A proxy need not be a member of the Company.

A form of proxy is enclosed which you are invited to complete and return. Completion and return of the proxy form in accordance with the instructions thereon will not prevent you from attending and voting at the meeting, instead of your proxy, if you wish to do so.

2 The register of interests of directors (and their families) together with copies of the directors' service contracts will be available for inspection at the registered office of the Company on weekdays (Saturdays and public holidays excepted) during usual business hours from the date of this notice until the date of the Annual General Meeting and will, on the day of the Annual General Meeting, be available for inspection at the place of the meeting from 11.45am until the conclusion of the meeting.

Hays Addresses

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Divisional Addresses
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Managing Director Nigel Wood

Specialist Chemicals
Managing Director Mike Coop

Packaged Chemical Distribution
Managing Director Ken Hough
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Hays Distribution Services
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Hays Specialist Distribution
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Hays Network Distribution
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Hays FHL
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Managing Director Didier Lachen
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