

Financial Statements

Financial Statements for the Group including the report from the independent Auditor.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAYS PLC

Opinion on financial statements of Hays plc

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 June 2016 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 101 'Reduced Disclosure Framework'; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

The financial statements comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Balance Sheets, the Consolidated Statement of Changes in Equity, the Consolidated Cash Flow Statement and the related notes 1 to 35 for the Consolidated financial statements and the related notes 1 to 15 for the parent Company financial statements. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and IFRSs as adopted by the European Union. The financial reporting framework that has

been applied in the preparation of the parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

Going concern and the directors' assessment of the principal risks that would threaten the solvency or liquidity of the Group

As required by the Listing Rules we have reviewed the directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 2b to the financial statements and the directors' statement on the longer-term viability of the Group contained within the Strategic Report on pages 42 and 43.

We have nothing material to add or draw attention to in relation to:

- the directors' confirmation on page 89 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 42 to 45 that describe those risks and explain how they are being managed or mitigated;
- the directors' statement in note 2b to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;

- the directors' explanation on pages 42 and 43 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We agreed with the directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team:

Risk	How the scope of our audit responded to the risk
<p>Debtor and accrued income recoverability</p> <p>The recoverability of trade receivables, accrued income and the level of provisions for bad debts are considered to be a significant risk due to the pervasive nature of these balances to the financial statements, and the importance of cash collection with reference to the working capital management of the business. At 30 June 2016, the total receivables and accrued income balances net of provisions included in note 17 was £695.8 million (2015: £558.9 million).</p> <p>Refer to the provisions in respect of recoverability of trade receivables critical accounting judgment and note 17 to the financial statements for further detail.</p>	<p>We have:</p> <ul style="list-style-type: none"> – assessed the design and implementation of key controls around the monitoring of recoverability; – challenged management regarding the level and ageing of receivables and accrued income, along with the consistency and appropriateness of receivables and accrued income provisioning by assessing recoverability with reference to cash received in respect of debtors and billings raised against accrued income. In addition we have considered the Company's previous experience of bad debt exposure, the individual counter-party credit risk, the level of provision held by other recruitment businesses and the general economic environment in each jurisdiction; – critically assessed the recoverability of overdue unprovided debt with reference to the historical levels of bad debt expense and credit profile of the counter-parties; – tested these balances on a sample basis through agreement to post period end invoicing, post period end cash receipt or agreement to the terms of the contract in place, as appropriate; and – considered the consistency of judgments regarding the recoverability of trade receivables and accrued income made year on year to consider whether there is evidence of management bias through discussion with management on their rationale and obtaining evidence to support judgment areas.

Risk	How the scope of our audit responded to the risk
<p>Revenue recognition</p> <p>The key risks on revenue recognition are:</p> <ul style="list-style-type: none"> - cut-off where revenue is not recognised in line with Group policy, which is to recognise revenue associated with temporary placements over the period that temporary workers are provided, and permanent placements on the start date; and - the presentation of revenue from temporary placements where Hays acts as a principal and revenue is recognised and presented on a gross rather than a net basis. <p>The risks noted above in relation to revenue are areas that can involve management judgment, therefore they are considered to be significant risks.</p> <p>Refer to the revenue recognition critical accounting judgment in note 3 to the financial statements for further detail.</p>	<p>We have:</p> <ul style="list-style-type: none"> - assessed the design and implementation and operating effectiveness of key controls around all streams of revenue recognised; - considered the appropriateness and accuracy of any cut-off adjustments processed by considering the start date of permanent placements and the term of a temporary placement with reference to the year end date; - evaluated whether revenue has been recognised in accordance with IAS 18 'Revenue' and with Hays' accounting policy by reviewing details of the Group revenue recognition policy, the application of this, and any significant new contracts; and - confirmed that all material temporary worker contractual arrangements where Hays acts as a principal and maintains the majority of the risk and rewards associated with the underlying agreement have been recognised and presented on a gross revenue basis in the financial statements.
<p>Goodwill impairment</p> <p>The total goodwill balance at 30 June 2016 was £220.4 million (2015: £198.4 million).</p> <p>Management is required to carry out an annual impairment test. This process is complex and highly judgmental given the indefinite nature of the goodwill. It is based on assumptions about future growth and discount rates, which can be sensitive particularly in certain jurisdictions where the growth rates are typically linked to individual country GDP and country wage inflation.</p> <p>Therefore, a risk exists that goodwill is overstated on the balance sheet should any judgments or assumptions be considered inappropriate.</p> <p>Refer to the goodwill impairment critical accounting judgment and note 13 to the financial statements for further detail.</p>	<p>We have:</p> <ul style="list-style-type: none"> - assessed the design and implementation of key controls around the impairment review process; - performed a detailed review and challenge of the models used including the macroeconomic assumptions used; - compared key assumptions (including discount rates and growth rates) used across the Group, used in the model to external data and, where possible, to information provided by Deloitte Valuations experts; - assessed the reasonableness of forecast future cash flows by comparison to historical performance and future outlook; - performed sensitivity analysis on key assumptions, including discount rates adopted; and - performed a detailed review of the disclosures in respect of impairments and impairment testing adopted by management.
<p>Pension accounting</p> <p>Pension accounting is complex and contains areas of significant judgment, notably the discount and inflation rates and demographic assumptions used in the valuation of the net liability. Therefore, a risk exists that inappropriate assumptions are used resulting in an inaccurate pension valuation at year-end.</p> <p>The net pension liability balance at 30 June 2016 was £14.3 million (2015: £58.7 million). The net pension liability recognised is lower than the present value of future contributions to fund the existing deficit.</p> <p>Refer to the pension accounting critical accounting judgment and note 22 to the financial statements for further detail.</p>	<p>We have:</p> <ul style="list-style-type: none"> - assessed the design and implementation of key controls around the pension accounting; - assessed the actuarial assumptions (discount rate, inflation rates, and mortality assumptions) adopted by the Group for the valuation of its retirement benefit obligations, with specific focus on changes to demographic assumptions and rates in the year; - utilised internal specialists to consider these assumptions and benchmarked them against a relevant comparator group; - reviewed the pension scheme liability. Whilst the scheme is currently in a net deficit position, the net pension liability recognised is lower than the present value of future contributions to fund the existing deficit. In order to assess whether an additional liability would need to be recognised, we reviewed the pension scheme trust documents to assess whether Hays has an unconditional right to any scheme surplus; and - reviewed the disclosures made in note 22 and compared these to the requirements of IAS 19 'Employee Benefits'.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAYS PLC

CONTINUED

Last year our report included one other risk which is not included in our report this year: acquisition accounting in respect to the acquisition of Veredus (the acquisition accounting period has now ended and we no longer see this as a specific risk area).

The description of risks above should be read in conjunction with the significant issues considered by the Audit Committee discussed on pages 61 and 62.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

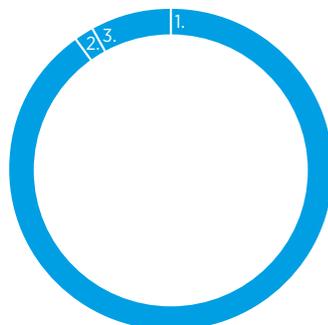
We determined materiality for the Group to be £8.0 million (2015: £7.4 million), which is approximately 5% (2015: 5.0%) of profit before tax, and below 3% (2015: 3%) of equity.

Profit before tax has been selected as the basis for materiality as this is the measure by which key stakeholders and the market assess the performance of the Group.

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of £160,000 (2015: £150,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

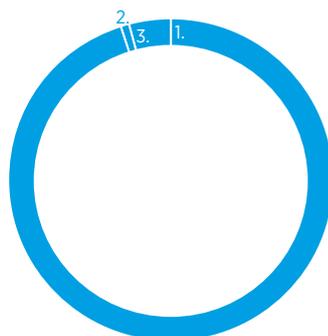
An overview of the scope of our audit

Net fees



1. Full scope audit **90%**
2. Specified procedures **2%**
3. Head office review **8%**

Profit before tax



1. Full scope audit **95%**
2. Specified procedures **1%**
3. Head office review **4%**

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Based on that assessment, we focused our Group audit scope primarily on the audit work at 32 (2015: 33) locations. 19 (2015: 19) of these were subject to a full audit, whilst the remaining 13 (2015: 14) were subject to an audit of specified account balances/specified audit procedures where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations at those locations. These 19 locations represent the principal business units within the Group's three reportable segments and account for 90% (2015: 90%) of the Group's net fees and 95% (2015: 92%) of profit before tax. The three key locations are Australia (APAC), Germany (CE&RoW) and UK (UK & Ireland) which account for 70% of net fees and 81% of profit before tax. Our audit work at the 32 locations were executed at levels of materiality applicable to each individual entity which were lower than Group materiality and ranged from £1.3 million to £5.0 million (2015: £1.2 million to £4.7 million).

At the parent entity level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

The Group audit team continued to follow a programme of planned visits that has been designed so that the Senior Statutory Auditor or a senior member of the Group audit team visits each of the material locations where the Group audit scope was focused at least once every two years. During the 2016 audit, the Senior Statutory Auditor visited the UK, Australia and Hong Kong. In addition, senior members of the audit team visited Germany and the USA. In years when we do not visit a significant component we will include the component audit team in our team planning and risk briefing, discuss their risk assessment, participate in the close meeting and review documentation of the findings from their work.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns. We have nothing to report arising from these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the Company's compliance with certain provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Respective responsibilities of directors and Auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team, and independent partner reviews.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Stephen Griggs
(Senior Statutory Auditor), FCA
 for and on behalf of Deloitte LLP
 Chartered Accountants and
 Statutory Auditor
 London, United Kingdom
 1 September 2016

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE

(In £s million)	Note	2016	2015
Turnover			
Continuing operations		4,231.4	3,842.8
Net fees⁽¹⁾			
Continuing operations	4	810.3	764.2
Operating profit from continuing operations	4	181.0	164.1
Net finance charge	8	(8.0)	(8.0)
Profit before tax		173.0	156.1
Tax	9	(51.9)	(50.7)
Profit from continuing operations after tax		121.1	105.4
Profit from discontinued operations	10	3.4	0.2
Profit attributable to equity holders of the parent Company		124.5	105.6
Earnings per share from continuing operations			
- Basic	12	8.48p	7.44p
- Diluted	12	8.37p	7.31p
Earnings per share from continuing and discontinued operations			
- Basic	12	8.72p	7.46p
- Diluted	12	8.60p	7.33p

(1) Net fees comprise turnover less remuneration of temporary workers and other recruitment agencies.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE

(In £s million)	2016	2015
Profit for the year	124.5	105.6
Items that will not be reclassified subsequently to profit or loss:		
Actuarial remeasurement of defined benefit pension schemes	35.5	(25.8)
Tax relating to components of other comprehensive income	(7.2)	6.3
	28.3	(19.5)
Items that may be reclassified subsequently to profit or loss:		
Currency translation adjustments	64.3	(31.3)
Mark to market valuation of derivative financial instruments	-	0.1
Other comprehensive income for the year net of tax	92.6	(50.7)
Total comprehensive income for the year	217.1	54.9
Attributable to equity shareholders of the parent Company	217.1	54.9

CONSOLIDATED BALANCE SHEET

AT 30 JUNE

(In £s million)	Note	2016	2015
Non-current assets			
Goodwill	13	220.4	198.4
Other intangible assets	14	21.6	29.8
Property, plant and equipment	15	19.8	15.6
Deferred tax assets	16	23.9	36.4
		285.7	280.2
Current assets			
Trade and other receivables	17	763.9	600.5
Cash and cash equivalents	18	62.9	69.8
Derivative financial instruments	19	6.6	-
		833.4	670.3
Total assets		1,119.1	950.5
Current liabilities			
Trade and other payables	21	(573.3)	(478.7)
Current tax liabilities		(27.1)	(19.5)
Bank loans and overdrafts	20	(1.1)	(0.5)
Provisions	23	(3.1)	(3.0)
		(604.6)	(501.7)
Non-current liabilities			
Bank loans	20	(25.0)	(100.0)
Acquisition liabilities	34	(11.2)	(8.6)
Retirement benefit obligations	22	(14.3)	(58.7)
Provisions	23	(6.2)	(11.9)
		(56.7)	(179.2)
Total liabilities		(661.3)	(680.9)
Net assets		457.8	269.6
Equity			
Called up share capital	24	14.7	14.7
Share premium	25	369.6	369.6
Capital redemption reserve	26	2.7	2.7
Retained earnings	27	(15.8)	(138.2)
Cumulative translation reserve	28	66.4	2.1
Equity reserve	29	20.2	18.7
Total shareholders' equity		457.8	269.6

The Consolidated Financial Statements of Hays plc, registered number 2150950, were approved by the Board of Directors and authorised for issue on 1 September 2016.

Signed on behalf of the Board of Directors

A R Cox

P Venables

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

(In £s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve	Other reserves	Total
At 1 July 2015	14.7	369.6	2.7	(138.2)	2.1	18.7	-	269.6
Currency translation adjustments	-	-	-	-	64.3	-	-	64.3
Remeasurement of defined benefit pension schemes	-	-	-	35.5	-	-	-	35.5
Tax relating to components of other comprehensive income	-	-	-	(7.2)	-	-	-	(7.2)
Net expense recognised in other comprehensive income	-	-	-	28.3	64.3	-	-	92.6
Profit for the year	-	-	-	124.5	-	-	-	124.5
Total comprehensive income for the year	-	-	-	152.8	64.3	-	-	217.1
Dividends paid	-	-	-	(39.9)	-	-	-	(39.9)
Share-based payments	-	-	-	10.2	-	1.5	-	11.7
Tax on share-based payment transactions	-	-	-	(0.7)	-	-	-	(0.7)
At 30 June 2016	14.7	369.6	2.7	(15.8)	66.4	20.2	-	457.8

FOR THE YEAR ENDED 30 JUNE 2015

(In £s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Cumulative translation reserve	Equity reserve	Other reserves	Total
At 1 July 2014	14.7	369.6	2.7	(197.7)	33.4	18.3	(0.3)	240.7
Currency translation adjustments	-	-	-	-	(31.3)	-	-	(31.3)
Mark to market valuation of derivative financial instruments	-	-	-	-	-	-	0.1	0.1
Remeasurement of defined benefit pension schemes	-	-	-	(25.8)	-	-	-	(25.8)
Tax relating to components of other comprehensive income	-	-	-	6.3	-	-	-	6.3
Net expense recognised in other comprehensive income	-	-	-	(19.5)	(31.3)	-	0.1	(50.7)
Profit for the year	-	-	-	105.6	-	-	-	105.6
Total comprehensive income for the year	-	-	-	86.1	(31.3)	-	0.1	54.9
Dividends paid	-	-	-	(37.9)	-	-	-	(37.9)
Share-based payments	-	-	-	10.5	-	0.4	0.2	11.1
Tax on share-based payment transactions	-	-	-	0.8	-	-	-	0.8
At 30 June 2015	14.7	369.6	2.7	(138.2)	2.1	18.7	-	269.6

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE

(In £s million)	Note	2016	2015
Operating profit from continuing operations		181.0	164.1
Adjustments for:			
Depreciation of property, plant and equipment		7.7	8.7
Amortisation of intangible assets		14.2	13.7
Net movements in provisions		(1.2)	(0.5)
Share-based payments		11.9	10.8
		32.6	32.7
Operating cash flow before movement in working capital		213.6	196.8
Movement in working capital:			
Increase in receivables		(98.8)	(53.0)
Increase in payables		44.5	45.9
		(54.3)	(7.1)
Cash generated by operations		159.3	189.7
Pension scheme deficit funding		(14.4)	(14.0)
Income taxes paid		(41.7)	(43.6)
Net cash inflow from operating activities		103.2	132.1
Investing activities			
Purchase of property, plant and equipment		(10.3)	(7.8)
Proceeds from sales of business assets		0.1	0.2
Purchase of intangible assets		(4.7)	(4.3)
Acquisition of subsidiaries		-	(35.7)
Cash paid in respect of acquisitions made in previous years		-	(1.6)
Interest received		0.5	0.5
Net cash used in investing activities		(14.4)	(48.7)
Financing activities			
Interest paid		(4.1)	(5.7)
Equity dividends paid		(39.9)	(37.9)
Proceeds from exercise of share options		1.5	1.8
Decrease in bank loans and overdrafts		(74.4)	(10.2)
Net cash used in financing activities		(116.9)	(52.0)
Net (decrease)/increase in cash and cash equivalents		(28.1)	31.4
Cash and cash equivalents at beginning of year	33	69.8	48.0
Effect of foreign exchange rate movements		21.2	(9.6)
Cash and cash equivalents at end of year	33	62.9	69.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General information

Hays plc is a Company incorporated in the United Kingdom and registered in England and Wales and its registered office is 250 Euston Road, London NW1 2AF.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretation Committee interpretations (IFRICs) as adopted by the European Union and therefore comply with Article 4 of the European Union International Accounting Standard (IAS) Regulation.

New standards and interpretations

The Consolidated Financial Statements have been prepared on the basis of the accounting policies and methods of computation applicable for the year ended 30 June 2016. These accounting policies are consistent with those applied in the preparation of the accounts for the year ended 30 June 2015 with the exception of the following new accounting standards, amendments and interpretations which were mandatory for accounting periods beginning on or after 1 January 2015, none of which had any material impact on the Group's results or financial position.

- IAS 19 (amendments) Employee Benefits (EU adoption from 1 February 2015)
- Annual Improvements to IFRSs 2012 (EU adoption from 1 February 2015)
- Annual Improvements to IFRSs 2013 (EU adoption from 1 January 2015)

There have been no alterations made to the accounting policies as a result of considering all IFRS and IFRIC amendments and interpretations that became effective during the financial year, as these were either not material to the Group's operation, or were not relevant.

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but which are only effective for our accounting periods beginning on or after 1 July 2016. These new pronouncements are listed as follows:

- IFRS 14 Regulatory Deferral Accounts (effective 1 January 2016)
- IFRS 10 and IAS 28 (amendments) Investment Entities Applying the Consolidated Exemption (effective from 1 January 2016)
- IFRS 11 (amendments) Accounting for Acquisitions of Interests in Joint Operations (effective 1 January 2016)
- IAS 1 (amendments) Presentation of Financial Statements (effective from 1 January 2016)
- IAS 16 and IAS 38 (amendment) Clarification of Acceptable Methods of Depreciation and Amortisation (effective 1 January 2016)
- IAS 27 (amendments) Equity Method in Separate Financial Statements (effective from 1 January 2016)
- Annual Improvements to IFRSs 2014 (effective 1 January 2016)
- IAS 12 (amendments) Income Taxes (effective from 1 January 2017)
- IAS 7 (amendments) Statement of Cash Flows on Disclosure Initiative (effective from 1 January 2017)
- IFRS 2 (amendments) Share Based Payments (effective 1 January 2018)
- IFRS 9 Financial Instruments (effective 1 January 2018)
- IFRS 15 Revenue from Contracts and Customer (effective 1 January 2018)
- IFRS 15 (amendments) Revenue from Contracts and Customer (effective 1 January 2018)
- IFRS 16 Leases (effective 1 January 2019)

The directors are currently evaluating the impact of the adoption of these standards, amendments and interpretations but do not expect them to have a material impact on the Group operation or results with the exception of IFRS 16 Leases. IFRS 16 will primarily change the lease accounting requirement for lessees as currently disclosed in note 32 to the Consolidated Financial Statements.

The Group's principal accounting policies adopted in the presentation of these financial statements are set out below and have been consistently applied to all the periods presented.

2. Significant accounting policies

a. Basis of preparation

The Consolidated Financial Statements have been prepared on the historical cost basis with the exception of financial instruments. Financial instruments have been recorded initially on a fair-value basis and then at amortised cost.

b. Going concern

The Group's business activities, together with the factors likely to effect its future development, performance and viability are set out in the Strategic Report on pages 9 to 45. The financial position of the Group, its cash flows and liquidity position are described in the Financial Review on pages 38 to 41. In addition, notes 18 to 20 to the Consolidated Financial Statements include details of the Group's treasury activities, long-term funding arrangements and exposure to financial risk.

The Group has sufficient financial resources which, together with internally generated cash flows, will continue to provide sufficient sources of liquidity to fund its current operations, including its contractual and commercial commitments and any proposed dividends. Therefore the Group is well placed to manage its business risks.

After making enquiries the directors have formed the judgment that at the time of approving the Consolidated Financial Statements there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

c. Basis of consolidation

Subsidiaries are fully consolidated from the date on which power to control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group whereby the identifiable assets, liabilities and contingent liabilities are measured at their fair values at the date of acquisition. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. The financial statements consolidate the accounts of Hays plc and all of its subsidiaries. The results of subsidiaries acquired or disposed during the year are included from the effective date of acquisition or up to the effective date of disposal as appropriate.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

d. Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

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

Turnover arising from temporary placements is recognised over the period that temporary workers are provided. Where the Group is acting as a principal, turnover represents the amounts billed for the services of the temporary workers, including the remuneration costs of the temporary workers.

Where Hays acts as principal in arrangements that invoice on behalf of other recruitment agencies, turnover represents amounts invoiced and collected on behalf of other recruitment agencies, including arrangements where no commission is directly receivable by the Group.

Where the Group is acting as an agent, turnover represents commission receivable relating to the supply of temporary workers and does not include the remuneration costs of the temporary workers.

e. Net fees

Net fees represent turnover less the remuneration costs of temporary workers for temporary assignments and remuneration of other recruitment agencies. For the placement of permanent candidates, net fees are equal to turnover.

f. Exceptional items

Exceptional items as disclosed on the face of the Consolidated Income Statement are items which due to their size and non-recurring nature have been classified separately in order to draw them to the attention of the reader of the financial statements and to show the underlying profits of the Group. There are no exceptional items disclosed within the financial statements in the current or prior year.

g. Foreign currencies

On consolidation, the tangible and intangible assets and liabilities of subsidiaries denominated in foreign currencies are translated into sterling at the rates ruling at the balance sheet date. Income and expense items are translated into sterling at average rates of exchange for the period. Any exchange differences which have arisen from an entity's investment in a foreign subsidiary, including long-term loans, are recognised as a separate component of equity and are included in the Group's translation reserve.

On disposal of a subsidiary, any amounts transferred to the translation reserve are included in the calculation of profit and loss on disposal. All other translation differences are dealt with in the Consolidated Income Statement.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

h. Retirement benefit costs

The expense of defined benefit pension schemes and other post-retirement employee benefits is determined using the projected-unit credit method and charged to the Consolidated Income Statement as an expense, based on actuarial assumptions reflecting market conditions at the beginning of the financial year. All rereasurement gains and losses are recognised immediately in reserves and reported in the Consolidated Statement of Comprehensive Income in the period in which they occur. Past service costs, curtailments and settlements are recognised immediately in the Consolidated Income Statement.

The Group has chosen under IFRS 1 to recognise in retained earnings all cumulative rereasurement gains and losses as at 1 July 2004, the date of transition to IFRS. The Group has chosen to recognise all rereasurement gains and losses arising subsequent to 1 July 2004 in reserves and reported in the Consolidated Statement of Comprehensive Income.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, and as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contribution to the scheme.

Payments to defined contribution schemes are charged as an expense in the Consolidated Income Statement as they fall due.

i. Share-based payments

The fair value of all share-based remuneration that is assessed upon market-based performance criteria is determined at the date of grant and recognised as an expense in the Consolidated Income Statement on a straight-line basis over the vesting period, taking account of the estimated number of shares that will vest.

The fair value of all share-based remuneration that is assessed upon non-market-based performance criteria is determined at the date of the grant and recognised as an expense in the Consolidated Income Statement over the vesting period, based on the number of shares that are expected to vest. The number of shares that are expected to vest is adjusted accordingly to the satisfaction of the performance criteria at each period end.

The fair values are determined by use of the relevant valuation models. All share-based remuneration is equity settled.

j. Borrowing costs

Interest costs are recognised as an expense in the Consolidated Income Statement in the period in which they are incurred. Arrangement fees incurred in respect of borrowings are amortised over the term of the agreement.

k. Taxation

The tax expense comprises both current and deferred tax.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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2. Significant accounting policies continued

Deferred tax is provided in full on all temporary differences, at rates that are enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent that it is probable that taxable profits will be available against which to offset the deductible temporary differences. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Temporary differences arise where there is a difference between the accounting carrying value in the Consolidated Balance Sheet and the amount attributed to that asset or liability for tax purposes. Temporary differences arising from goodwill and, except in a business combination, the initial recognition of assets or liabilities that affect neither accounting profit nor taxable profit, are not provided for. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

The calculation of the Group's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority, or, as appropriate, through a formal legal process.

Provisions for tax contingencies require management to make judgments and estimates in relation to tax audit issues and exposures. Amounts provided are based on management's interpretation of applicable tax law and the likelihood of settlement, and are derived from the Group's best estimation and judgment. However, the inherent uncertainty regarding the outcome of these items means the eventual resolution could differ from the provision and in such event the Group would be required to make an adjustment in a subsequent period.

I. Goodwill

Goodwill arising on consolidation represents the excess of purchase consideration less the fair value of the identifiable tangible and intangible assets and liabilities acquired.

Goodwill is recognised as an asset and reviewed for impairment at least annually. For the purpose of impairment testing, assets are grouped at the lowest level for which there are separately identifiable cash flows, known as cash-generating units (CGUs). Any impairment is recognised immediately in the Consolidated Income Statement and is not subsequently reversed.

On disposal of a business the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Goodwill arising on acquisitions before the date of transition to IFRS (1 July 2004) has been retained at the previous UK GAAP amounts, subject to being tested for impairment at that date. Goodwill arising on acquisitions prior to 1 July 1998 was written off direct to reserves under UK GAAP. This goodwill has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

m. Intangible assets

Intangible assets acquired as part of a business combination are stated in the Consolidated Balance Sheet at their fair value as at the date of acquisition less accumulated amortisation and any provision for impairment. The directors review intangible assets for indications of impairment annually.

Internally generated intangible assets are stated in the Consolidated Balance Sheet at the directly attributable cost of creation of the asset, less accumulated amortisation. Intangible assets are amortised on a straight-line basis over their estimated useful lives up to a maximum of 10 years. Software incorporated into major Enterprise Resource Planning (ERP) implementations that support the recruitment process and financial reporting process is amortised over a life of up to seven years. Other software is amortised between three and five years.

n. Property, plant and equipment

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

Freehold land

- No depreciation is provided

Freehold buildings

- At rates varying between 2% and 10%

Leasehold properties

- The cost is written off over the unexpired term of the lease

Plant and machinery

- At rates varying between 5% and 33%

Fixtures and fittings

- At rates varying between 10% and 25%

o. Trade and other receivables

Trade and other receivables are initially measured at fair value and then at amortised cost after appropriate allowances for estimated irrecoverable amounts have been recognised in the Consolidated Income Statement where there is objective evidence that the asset is impaired.

p. Cash and cash equivalents

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

q. Trade payables

Trade payables are measured initially at fair value and then at amortised cost.

r. Bank borrowings

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

Finance charges, including premiums payable on settlement or redemption and direct-issue costs, are accounted for on an accrual basis in the Consolidated Income Statement using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

s. Derivative financial instruments and hedge accounting

The Group may use certain derivative financial instruments to reduce its exposure to interest rate and foreign exchange movements. The Group held eight foreign exchange contracts at the end of the current year to facilitate cash management within the Group. In the prior year the Group held two interest rate swaps which have subsequently matured in the current year. The Group does not hold or use derivative financial instruments for speculative purposes.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and any ineffective portion is recognised immediately in the Consolidated Income Statement. The Group uses a range of 80% to 125% for hedge effectiveness, in accordance with IAS 39, and any relationship which has effectiveness outside this range is deemed to be ineffective and hedge accounting is suspended.

The fair values of foreign exchange swaps are measured using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. It is the Group's policy not to seek to designate these derivatives as hedges. All derivative financial instruments not in a hedge relationship are classified as derivatives at fair value in the income statement. The fair value of long-term borrowing is calculated by discounting expected future cash flows at observable market rates.

Fair value measurements

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

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

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Amounts deferred in equity are recognised in the Consolidated Income Statement in the same period in which the hedged item affects net income.

Cash flow hedge accounting is discontinued when a hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that time any cumulative gain or loss on the hedging instrument recognised in equity is either retained in equity until the firm commitment or forecasted transaction occurs, or where a hedge transaction is no longer expected to occur, is immediately credited or expensed in the Consolidated Income Statement.

t. Leases

Leases where a significant portion of risks and rewards of ownership are retained by the lessor are classified as operating leases by the lessee.

Rentals payable under operating leases are charged to the Consolidated Income Statement on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to enter into an operating lease are recognised on a straight-line basis over the lease term.

u. Provisions

A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event for which it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability.

3. Critical accounting judgments and key sources of estimation uncertainty

Critical accounting judgments Revenue recognition

The main areas of judgment in revenue recognition relate to (i) cut-off as revenue is recognised for permanent placements on the day a candidate starts work and temporary placement income over the duration of the placement; and (ii) the recognition of temporary contractual arrangements where Hays act on a gross basis rather than a net basis. Turnover and Net fees are described in note 2 (d) and (e) to the Consolidated Financial Statements.

Goodwill impairment

Goodwill is tested for impairment at least annually. In performing these tests assumptions are made in respect of future growth rates and the discount rate to be applied to the future cash flows of income-generating units. These assumptions are set out in note 13 to the Consolidated Financial Statements.

Provisions in respect of recoverability of trade receivables

As described in note 17, provisions for impairment of trade receivables have been made. In reviewing the appropriateness of these provisions, consideration has been given to the ageing of the debt and the potential likelihood of default, taking into account current economic conditions.

Estimation uncertainty Pension accounting

Under IAS 19 'Employee Benefits', the Group has recognised a pension deficit of £14.3 million (2015: £58.7 million). A number of assumptions have been made in determining the pension deficit and these are described in note 22 to the Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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4. Segmental information

IFRS 8 Operating Segments

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segment and to assess their performance.

As a result, the Group continues to segment the business into three regions, Asia Pacific, Continental Europe & Rest of World, and United Kingdom & Ireland. There is no material difference between the segmentation of the Group's turnover by geographic origin and destination.

The Group's continuing operations comprise one class of business, that of qualified, professional and skilled recruitment.

Net fees and operating profit from continuing operations

The Group's Management Board, which is regarded as the chief operating decision maker, uses net fees by segment as its measure of revenue in internal reports, rather than use turnover. This is because net fees exclude the remuneration of temporary workers, and payments to other recruitment agencies where the Group acts as principal, which are not considered relevant in allocating resources to segments. The Group's Management Board considers net fees for the purpose of making decisions about allocating resources. The Group does not report items below operating profit by segment in its internal management reporting. The full detail of these items can be seen in the Group Consolidated Income Statement on page 96. The reconciliation of turnover to net fees can be found in note 5.

(In £s million)	2016	2015
Net fees from continuing operations		
Asia Pacific	176.1	178.5
Continental Europe & Rest of World	362.5	313.8
United Kingdom & Ireland	271.7	271.9
	810.3	764.2

(In £s million)	2016	2015
Operating profit from continuing operations		
Asia Pacific	50.2	49.7
Continental Europe & Rest of World	78.7	68.7
United Kingdom & Ireland	52.1	45.7
	181.0	164.1

Net trade receivables

For the purpose of monitoring performance and allocating resources from a balance sheet perspective, the Group's Management Board monitors trade receivables net of provisions for impairments only on a segment by segment basis. These are monitored on a constant currency basis for comparability through the year. These are shown below and reconciled to the totals as shown in note 17.

Net trade receivables

(In £s million)	As reported internally	Foreign exchange	2016	As reported internally	Foreign exchange	2015
Asia Pacific	58.2	7.6	65.8	55.1	(6.0)	49.1
Continental Europe & Rest of World	202.4	34.5	236.9	185.7	(18.8)	166.9
United Kingdom & Ireland	180.3	3.9	184.2	153.8	(0.1)	153.7
	440.9	46.0	486.9	394.6	(24.9)	369.7

Major customers

In the current year and prior year there was no one customer that exceeded 10% of the Group's turnover.

5. Operating profit from continuing operations

The following costs are deducted from turnover to determine net fees from continuing operations:

(In £s million)	2016	2015
Turnover	4,231.4	3,842.8
Remuneration of temporary workers	(3,236.5)	(2,941.5)
Remuneration of other recruitment agencies	(184.6)	(137.1)
Net fees	810.3	764.2

Operating profit is stated after charging the following items to net fees of £810.3 million (2015: £764.2 million):

(In £s million)	2016	2015
Staff costs (note 7)	476.3	440.6
Depreciation of property, plant and equipment	7.7	8.7
Amortisation of intangible assets	14.2	13.7
Operating lease rentals payable (note 32)	34.0	30.8
Impairment loss on trade receivables	3.0	2.5
Auditor remuneration (note 6)		
– for statutory audit services	0.9	0.9
– for other services	0.7	0.4

6. Auditor remuneration

(In £s million)	2016	2015
Fees payable to the Company's Auditor for the audit of the Company's annual accounts	0.2	0.2
Fees payable to the Company's Auditor and their associates for other services to the Group:		
The audit of the Company's subsidiaries pursuant to legislation	0.7	0.7
Total audit fees	0.9	0.9
Half year review	0.1	0.1
Tax and other services	0.6	0.3
Total non-audit fees	0.7	0.4

Other services, principally relating to technical accounting advice, totalled £44,000 (2015: £33,000). No services were performed pursuant to contingent fee arrangements.

Tax and other services includes the completion of a comprehensive review of our transfer pricing framework to enhance existing arrangements such that the Group will continue to conform to best practice under OECD guidelines. The Group's existing arrangements are well known to Deloitte both in the UK and globally. This, together with the expertise within the firm, meant that they were best placed to partner us in this piece of work.

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7. Staff costs

The aggregate staff remuneration (including executive directors) was as follows:

(In £s million)	2016	2015
Wages and salaries	400.5	370.8
Social security costs	50.0	46.4
Other pension costs	13.9	12.6
Share-based payments	11.9	10.8
	476.3	440.6

Average number of persons employed (including executive directors):

(Number)	2016	2015
Continuing operations		
Asia Pacific	1,662	1,577
Continental Europe & Rest of World	3,923	3,504
United Kingdom & Ireland	3,668	3,742
	9,253	8,823

Closing number of persons employed (including executive directors):

(Number)	2016	2015
Continuing operations		
Asia Pacific	1,660	1,639
Continental Europe & Rest of World	4,040	3,643
United Kingdom & Ireland	3,514	3,741
	9,214	9,023

8. Net finance charge

(In £s million)	2016	2015
Interest received on bank deposits	0.5	0.5
Interest payable on bank loans and overdrafts	(3.4)	(4.6)
Interest unwind on acquisition liability	(0.9)	(0.4)
Pension Protection Fund levy	(0.3)	(0.5)
Net interest on pension obligations	(3.9)	(3.0)
Net finance charge	(8.0)	(8.0)

Included within the net finance charge is an unrealised gain of £6.6 million on the derivative current asset, offset by a £6.6 million revaluation loss on the Euro denominated overdraft within the Group's European cash pool arrangements, the net impact of which is £nil, and therefore is not presented separately in the table above. There was no such gain or loss in the prior year. Further details of the Group's treasury management are included in note 18 to the Consolidated Financial Statements and described on page 41 of the Financial Review.

9. Income taxes relating to continuing operations

The tax (expense)/credit for the year is comprised of the following:

Current tax

(In £s million)	2016	2015
Current tax expense in respect of the current year	(49.2)	(49.6)
Adjustments recognised in the current year in relation to the current tax of prior years	-	(0.2)
	(49.2)	(49.8)

Deferred tax

(In £s million)	2016	2015
Deferred tax (charge)/credit in respect of the current year	(3.1)	0.2
Adjustments to deferred tax attributable to changes in tax rates and laws	-	(0.8)
Adjustments to deferred tax in relation to prior years	0.4	(0.3)
	(2.7)	(0.9)
Total income tax expense recognised in the current year relating to continuing operations	(51.9)	(50.7)

Current tax expense for the year comprised of the following:

(In £s million)	2016	2015
UK	(6.5)	(7.4)
Overseas	(42.7)	(42.2)
	(49.2)	(49.6)

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

(In £s million)	2016	2015
Profit before tax from continuing operations	173.0	156.1
Income tax expense calculated at 20.00% (2015: 20.75%)	(34.6)	(32.4)
Net effect of items that are non-taxable/(non-deductible) in determining taxable profit	(1.4)	(3.7)
Effect of unused tax losses not recognised as deferred tax assets	(1.5)	-
Effect of tax losses not recognised as deferred tax utilised in the year	0.7	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	(14.6)	(13.8)
Effect on deferred tax balances due to the changes in income tax rates	-	(0.8)
Effect of share-based payment charges and share options	(0.9)	0.5
	(52.3)	(50.2)
Adjustments recognised in the current year in relation to the current tax of prior years	-	(0.2)
Adjustments to deferred tax in relation to prior years	0.4	(0.3)
Income tax expense recognised in the Consolidated Income Statement relating to continuing operations	(51.9)	(50.7)
Effective tax rate for the year on continuing operations	30.0%	32.5%

The tax rate used for the 2016 reconciliations above is the corporate tax rate of 20.00% (2015: 20.75%) payable by corporate entities in the United Kingdom on taxable profits under tax law in that jurisdiction.

Income tax recognised directly in equity

(In £s million)	2016	2015
Current tax		
Excess tax deductions relating to share-based payments	0.9	0.9
Deferred tax		
Excess tax deductions relating to share-based payments	(1.6)	(0.1)
Total income tax recognised in equity	(0.7)	0.8

Income tax recognised in other comprehensive income

(In £s million)	2016	2015
Current tax		
Contributions in respect of defined benefit pension scheme	1.8	2.3
Deductions in respect of foreign exchange	-	1.1
Deferred tax		
Actuarial (gain)/loss in respect of defined benefit pension scheme	(9.0)	2.9
Total income tax recognised in other comprehensive income	(7.2)	6.3

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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10. Discontinued operations

The results of the discontinued operations which have been included in the Consolidated Income Statement were as follows:

(In £s million)	2016	2015
Profit from discontinued operations	4.6	-
Profit before tax	4.6	-
Tax charge	(1.2)	0.2
Profit from discontinued operations after tax	3.4	0.2

The profit of £3.4 million arose from the write-back of provisions which in light of subsequent events and expiry of warranty periods were no longer required. In the prior year the profit of £0.2 million arose primarily from the write-back of tax provisions that were no longer required. The provisions were established when the Group completed the disposal of its non-core activities between March 2003 and November 2004.

The cash outflows generated from discontinued operations were £0.6 million (2015: £0.3 million) and are recorded within net movements in provisions on the Consolidated Cash Flow Statement.

There were no cash inflows generated from discontinued operations (2015: nil).

11. Dividends

The following dividends were paid by the Group and have been recognised as distributions to equity shareholders in the year:

	2016 pence per share	2016 £s million	2015 pence per share	2015 £s million
Previous year final dividend	1.89	26.9	1.80	25.6
Current year interim dividend	0.91	13.0	0.87	12.3
		39.9		37.9

The following dividends have been paid/proposed by the Group in respect of the accounting year presented:

	2016 pence per share	2016 £s million	2015 pence per share	2015 £s million
Interim dividend (paid)	0.91	13.0	0.87	12.3
Final dividend (proposed)	1.99	28.7	1.89	27.0
	2.90	41.7	2.76	39.3

The final dividend for 2016 of 1.99 pence per share (£28.7 million) will be proposed at the Annual General Meeting on 9 November 2016 and has not been included as a liability as at 30 June 2016. If approved, the final dividend will be paid on 11 November 2016 to shareholders on the register at the close of business on 14 October 2016.

12. Earnings per share

	Earnings (£s million)	Weighted average number of shares (million)	Per share amount (pence)
For the year ended 30 June 2016			
Continuing operations:			
Basic earnings per share from continuing operations	121.1	1,428.4	8.48
Dilution effect of share options	-	19.0	(0.11)
Diluted earnings per share from continuing operations	121.1	1,447.4	8.37
Discontinued operations:			
Basic earnings per share from discontinued operations	3.4	1,428.4	0.24
Dilution effect of share options	-	19.0	(0.01)
Diluted earnings per share from discontinued operations	3.4	1,447.4	0.23
Continuing and discontinued operations:			
Basic earnings per share from continuing and discontinued operations	124.5	1,428.4	8.72
Dilution effect of share options	-	19.0	(0.12)
Diluted earnings per share from continuing and discontinued operations	124.5	1,447.4	8.60
For the year ended 30 June 2015			
Continuing operations:			
Basic earnings per share from continuing operations	105.4	1,416.4	7.44
Dilution effect of share options	-	24.5	(0.13)
Diluted earnings per share from continuing operations	105.4	1,440.9	7.31
Discontinued operations:			
Basic earnings per share from discontinued operations	0.2	1,416.4	0.01
Dilution effect of share options	-	24.5	-
Diluted earnings per share from discontinued operations	0.2	1,440.9	0.01
Continuing and discontinued operations:			
Basic earnings per share from continuing and discontinued operations	105.6	1,416.4	7.46
Dilution effect of share options	-	24.5	(0.13)
Diluted earnings per share from continuing and discontinued operations	105.6	1,440.9	7.33

The weighted average number of shares in issue for both years exclude shares held in treasury.

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13. Goodwill

(In £s million)	2016	2015
Cost		
At 1 July	198.4	170.6
Exchange adjustments	22.0	(8.1)
Additions during the year	-	35.9
At 30 June	220.4	198.4

Goodwill arising on business combinations is reviewed and tested on an annual basis or more frequently if there is indication that goodwill might be impaired. Goodwill has been tested for impairment by comparing the carrying amount of each cash-generating unit (CGU), including goodwill, with the recoverable amount. The recoverable amounts of the CGUs are determined from value-in-use calculations.

The key assumptions for the value-in-use calculations are as follows:

Assumption	How determined
Operating profit	The operating profit is based on the latest one-year forecasts for the CGUs approved by the Group's Management Board which are compiled using expectations of fee growth, consultant productivity and operating costs. The Group prepares cash flow forecasts derived from the most recent financial forecasts approved by management and extrapolates cash flows in perpetuity based on the long-term growth rates and expected cash conversion rates.
Discount rates	<p>The pre-tax rates used to discount the forecast cash flows range between 9.3% and 16.7% (2015: 9.0% and 13.3%) reflecting current market assessments of the time value of money and the country risks specific to the relevant CGUs.</p> <p>The discount rate applied to the cash flows of each of the Group's operations is generally based on the weighted average cost of capital (WACC), taking into account adjustments to the risk-free rate for 10-year bonds issued by the government in the respective market. Where government bond rates contain a material component of credit risk, high-quality local corporate bond rates may be used.</p> <p>These rates are adjusted for a risk premium to reflect the increased risk of investing in equities and, where appropriate, the systematic risk of the specific Group operating company. In making this adjustment, inputs required are the equity market risk premium (that is the increased return required over and above a risk-free rate by an investor who is investing in the market as a whole) and the risk adjustment, beta, applied to reflect the risk of the specific Group operating company relative to the market as a whole.</p>
Growth rates	<p>The medium-term growth rates are based on management forecasts. These are consistent with a minimum average estimated growth rate of 5.0% (2015: 5.0%), with the exception of the United Kingdom where an average of 2.0% has been applied for years two to five. The growth estimates reflect a combination of both past experience and the macroeconomic environment, including GDP expectations driving fee growth.</p> <p>The long-term growth rates are based on management forecasts, which are consistent with external sources of an average estimated growth rate of 2.0% (2015: 2.0%), reflecting a combination of GDP expectations and long-term wage inflation driving fee growth.</p> <p>GDP growth is a key driver of our business, and is therefore a key consideration in developing long-term forecasts. Wage inflation is also an important driver of net fees as net fees are derived directly from the salary level of candidates placed into employment. Based on past experience a combination of these two factors is considered to be an appropriate basis for assessing long-term growth rates.</p>

Management has determined that there has been no impairment to any of the CGUs and in respect of these a sensitivity analysis has been performed in assessing recoverable amounts of goodwill. This has been based on changes in key assumptions considered to be possible by management. This included a change in the discount rate of up to 1% and changes in the long-term growth rate from Year 2 onwards between 0% and 2% in absolute terms.

The sensitivity analysis shows no impairment would arise under each scenario for any of the CGUs.

The Veredus business, which is part of the Continental Europe & Rest of World segment, was acquired in December 2014 and continues to perform well. As a result the Group has made significant investments in the business to accelerate its growth in line with the Group's strategy to build a strong presence in the USA, and maximise the long-term growth opportunities available in the market. As a consequence of this investment, the headroom on goodwill has decreased from the prior year. Headroom based on the assumptions used in the goodwill calculation is £3.4 million arising on goodwill of £40.5 million. The key assumption in determining the value-in-use calculation is the discount rate used, which is 13%. An increase in the discount rate to 14% would result in no headroom.

Goodwill acquired in a business combination is considered its own CGU or allocated to the groups of CGUs that are expected to benefit from that business combination. Individual CGUs are either country or brand specific. For the purpose of disclosure individual CGUs have been aggregated and disclosed in accordance with segmental reporting. The carrying amount of goodwill has been allocated as follows:

(In £s million)	2016	2015
Asia Pacific	25.8	19.1
Continental Europe & Rest of World	101.5	86.2
United Kingdom & Ireland	93.1	93.1
	220.4	198.4

14. Other intangible assets

(In £s million)	2016	2015
Cost		
At 1 July	93.2	91.2
Exchange adjustments	3.9	(1.1)
Acquired	-	3.0
Additions	4.7	4.3
Disposals	-	(4.2)
At 30 June	101.8	93.2
Amortisation		
At 1 July	63.4	54.7
Exchange adjustments	2.6	(0.8)
Charge for the year	14.2	13.7
Disposals	-	(4.2)
At 30 June	80.2	63.4
Net book value		
At 30 June	21.6	29.8
At 1 July	29.8	36.5

All other intangible assets relate mainly to computer software additions, and of the additions in the current year, £3.5 million relate to internally generated assets (2015: £3.1 million).

The estimated average useful life of the computer software related intangible assets is seven years (2015: seven years). Software incorporated into major Enterprise Resource Planning (ERP) implementations is amortised on a straight-line basis over a life of up to seven years. Other software is amortised on a straight-line basis between three and five years.

In the prior year following the acquisition of Veredus Corp. an intangible asset of £3.0 million has been recognised in respect of the Veredus brand. This is amortised on a straight-line basis over three years from the date of acquisition.

There were no capital commitments at the year end, as was the case in the prior year.

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15. Property, plant and equipment

(In £s million)	Freehold properties	Leasehold properties (short)	Plant and machinery	Fixtures and fittings	Total
Cost					
At 1 July 2015	0.6	12.4	29.1	22.6	64.7
Exchange adjustments	0.1	2.1	2.6	2.1	6.9
Capital expenditure	-	2.0	3.8	4.5	10.3
Disposals	-	(0.8)	(2.0)	(0.1)	(2.9)
At 30 June 2016	0.7	15.7	33.5	29.1	79.0
Accumulated depreciation					
At 1 July 2015	0.4	9.2	22.2	17.3	49.1
Exchange adjustments	0.1	1.5	2.0	1.7	5.3
Charge for the year	-	1.2	3.9	2.6	7.7
Disposals	-	(0.8)	(2.0)	(0.1)	(2.9)
At 30 June 2016	0.5	11.1	26.1	21.5	59.2
Net book value					
At 30 June 2016	0.2	4.6	7.4	7.6	19.8
At 1 July 2015	0.2	3.2	6.9	5.3	15.6

There were no capital commitments at the year end (2015: £nil).

(In £s million)	Freehold properties	Leasehold properties (short)	Plant and machinery	Fixtures and fittings	Total
Cost					
At 1 July 2014	1.8	12.1	26.1	28.0	68.0
Exchange adjustments	(0.1)	(1.2)	(1.8)	(1.5)	(4.6)
Capital expenditure	-	1.7	4.4	1.7	7.8
Acquired	-	-	-	0.2	0.2
Reclassification	(1.1)	1.6	1.1	(1.6)	-
Disposals	-	(1.8)	(0.7)	(4.2)	(6.7)
At 30 June 2015	0.6	12.4	29.1	22.6	64.7
Accumulated depreciation					
At 1 July 2014	1.1	9.5	18.2	21.6	50.4
Exchange adjustments	(0.2)	(0.9)	(1.3)	(1.2)	(3.6)
Charge for the year	-	1.3	5.1	2.3	8.7
Acquired	-	-	-	0.1	0.1
Reclassification	(0.5)	1.0	0.9	(1.4)	-
Disposals	-	(1.7)	(0.7)	(4.1)	(6.5)
At 30 June 2015	0.4	9.2	22.2	17.3	49.1
Net book value					
At 30 June 2015	0.2	3.2	6.9	5.3	15.6
At 1 July 2014	0.7	2.6	7.9	6.4	17.6

16. Deferred tax

Deferred tax assets in relation to:

(In £s million)	1 July 2015	(Charge)/ credit to Consolidated Income Statement	(Charge)/ credit to other comprehensive income	(Charge)/ credit to equity	Exchange difference	30 June 2016
Accelerated tax depreciation	14.7	(1.1)	-	-	0.2	13.8
Acquired tangibles and intangibles	(1.2)	(0.9)	-	-	(0.3)	(2.4)
Retirement benefit obligation	11.7	-	(9.0)	-	-	2.7
Share-based payments	4.5	(0.7)	-	(1.6)	-	2.2
Provisions	2.1	0.5	-	-	0.3	2.9
Tax losses	1.2	(1.0)	-	-	0.1	0.3
Other short-term timing differences	3.4	0.5	-	-	0.5	4.4
	36.4	(2.7)	(9.0)	(1.6)	0.8	23.9

(In £s million)	1 July 2014	(Charge)/ credit to Consolidated Income Statement	(Charge)/ credit to other comprehensive income	(Charge)/ credit to equity	Exchange difference	30 June 2015
Accelerated tax depreciation	16.8	(2.1)	-	-	-	14.7
Acquired tangibles and intangibles	-	(1.2)	-	-	-	(1.2)
Retirement benefit obligation	8.8	-	2.9	-	-	11.7
Share-based payments	4.1	0.5	-	(0.1)	-	4.5
Provisions	2.2	0.2	-	-	(0.3)	2.1
Tax losses	-	1.2	-	-	-	1.2
Other short-term timing differences	3.2	0.5	-	-	(0.3)	3.4
	35.1	(0.9)	2.9	(0.1)	(0.6)	36.4

The UK deferred tax asset of £18.2 million (2015: £30.4 million) is recognised on the basis of the UK business performance in the year and the forecast approved by management. Other deferred tax assets of £5.7 million (2015: £6.0 million) arise in the other jurisdictions (primarily Australia) in which the Group operate.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the periods in which they reverse. The date enacted or substantively enacted for the relevant periods of reversal are: 19% from 1 April 2017 and 18% from 1 April 2020 in the UK (2015: 19%) and 30% in Australia.

In March 2016, the United Kingdom Government announced a reduction in the main rate of UK corporation tax to 17% with effect from 1 April 2020. The reduction to 17% has not been substantively enacted and has therefore not been reflected in the figures above. The impact of the future rate reduction will be accounted for to the extent that it is enacted at future balance sheet dates; however it is estimated that this will not have a material impact on the Group.

Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:

(In £s million)	Gross 2016	Tax 2016	Gross 2015	Tax 2015
Tax losses (revenue in nature)	150.7	37.8	155.4	40.1
Tax losses (capital in nature)	20.0	3.9	20.0	4.4
	170.7	41.7	175.4	44.5

In tax losses (revenue in nature) £0.1 million is due to expire in 2017, £2.2 million in 2023, £1.5 million in 2027, £5.0 million in 2033 and £8.5 million in 2036.

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16. Deferred tax continued

Unrecognised taxable temporary differences associated with investments and interests

(In £s million)	2016	2015
Taxable temporary differences in relation to investments in subsidiaries, for which deferred tax liabilities have not been recognised are attributable to the following:		
Foreign subsidiaries	4.9	3.8
Tax thereon	0.3	0.2

17. Trade and other receivables

(In £s million)	2016	2015
Trade receivables	503.2	385.2
Less provision for impairment	(16.3)	(15.5)
Net trade receivables	486.9	369.7
Prepayments and accrued income	277.0	230.8
	763.9	600.5

The directors consider that the carrying amount of trade receivables approximates to their fair value. The average credit period taken is 37 days (2015: 35 days).

The ageing analysis of the trade receivables not impaired is as follows:

(In £s million)	2016	2015
Not yet due	435.5	297.4
Up to one month past due	41.7	55.7
One to three months past due	9.7	16.6
	486.9	369.7

The Group's exposure to foreign currency translation is primarily in respect of the Euro and the Australian Dollar. The sensitivity of a 1 cent change in the year end closing exchange rates in respect of the Euro and Australian Dollar would result in a £1.7 million and £0.3 million movement in trade receivables respectively.

The movement on the provision for impairment of trade receivables is as follows:

(In £s million)	2016	2015
At 1 July	15.5	16.0
Exchange movement	1.3	(0.8)
Charge for the year	3.0	2.5
Uncollectable amounts written off	(3.5)	(2.2)
At 30 June	16.3	15.5

The ageing of impaired trade receivables relates primarily to trade receivables over three months past due.

Credit risk

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the Consolidated Balance Sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a likely reduction in the recoverability of the cash flows. The Group reduces risk through its credit control process and by contractual arrangements with other recruitment agencies in situations where the Group invoices on their behalf. The Group's exposure is spread over a large number of customers.

The risk disclosures contained on pages 42 to 45 within the Strategic Report form part of these financial statements.

18. Cash and cash equivalents

(In £s million)	2016	2015
Cash at bank and in hand	62.9	69.8

The effective interest rate on short-term deposits was 1.0% (2015: 1.3%). The average maturity of short-term deposits was one day (2015: one day).

Capital management

The Board's priorities for free cash flow are to fund the Group's investment and development, maintain a strong balance sheet and deliver a sustainable dividend at a level that is affordable and appropriate. The Board targets a dividend cover range of 2.0x to 3.0x, and remains committed to paying a sustainable and progressive dividend. Further details can be found in the Financial Review on page 41.

The capital structure of the Group consists of net cash/(debt), which is represented by cash and cash equivalents, bank loans and overdrafts (note 20) and equity attributable to equity holders of the parent, comprising issued share capital, reserves and retained earnings as disclosed in notes 24 to 29.

The Group is not restricted to any externally imposed capital requirements.

Risk management

A description of the Group's treasury policy and controls is included in the Financial Review on page 41.

Cash management and foreign exchange risk

The Group's cash management policy is to minimise interest payments by closely managing Group cash balances and external borrowings. Euro-denominated cash positions are managed centrally using a cash pooling facility which provides visibility over participating country bank balances on a daily basis. Any Group surplus balance is used to repay any maturing loans under the Group's revolving credit facility or invested in overnight money market funds. As the Group holds a sterling denominated debt facility and generates significant foreign currency cash flows, the Board considers it appropriate in certain cases to use derivative financial instruments as part of its day-to-day cash management to reduce the Group's exposure to foreign exchange risk.

The Group's operating profit exposure to foreign currency translation is primarily in respect of the Euro and the Australian Dollar. The sensitivity of a 1 cent change in the average exchange rates for the year in respect of the Euro and Australian Dollar would result in a £0.7 million and £0.2 million change in operating profit respectively.

The Group does not use derivatives to hedge balance sheet and income statement translation exposure.

Interest rate risk

The Group is exposed to interest rate risk on floating rate bank loans and overdrafts. It is the Group's policy to limit its exposure to fluctuating interest rates by selectively hedging interest rate risk using derivative financial instruments. Cash and cash equivalents carry interest at floating rates based on local money market rates.

Counterparty credit risk

Counterparty credit risk arises primarily from the investment of surplus funds. Risks are closely monitored using credit ratings assigned to financial institutions by international credit rating agencies. The Group restricts transactions to banks and money market funds that have an acceptable credit profile and limits its exposure to each institution accordingly.

19. Derivative financial instruments

(In £s million)	2016	2015
Derivative asset	6.6	-
Derivative liability	-	-
Net derivative asset	6.6	-

As set out in note 18 and in the Treasury management section of the Financial Review on page 41, in certain cases the Group uses derivative financial instruments to manage its foreign exchange exposures as part of its day-to-day cash management.

As at 30 June 2016, the Group had entered into eight forward exchange contract arrangements with counterparty banks (2015: eight forward contracts). The fair market value of the contracts as at 30 June 2016 gave rise to an unrealised gain resulting in the presentation of a net derivative asset of £6.6 million (2015: £nil) in the Consolidated Balance Sheet.

Some of the derivative assets and liabilities meet the offsetting criteria of IAS 32 paragraph 42. Consequently, the qualifying gross derivative liabilities are set off against the qualifying gross derivative assets. The derivative liabilities not qualifying for offset is less than the rounding factor presented in the financial statements and thus presented as £nil (2015: £nil).

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19. Derivative financial instruments continued

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

In the prior year the Group held two interest rate swaps which have subsequently matured in the current year.

Categories of financial assets and liabilities held by the Group are as shown below:

(In £s million)	2016	2015
Financial assets		
Net trade receivables	486.9	369.7
Cash and cash equivalents	62.9	69.8
Derivative financial instruments	6.6	-
	556.4	439.5
Financial liabilities		
Trade creditors	170.0	116.6
Bank loans and overdrafts	26.1	100.5
	196.1	217.1

20. Bank loans and overdrafts

(In £s million)	2016	2015
Bank loans	25.0	100.0
Overdrafts	1.1	0.5
	26.1	100.5

Risk management

A description of the Group's treasury policy and controls is included in the Financial Review on page 41.

Committed facilities

The Group has a £210 million unsecured revolving credit facility which expires in April 2020. The financial covenants require the Group's interest cover ratio to be at least 4:1 and its leverage ratio (net debt to EBITDA) to be no greater than 2.5:1. The interest rate of the facility is based on a ratchet mechanism with a margin payable over LIBOR in the range of 0.90% to 1.55%.

At 30 June 2016, £185 million of the committed facility was un-drawn.

Maturities of bank loans and overdrafts

The maturity of borrowings are as follows:

(In £s million)	2016	2015
Within one year	1.1	0.5
More than one year	25.0	100.0
	26.1	100.5

Fair values of financial assets and bank loans and overdrafts

The fair value of financial assets and bank loans and overdrafts is not materially different to their book value due to the short-term maturity of the instruments, which are based on floating rates.

The interest rate profile of bank loans and overdrafts is as follows:

(In £s million)	2016	2015
Floating rate – sterling	26.1	100.5

The floating rate liabilities comprise bank loans and unsecured overdrafts bearing interest at rates based on local market rates.

Interest rates

The weighted average interest rates paid were as follows:

	2016	2015
Bank borrowings	2.3%	2.5%

For each 10 basis point fall or rise in the average LIBOR rate in the year there would be a reduction or increase in profit before tax by approximately £0.1 million.

21. Trade and other payables

(In £s million)	2016	2015
Current		
Trade creditors	170.0	116.6
Other tax and social security	65.1	66.2
Other creditors	25.5	34.3
Accruals	312.7	261.6
	573.3	478.7

The directors consider that the carrying amount of trade payables approximates to their fair value. The average credit period taken for trade purchases is 29 days (2015: 30 days).

22. Retirement benefit obligations

The Group operates a number of retirement benefit schemes in the UK and in other countries. The Group's principal schemes are within the UK where the Group operates one defined contribution scheme and two defined benefit schemes. The majority of overseas arrangements are either defined contribution or government-sponsored schemes and these arrangements are not material in the context of the Group results.

UK Defined Contribution Scheme

The Group's principal defined contribution retirement benefit scheme is the Hays Group Personal Pension Plan which is operated for all qualifying employees and is funded via an employee salary sacrifice arrangement, and for qualifying employees additional employer contributions. Employer contributions are in the range of 2% to 12% of pensionable salary depending on the level of employee contribution and seniority.

The total cost charged to the Consolidated Income Statement of £6.2 million (2015: £6.2 million) represents employer's contributions payable to the money purchase arrangements. There were no contributions outstanding at the end of the year (2015: £0.5 million). The assets of the money purchase arrangements are held separately from those of the Group.

UK Defined Benefit Schemes

The Group's principal defined benefit schemes are the Hays Pension Scheme and the Hays Supplementary Scheme both in the UK. The Hays Pension Scheme is a funded final salary defined benefit scheme providing pensions and death benefits to members. The Hays Supplementary Scheme is an unfunded unapproved retirement benefit scheme for employees who were subject to HMRC's earnings cap on pensionable salary. The Schemes were closed to future accrual from 30 June 2012 with pensions calculated up until the point of closure. The Schemes are governed by a trustee board, which is independent of the Group and is subject to full actuarial valuation on a triennial basis.

The last formal actuarial valuation of the Hays Pension Scheme was performed at 30 June 2015 and quantified the deficit at c.£95 million. A revised deficit funding schedule was agreed with effect from 1 July 2015 which maintained the annual contribution at its previous level, subject to a 3% per annum fixed uplift over a period of just under 10 years. During the year ended 30 June 2016, the Group made a contribution of £14.0 million to the Hays Pension Scheme (2015: £13.5 million) in accordance with the agreed deficit funding schedule. The cash contributions during the year mainly related to deficit funding payments.

Settlement arising from transfer exercise

During the year a transfer exercise was undertaken. A number of members included in this exercise elected to transfer out of the scheme to access the new flexible retirement options now available. This resulted in £21.1 million being paid out of scheme assets to members in the form of individual transfer values and equated to a reduction in the associated IAS 19 liabilities of £19.5 million. As the transfer eliminated all further legal and constructive obligations for all of the benefits under the scheme to these individuals, the resulting £1.6 million net settlement charge has been recognised in the Consolidated Income Statement and is recorded within staff costs.

The defined benefit schemes expose the Group to actuarial risks, such as longevity risk, inflation risk, interest rate risk and market (investment) risk. The Group is not exposed to any unusual, entity-specific or scheme-specific risks.

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22. Retirement benefit obligations continued

The net amount included in the Consolidated Balance Sheet arising from the Group's obligations in respect of its defined benefit pension schemes is as follows:

(In £s million)	2016	2015
Present value of defined benefit obligations	(726.3)	(685.3)
Less fair value of defined benefit scheme assets:		
Equities	132.3	131.8
Bonds and gilts	293.3	277.2
Absolute return funds	36.6	37.2
Cash and LDI funds	227.1	159.1
Real estate	22.7	21.3
	712.0	626.6
Net liability arising from defined benefit obligation	(14.3)	(58.7)

Virtually all scheme assets have quoted prices in active markets. Real estate can be classified as Level 3 instruments. The £132.3 million scheme assets held in equities comprise: UK Equities £32.9 million; Global Equities £70.5 million; and £28.9 million Emerging Market Equities.

To reduce volatility risk a liability driven investment (LDI) strategy forms part of the Trustee's management of the defined benefit schemes' assets, including government bonds, corporate bonds and derivatives. The government bonds asset category in the table above includes gross assets of £965.5 million and associated repurchase agreements of £740.8 million. Repurchase agreements are entered into with counterparties to better offset the schemes' exposure to interest and inflation rates, whilst remaining invested in assets of a similar risk profile. Interest rate and inflation rate derivatives are also used to complement the use of fixed and index-linked bonds in matching the profile of the schemes' liabilities.

The change in the present value of defined benefit obligations was:

(In £s million)	2016	2015
Change in benefit obligation		
Opening defined benefit obligation at 1 July	(685.3)	(612.3)
Administration costs	(1.9)	(1.3)
Effect of settlement	19.5	-
Interest on defined benefit scheme liabilities	(25.7)	(26.6)
Net remeasurement gains - change in experience assumptions	28.9	11.2
Net remeasurement gains - change in demographic assumptions	14.7	-
Net remeasurement losses - change in financial assumptions	(99.2)	(74.5)
Benefits and expenses paid	22.7	18.2
Closing defined benefit obligation at 30 June	(726.3)	(685.3)
Analysis of defined benefit obligation		
Plans that are wholly or partly funded	(714.7)	(675.6)
Plans that are wholly unfunded	(11.6)	(9.7)
Total	(726.3)	(685.3)

The defined benefit schemes' liabilities comprise 68% (2015: 72%) in respect of deferred scheme participants and 32% (2015: 28%) in respect of retirees.

The weighted average duration of the UK defined benefit scheme liabilities at the end of the reporting period is 22.0 years (2015: 23.0 years).

The change in the fair value of defined benefit schemes' assets was:

(In £s million)	2016	2015
Change in the fair value of scheme assets		
Fair value of plan assets at 1 July	626.6	568.4
Effect of settlement	(21.1)	-
Interest income on defined benefit scheme assets	23.7	24.9
Return on scheme assets	91.1	37.5
Employer contributions (towards funded and unfunded schemes)	14.4	14.0
Benefits and expenses paid	(22.7)	(18.2)
Fair value of plan assets at 30 June	712.0	626.6

During the year the Company made deficit funding contributions of £14.0 million (2015: £13.5 million) into the funded Hays Pension Scheme, and made pension payments amounting to £0.4 million (2015: £0.5 million) in respect of the unfunded Hays Supplementary Scheme. The amount of deficit funding contributions expected to be paid into the funded Hays Pension Scheme in the year to 30 June 2017 is £14.4 million. Following the closure of the Schemes in 2012 future service contributions are no longer payable.

The net expense recognised in the Consolidated Income Statement comprised:

(In £s million)	2016	2015
Net interest expense	(2.0)	(1.7)
Administration costs	(1.9)	(1.3)
Effect of settlement	(1.6)	-
Net expense recognised in the Consolidated Income Statement	(5.5)	(3.0)

The net interest expense and administration costs in the current year and prior year were recognised within finance costs.

The amounts recognised in the Consolidated Statement of Comprehensive Income are as follows:

(In £s million)	2016	2015
The return on plan assets (excluding amounts included in net interest expense)	91.1	37.5
Actuarial remeasurement:		
Net remeasurement gains - change in experience assumptions	28.9	11.2
Net remeasurement gains - change in demographic assumptions	14.7	-
Net remeasurement losses - change in financial assumptions	(99.2)	(74.5)
Remeasurement of the net defined benefit liability	35.5	(25.8)

A roll forward of the actuarial valuation of the Hays Pension Scheme to 30 June 2016 and a valuation of the Hays Supplementary Pension Scheme have been performed by an independent actuary, who is an employee of Hymans Robertson LLP.

The key assumptions used at 30 June 2016 are listed below.

	2016	2015
Discount rate	2.8%	3.8%
RPI inflation	2.8%	3.3%
CPI inflation	1.8%	2.3%
Rate of increase of pensions in payment	2.8%	3.2%
Rate of increase of pensions in deferment	1.8%	2.3%

The discount rate has been constructed to reference the Hymans Robertson AA corporate bond curve (which fits a curve to iBoxx AA corporate data). The corporate bond yield curve has been used to discount the Scheme cash flows using the rates available at each future duration and this had been converted into a single flat rate assumption to give equivalent liabilities to the Scheme's cash flows. The duration of the Scheme's liabilities using this approach is circa 22 years.

The RPI inflation assumption has been set as gilt market implied RPI appropriate to the duration of the liabilities (circa 22 years) less a 0.2% p.a. inflation risk premium. The CPI inflation assumption has been determined as 1% p.a. below the RPI assumption. This approach for both RPI and CPI assumptions is consistent with last year.

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22. Retirement benefit obligations continued

The life expectancy assumptions have been calculated using Club Vita base tables and future improvements in line with the CMI 2013 model with a long-term improvement rate of 1.5% per annum and 'non peaked' short-term future improvements. On this basis a 65-year-old current pensioner has a life expectancy of 24.3 years and 24.8 years for males and females respectively.

A sensitivity analysis on the principal assumptions used to measure the Scheme's liabilities at the year end is:

	Change in assumption	Impact on Schemes
Discount rate	0.5%	£88m
RPI inflation	0.5%	£55m
Assumed life expectancy at age 60 (rate of mortality)	+1 year	£29m

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation to one another as some of the assumptions may be correlated.

In presenting the above sensitivity analysis the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Consolidated Balance Sheet.

23. Provisions

(In £s million)	Discontinued	Continuing	Total
At 1 July 2015	12.1	2.8	14.9
Exchange adjustments	-	0.2	0.2
(Credited)/charged to income statement	(4.6)	(0.6)	(5.2)
Utilised	(0.6)	-	(0.6)
At 30 June 2016	6.9	2.4	9.3
(In £s million)			
	2016		2015
Current	3.1		3.0
Non-current	6.2		11.9
	9.3		14.9

Discontinued provisions comprise potential exposures arising as a result of the business disposals that were completed in 2004, together with deferred employee benefits relating to former employees. During the year a number of property leases and warranty periods associated with those business disposals expired resulting in a release of £4.6 million to the income statement and is included in profit from discontinued operations.

Of the total provisions of £9.3 million, £0.1 million relates to property exposures, a further £1.3 million to deferred employee benefit obligations, and the remaining £7.9 million relates mainly to potential warranty claim liabilities arising from the business disposals which took place in 2004. Of the provisions that remain, £3.1 million is expected to be paid in the next 12 months and it is not possible to estimate the timing of the payments for the other items.

24. Called up share capital

Called up, allotted and fully paid Ordinary shares of 1 pence each

	Share capital number (thousand)	Share capital £s million
At 1 July 2015 and 30 June 2016	1,464,097	14.7

In accordance with the Companies Act 2006, the Company no longer has an authorised share capital.

The Company is allowed to hold 10% of issued share capital in treasury.

As at 30 June 2016, the Company held 31.2 million (2015: 43.1 million) Hays plc shares in treasury.

25. Share premium account

(In £s million)	2016	2015
At 30 June	369.6	369.6

26. Capital redemption reserve

(In £s million)	2016	2015
At 30 June	2.7	2.7

27. Retained earnings

(In £s million)	2016	2015
At 1 July	(138.2)	(197.7)
Remeasurement of defined benefit pension schemes	35.5	(25.8)
Tax on items taken directly to reserves	(7.9)	7.1
Profit for the year	124.5	105.6
Dividends paid	(39.9)	(37.9)
Share-based payments	10.2	10.5
At 30 June	(15.8)	(138.2)

28. Cumulative translation reserve

(In £s million)	2016	2015
At 1 July	2.1	33.4
Currency translation adjustments	64.3	(31.3)
At 30 June	66.4	2.1

29. Equity reserve

(In £s million)	2016	2015
At 1 July	18.7	18.3
Share-based payments	1.5	0.4
At 30 June	20.2	18.7

The equity reserve is generated as a result of IFRS 2 'Share-based payments'.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

30. Share-based payments

During the year, £11.9 million (2015: £10.8 million) was charged to the Consolidated Income Statement in relation to equity-settled share-based payments.

Share options

At 30 June 2016 the following options had been granted and remained outstanding in respect of the Company's Ordinary shares of 1 pence each under the Company's share option schemes:

	Number of shares	Nominal value of shares £	Subscription price pence/share	Date normally exercisable
Hays UK Sharesave Scheme	347,894	3,479	88	2016
	720,336	7,203	131	2017
	1,025,790	10,258	142	2018
	2,529,308	25,293	107	2019
	4,623,328	46,233		
Hays International Sharesave Scheme	218,670	2,187	88	2016
	332,802	3,328	131	2017
	369,729	3,697	142	2018
	826,241	8,262	107	2019
	1,747,442	17,474		
Total Sharesave options outstanding	6,370,770	63,707		

The Hays International Sharesave Scheme is available to employees in Australia, New Zealand, Germany, the Republic of Ireland, Canada, Hong Kong, Singapore and the United Arab Emirates.

Details of the share options outstanding during the year are as follows:

	2016 Number of share options (thousand)	2016 Weighted average exercise price (pence)	2015 Number of share options (thousand)	2015 Weighted average exercise price (pence)
Sharesave				
Outstanding at the beginning of the year	6,252	111	7,642	94
Granted during the year	3,457	107	1,896	142
Forfeited/cancelled during the year	(1,545)	110	(882)	108
Exercised during the year	(1,748)	85	(2,318)	81
Expired during the year	(45)	91	(86)	106
Outstanding at the end of the year	6,371	117	6,252	111
Exercisable at the end of the year	567	88	993	78

On 31 March 2016, 3.5 million Sharesave options were granted. The aggregate of the estimated fair values of the options granted on that date is £0.9 million. In the prior year, 1.9 million Sharesave options were granted. The aggregate of the estimated fair values of the options granted in the prior year was £0.7 million.

The inputs into the valuation model (a binomial valuation model) are as follows:

Share price at grant	119 pence
Exercise price	107 pence
Expected volatility	27.2%
Expected life	3.33 years
Risk-free rate	0.50%
Expected dividends	2.30%

Expected volatility was determined by calculating the historical volatility of the Group's share price over the previous three years.

Performance Share Plan (PSP) and Deferred Annual Bonus (DAB)

The PSP is designed to link reward to the key long-term value drivers of the business and to align the interests of the executive directors and approximately 320 of the global senior management population with the long-term interests of shareholders. PSP awards are discretionary and vesting is dependent upon the achievement of performance conditions measured over either a three-year period or a one-year period with a two-year holding period.

Only the executive directors and other members of the Management Board participate in the DAB which promotes a stronger link between short-term and long-term performance through the deferral of annual bonuses into shares for a three-year period.

Further details of the schemes for the executive directors can be found in the directors' Remuneration Report on pages 64 to 85.

Details of the share awards outstanding during the year are as follows:

	2016 Number of share options (thousand)	2016 Weighted average fair value at grant (pence)	2015 Number of share options (thousand)	2015 Weighted average fair value at grant (pence)
Performance Share Plan				
Outstanding at the beginning of the year	25,762	97	30,897	79
Granted during the year	6,755	153	8,446	116
Exercised during the year	(8,729)	74	(10,361)	71
Lapsed during the year	(1,100)	123	(3,220)	69
Outstanding at the end of the year	22,688	122	25,762	97
Deferred Annual Bonus				
Outstanding at the beginning of the year	2,628	107	2,994	86
Granted during the year	747	162	918	133
Exercised during the year	(712)	80	(1,284)	75
Outstanding at the end of the year	2,663	130	2,628	107

31. Related parties**Remuneration of key management personnel**

The remuneration of the Management Board, who are key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures' and represents the total compensation costs incurred by the Group in respect of remuneration, not the benefit to the individuals. Further information about the remuneration of executive directors is provided in the directors' Remuneration Report on pages 64 to 85.

(In £s million)	2016	2015
Short-term employee benefits	8.5	6.6
Post-employment benefits	0.1	0.1
Share-based payments	5.2	4.8
	13.8	11.5

Information relating to pension fund arrangements is disclosed in note 22.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONTINUED

32. Operating lease arrangements

The Group as lessee

(In £s million)	2016	2015
Lease payments under operating leases recognised as an expense for the year	34.0	30.8

At 30 June 2016, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

(In £s million)	2016	2015
Within one year	39.4	30.0
Between two and five years	70.3	46.0
After five years	6.6	4.3
	116.3	80.3

IFRS 16 'Leases' will become effective in the Group's financial year 2020 and will primarily change the lease accounting requirements for lessees as currently disclosed above.

33. Movement in net cash/(debt)

(In £s million)	1 July 2015	Cash flow	Exchange movement	30 June 2016
Cash and cash equivalents	69.8	(28.1)	21.2	62.9
Bank loans and overdrafts	(100.5)	74.4	-	(26.1)
Net cash/(debt)	(30.7)	46.3	21.2	36.8

The table above is presented as additional information to show movement in net cash/(debt), defined as cash and cash equivalents less bank loans and overdrafts.

34. Acquisition liabilities

(In £s million)	Total
At 1 July 2015	(8.6)
Exchange adjustments	(1.7)
Interest unwind on acquisition liability	(0.9)
At 30 June 2016	(11.2)

Acquisition liabilities relate to the deferred consideration payable following the acquisition of 80% of Veredus Corp., a pure play US IT staffing company in December 2014. The business was acquired for a total cash consideration of £36.1 million and to reflect the substance of the transaction using the principles of IFRS 10, the acquisition was accounted for as if 100% of the equity had been acquired.

The deferred consideration is subject to a put/call arrangement which provides Hays with an option to acquire the remaining 20% of the equity from the shareholders. The option is first available for exercise in March 2018. A liability of £8.6 million was recognised in the prior year representing management's best estimate of the amount payable discounted to its present value. The unwind of the discount in the year of £0.9 million is recognised as a finance cost in the income statement.

Full details can be found in the disclosures in note 32 to the 2015 financial statements.

35. Subsequent events

The final dividend for 2016 of 1.99 pence per share (£28.7 million) will be proposed at the Annual General Meeting on 9 November 2016 and has not been included as a liability as at 30 June 2016. If approved, the final dividend will be paid on 11 November 2016 to shareholders on the register at close of business on 14 October 2016.

COMPANY BALANCE SHEET

AT 30 JUNE

(In £s million)	Note	2016	2015
Non-current assets			
Property, plant and equipment	4	0.9	0.3
Investment in subsidiaries	5	910.4	910.4
Trade and other receivables	6	115.9	120.8
Deferred tax assets	7	3.0	12.1
		1,030.2	1,043.6
Current assets			
Trade and other receivables	8	11.5	10.2
Cash and bank balances		3.1	-
		14.6	10.2
Total assets		1,044.8	1,053.8
Current liabilities			
Trade and other payables	9	(352.8)	(358.2)
Bank overdraft	10	-	(22.5)
Net current liabilities		(338.2)	(370.5)
Total assets less current liabilities		692.0	673.1
Non-current liabilities			
Retirement benefit obligations	11	(14.3)	(58.7)
Provisions	12	(5.3)	(7.8)
		(19.6)	(66.5)
Total liabilities		(372.4)	(424.7)
Net assets		672.4	629.1
Equity			
Share capital		14.7	14.7
Share premium account		369.6	369.6
Capital redemption reserve		2.7	2.7
Retained earnings		265.2	223.4
Equity reserve		20.2	18.7
Equity attributable to owners of the Company		672.4	629.1

The financial statements of Hays plc, registered number 2150950, were approved by the Board of Directors and authorised for issue on 1 September 2016.

Signed on behalf of the Board of Directors

A R Cox

P Venables

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2016

(In £s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Equity reserve	Own shares	Total
At 1 July 2015	14.7	369.6	2.7	223.4	18.7	-	629.1
Remeasurement of defined benefit pension schemes	-	-	-	35.5	-	-	35.5
Tax relating to components of other comprehensive income	-	-	-	(7.2)	-	-	(7.2)
Net expense recognised in other comprehensive income	-	-	-	28.3	-	-	28.3
Profit for the year	-	-	-	43.3	-	-	43.3
Total comprehensive income for the year	-	-	-	71.6	-	-	71.6
Dividends paid	-	-	-	(39.9)	-	-	(39.9)
Share-based payments	-	-	-	10.1	1.5	-	11.6
At 30 June 2016	14.7	369.6	2.7	265.2	20.2	-	672.4

FOR THE YEAR ENDED 30 JUNE 2015

(In £s million)	Share capital	Share premium account	Capital redemption reserve	Retained earnings	Equity reserve	Own shares	Total
At 1 July 2014	14.7	369.6	2.7	224.4	18.3	(0.2)	629.5
Remeasurement of defined benefit pension schemes	-	-	-	(25.8)	-	-	(25.8)
Tax relating to components of other comprehensive income	-	-	-	4.3	-	-	4.3
Net expense recognised in other comprehensive income	-	-	-	(21.5)	-	-	(21.5)
Profit for the year	-	-	-	47.0	-	-	47.0
Total comprehensive income for the year	-	-	-	25.5	-	-	25.5
Dividends paid	-	-	-	(37.9)	-	-	(37.9)
Share-based payments	-	-	-	10.6	0.4	0.2	11.2
Tax on share-based payment transactions	-	-	-	0.8	-	-	0.8
At 30 June 2015	14.7	369.6	2.7	223.4	18.7	-	629.1

NOTES TO THE COMPANY FINANCIAL STATEMENTS

1. Accounting policies

a. Basis of accounting

The financial statements have been prepared under the historical cost convention, in accordance with Financial Reporting standard 101 (FRS101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. The prior financial statements were prepared in accordance with UK GAAP and have been restated for material adjustments on adoption of FRS 101 in the current year. The last financial statements under a previous GAAP (UK GAAP) were for the year ended 30 June 2015 and the date of transition to FRS 101 was therefore 1 July 2014. There has been no movement in total equity due to the change in accounting framework from UK GAAP to FRS 101. Movements in equity are detailed on page 126.

As permitted by Section 408 of the Companies Act 2006, the Company's income statement has not been presented. The Company, as permitted by FRS 101, has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, certain disclosures regarding the Company's capital, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, certain related party transactions and the effect of future accounting standards not yet adopted. Where required, equivalent disclosures are provided in the Group financial statements of Hays plc.

The significant accounting policies and significant judgments and key estimates relevant to the Company are the same as those set out in note 2 and note 3 to the Group financial statements.

2. Employee information

There are no staff employed by the Company (2015: none). Therefore no remuneration has been disclosed. Details of directors' emoluments and interests are included in the directors' Remuneration Report on pages 64 to 85 of the Annual Report.

3. Profit for the year

Hays plc has not presented its own income statement and related notes as permitted by Section 408 of the Companies Act 2006. The profit for the financial year in the Hays plc Company financial statements is £43.3 million (2015: profit £47.0 million).

4. Property, plant and equipment

(In £s million)	Plant and machinery	Fixtures and fittings	Total
Cost			
At 1 July 2015	1.2	1.2	2.4
Additions	-	0.8	0.8
Disposals	(0.4)	-	(0.4)
At 30 June 2016	0.8	2.0	2.8
Depreciation			
At 1 July 2015	1.1	1.0	2.1
Charge for the year	-	0.1	0.1
Disposals	(0.3)	-	(0.3)
At 30 June 2016	0.8	1.1	1.9
Net book value			
At 30 June 2016	-	0.9	0.9
At 1 July 2015	0.1	0.2	0.3

5. Investment in subsidiaries

(In £s million)	Shares in subsidiary undertakings
Cost	
At 1 July 2015 and 30 June 2016	910.4
Provision for impairment	
At 1 July 2015 and 30 June 2016	-
Total	
At 30 June 2015 and 30 June 2016	910.4

The principal subsidiary undertakings of the Group are listed in note 13.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

CONTINUED

6. Trade and other receivables: amounts falling due after more than one year

(In £s million)	2016	2015
Prepayments	1.5	1.7
Amounts owed by subsidiary undertakings	114.4	119.1
	115.9	120.8

The Company charges interest on amounts owed by subsidiary undertakings at a rate of three-month LIBOR plus 1%.

7. Deferred tax

Deferred tax assets in relation to:

(In £s million)	2016	2015
Retirement benefit obligations	2.7	11.7
Other short-term timing differences	0.3	0.4
	3.0	12.1

8. Trade and other receivables: amounts falling due within one year

(In £s million)	2016	2015
Corporation tax debtor	8.8	8.1
Prepayments	2.7	2.1
	11.5	10.2

9. Trade and other payables

(In £s million)	2016	2015
Accruals	15.9	19.5
Amounts owed to subsidiary undertakings	336.9	316.2
	352.8	335.7

Amounts owed to subsidiary undertakings are repayable on demand. The Company is charged interest on amounts owed to subsidiary undertakings at a rate of three-month LIBOR less 1%.

10. Bank overdraft

Bank overdrafts are unsecured and repayable on demand. There was no overdraft repayable at the end of the year (2015: £22.5 million).

11. Retirement benefit obligations

(In £s million)	2016	2015
Defined benefit scheme deficit	14.3	58.7

The details of this UK scheme, for which Hays plc is the sponsoring employer, are set out in note 22 to the Group financial statements.

12. Provisions

(In £s million)	2016	2015
At 1 July 2015		7.8
Credited to the income statement		(1.9)
Utilised during the year		(0.6)
At 30 June 2016	5.3	

Provisions comprise of potential exposures arising as a result of the business disposals relating to the Group transformation that concluded in 2004. During the year warranty claim liabilities relating to the discontinued operations expired resulting in a £1.9 million release to the income statement. It is not possible to estimate the timing of payments against the remaining provisions.

13. Subsidiaries

	Country of registration
Accountancy Personnel Pty Limited	Australia
Accountancy Placements (Australia) Pty Limited	Australia
Ampoza Holdings Pty Limited	Australia
Hays Construction Pty Limited	Australia
Hays Property Pty Limited	Australia
Hays Specialist Recruitment (Australia) Pty Limited	Australia
Hays Superannuation Pty Limited	Australia
Hays Österreich GmbH Personnel Services	Austria
Hays NV	Belgium
Hays Services NV	Belgium
Hays Recruitment and Selection Ltda	Brazil
Hays Specialist Recruitment (Canada) Inc.	Canada
Hays Especialistas En Reclutamiento Limitada	Chile
Hays Specialist Recruitment (Shanghai) Co. Limited* (90% owned)	China
Hays Colombia SAS	Colombia
Hays Czech Republic, s.r.o	Czech Republic
Hays Specialist Recruitment (Denmark) A/S	Denmark
Axis Resources Holdings Limited	England & Wales
Axis Resources Limited	England & Wales
EPS Pension Trustees Limited	England & Wales
H101 Limited	England & Wales
Hays Commercial Services Limited	England & Wales
Hays Finance Technology Limited	England & Wales
Hays Group Holdings Limited	England & Wales
Hays Healthcare Limited	England & Wales
Hays Holdings Limited	England & Wales
Hays International Holdings Limited	England & Wales
Hays Nominees Limited	England & Wales
Hays Overseas Holdings Limited	England & Wales
Hays Pension Trustee Limited	England & Wales
Hays Personnel (Managed Solutions) Limited	England & Wales
Hays Personnel Payroll Services Limited	England & Wales
Hays Personnel Services Limited	England & Wales
Hays Pharma Consulting Limited	England & Wales
Hays Pharma Limited	England & Wales
Hays Project Solutions Limited	England & Wales
Hays Property Holdings Limited	England & Wales
Hays Recruitment Services Limited	England & Wales
Hays Social Care Limited	England & Wales
Hays Specialist Recruitment (Holdings) Limited	England & Wales
Hays Specialist Recruitment Limited	England & Wales
Hays SRA Limited	England & Wales
Hays Stakeholder Life Assurance Trustee Limited	England & Wales
Hays ZMB Limited	England & Wales
James Harvard International Group Limited	England & Wales
Krooter Limited	England & Wales
Myriad Computer Services Limited	England & Wales
Oval (1620) Limited	England & Wales
Owen, Thornhill and Harper Limited	England & Wales
Paperstream Limited	England & Wales

NOTES TO THE COMPANY FINANCIAL STATEMENTS

CONTINUED

13. Subsidiaries continued

	Country of registration
Recruitment Solutions Group Limited (IOM)	England & Wales
RSG EBT Limited	England & Wales
Weyside 23 Limited	England & Wales
Weyside Group Limited	England & Wales
Weyside Office Services Limited	England & Wales
Weyside Telecoms Limited	England & Wales
Weyside Turngate Limited	England & Wales
Hays BTP & Immobilier SASU	France
Hays Clinical Research SASU	France
Hays Consulting SASU	France
Hays Executive SASU	France
Hays Finance SASU	France
Hays France SAS	France
Hays Ile de France SASU	France
Hays IT Services SASU	France
Hays Medias SASU	France
Hays Nord Est SASU	France
Hays Ouest SASU	France
Hays Pharma Consulting SASU	France
Hays Pharma SASU	France
Hays Pharma Services SASU	France
Hays Sud Est SASU	France
Hays Sud Ouest SASU	France
Hays Talent Solutions SAS	France
Hays Travail Temporaire SASU	France
Hays AG	Germany
Hays Talent Solutions GmbH	Germany
Hays Holding GmbH	Germany
Hays Technology Solutions GmbH	Germany
Hays Temp GmbH	Germany
Hays Hong Kong Limited	Hong Kong
Hays Specialist Recruitment Hong Kong Limited	Hong Kong
Hays Hungary Kft.	Hungary
Hays Business Solutions Private Limited (Gurgaon)	India
Hays Specialist Recruitment Private Limited	India
Hays Business Services Ireland Limited	Ireland
Hays Specialist Recruitment (Ireland) Limited	Ireland
Hays Professional Services S.r.l	Italy
Hays S.r.l	Italy
Hays Resource Management Japan K.K.	Japan
Hays Specialist Recruitment Japan K.K.	Japan
Hays Finance (Jersey) Limited	Jersey
Hays S.a.r.l	Luxembourg
Hays Travail Temporaire Luxembourg	Luxembourg
Hays Specialist Recruitment (Malaysia) Sdn. Bhd.* (49% owned)	Malaysia
Hays Solution Sdn. Bhd.	Malaysia
Hays Specialist Recruitment Holdings Sdn. Bhd.	Malaysia
Hays Servicios, S.A. de C.V.	Mexico
Hays, S.A. de C.V.	Mexico
Hays B.V.	Netherlands

	Country of registration
Hays Commercial Services B.V.	Netherlands
Hays Holdings B.V.	Netherlands
Hays Services B.V.	Netherlands
Hays Temp B.V.	Netherlands
Hays Specialist Recruitment (NZ) Limited	New Zealand
Hays Document Management (Private) Limited	Pakistan
Hays Poland sp. z.o.o.	Poland
Hays Poland Centre of Excellence sp. z.o.o.	Poland
Hays Recrutamento Seleccao e Empresa de Trabalho Temporario Unipessoal LDA	Portugal
Hays Specialist Recruitment Romania SRL	Romania
Hays Business Solutions Limited Liability Company	Russia
Hays IT Solutions Limited Liability Company	Russia
Hays Specialist Recruitment Limited Liability Company	Russia
Hays Specialist Recruitment P.T.E Limited	Singapore
Hays Business Services S.L	Spain
Hays Personnel Espana Empresa de Trabajo Temporal SA	Spain
Hays Personnel Services Espana SA	Spain
Hays Specialist Recruitment AB	Sweden
Hays (Schweiz) AG	Switzerland
Hays FZ-LLC	UAE
3 Story Software LLC	United States of America
Hays Holding Corporation	United States of America
Hays Specialist Recruitment LLC	United States of America
Hays Talent Solutions LLC	United States of America
Hays USA Holdings Inc	United States of America
Veredus Corporation* (80% owned)	United States of America
Veredus Government Solutions LLC* (80% owned)	United States of America
Veredus Holdings Inc* (80% owned)	United States of America
Veredus LLC* (80% owned)	United States of America

As at 30 June 2016, Hays plc and/or a subsidiary or subsidiaries in aggregate owned 100% of each class of the issued shares of each of these companies with the exception of companies marked with an asterisk (*) in which case each class of issued shares held was as stated.

14. Other related party transactions

Hays plc has taken advantage of the exemption granted under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries. Transactions entered into and trading balances outstanding that were owed to Hays plc at 30 June 2016 with other related parties was £1.7 million (2015: £0.1 million).

15. Subsequent events

The final dividend for 2016 of 1.99 pence per share (£28.7 million) will be proposed at the Annual General Meeting on 9 November 2016 and has not been included as a liability as at 30 June 2016. If approved, the final dividend will be paid on 11 November 2016 to shareholders on the register at close of business on 14 October 2016.