

Hays Specialist Recruitment (Denmark)

A/S

Central Business Registration No

30908848


Kongens Nytorv 8

1050 Copenhagen K

Annual report 2015/16

The Annual General Meeting adopted the annual report on 09.11.2016

Chairman of the General Meeting


Name: Christoph Niewerth

Contents

	<u>Page</u>
Entity details	1
Statement by Management on the annual report	2
Independent auditor's reports	3
Management commentary	5
Accounting policies	6
Income statement for 2015/16	9
Balance sheet at 30.06.2016	10
Statement of changes in equity for 2015/16	12
Notes	13

Entity details

Entity

Hays Specialist Recruitment (Denmark) A/S
Kongens Nytorv 8
1050 Copenhagen K

Central Business Registration No: 30908848

Registered in: Copenhagen

Financial year: 01.07.2015 - 30.06.2016

Board of Directors

Christoph Niewerth, Chairman

Klaus Peter Breitschopf

Nicolas Raymond Cox

Executive Board

Klaus Peter Breitschopf

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Hays Specialist Recruitment (Denmark) A/S for the financial year 01.07.2015 - 30.06.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2016 and of the results of its operations for the financial year 01.07.2015 - 30.06.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 09.11.2016

Executive Board

Klaus Peter Breitschopf

Board of Directors

Christoph Niewerth
Chairman


Klaus Peter Breitschopf


Nicolas Raymond Cox

Independent auditor's reports

To the owners of Hays Specialist Recruitment (Denmark) A/S

Report on the financial statements

We have audited the financial statements of Hays Specialist Recruitment (Denmark) A/S for the financial year 01.07.2015 - 30.06.2016, which comprise the accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30.06.2016 and of the results of its operations for the financial year 01.07.2015 - 30.06.2016 in accordance with the Danish Financial Statements Act.

Statement on the management commentary

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the financial statements.

Independent auditor's reports

Copenhagen, 09.11.2016

Deloitte

Statsautoriseret Revisionspartnerselskab



Kim Jørgensen

State Authorised Public Accountant

CVR-nr. 33963556

Management commentary

Primary activities

The primary activity of Hays Specialist Recruitment (Denmark) A/S is the recruitment of specialists for permanent positions and for temporary assignments as subcontractors (contracting).

Development in activities and finances

Hays Specialist Recruitment (Denmark) A/S has been operating in Denmark for eight years now. The organisational structure is set up to serve client's requirements in dedicated skill areas (specialisms) and contract types (Permanent Recruiting and Contracting).

All consultants have thorough academic qualifications and practical experience in their chosen field, together with a solid recruiting knowhow. In the Fiscal Year 2015/2016, we have focused on keeping the Permanent Business on a stable level while investing in the Contracting Business.

Our Perm. Recruiting activities (6 FTE) led to results slightly above expectations. Business results grew by approx. 50%.

Our Contracting sales team (3 FTE) outperformed the targets by far and quadrupled business results.

The profit for Fiscal Year 2015/2016 amounted to DKK 3,154,000.

Hays Specialist Recruitment Denmark A/S was profitable for the first time due to the business results described above. We expect this trend to continue.

An additional capital increase was executed in September 2015.

We are going to invest in consultant headcount in the next fiscal year while keeping business results on a profitable level. Another capital increase is not planned, however, it might be necessary within the next fiscal year.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises.

The accounting policies applied for these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the payment date, or the rate at the balance sheet date are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, other operating income and external expenses.

Accounting policies

Revenue

Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises costs of sales for the financial year measured at cost.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes write-downs of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Amortisation, depreciation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

Balance sheet

Intellectual property rights etc

Intellectual property rights etc comprise development projects completed and in progress with related intellectual property rights, acquired intellectual property rights and prepayments for intangible assets.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are amortised over their remaining duration, and licences are amortised over the term of the agreement, but over no more than 20 years.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

Accounting policies

Property, plant and equipment

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Other fixtures and fittings, tools and equipment	5 years
--	---------

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Operating leases

Lease payments on operating leases are recognised on a straight-line basis in the income statement over the term of the lease.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Income statement for 2015/16

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK'000</u>
Gross profit		11.879.572	3.880
Staff costs	1	(8.516.080)	(6.807)
Depreciation, amortisation and impairment losses	2	(130.525)	(116)
Operating profit/loss		3.232.967	(3.043)
Other financial expenses	3	(78.791)	(87)
Profit/loss for the year		<u>3.154.176</u>	<u>(3.130)</u>
Proposed distribution of profit/loss			
Retained earnings		3.154.176	(3.130)
		<u>3.154.176</u>	<u>(3.130)</u>

Balance sheet at 30.06.2016

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK'000</u>
Acquired intangible assets		0	0
Intangible assets	4	<u>0</u>	<u>0</u>
Other fixtures and fittings, tools and equipment		241.668	320
Property, plant and equipment	5	<u>241.668</u>	<u>320</u>
Fixed assets		<u>241.668</u>	<u>320</u>
Trade receivables		12.145.487	3.141
Receivables from group enterprises		11.644	51
Other short-term receivables		680.696	609
Prepayments		129.471	84
Receivables		<u>12.967.298</u>	<u>3.885</u>
Cash		<u>4.704.329</u>	<u>928</u>
Current assets		<u>17.671.627</u>	<u>4.813</u>
Assets		<u>17.913.295</u>	<u>5.133</u>

Balance sheet at 30.06.2016

	<u>Notes</u>	<u>2015/16 DKK</u>	<u>2014/15 DKK'000</u>
Contributed capital	6	1.004.000	1.003
Retained earnings		2.733.934	(1.119)
Equity		<u>3.737.934</u>	<u>(116)</u>
Trade payables		4.744.667	1.714
Debt to group enterprises		5.000.706	1.740
Other payables		4.429.988	1.795
Current liabilities other than provisions		<u>14.175.361</u>	<u>5.249</u>
Liabilities other than provisions		<u>14.175.361</u>	<u>5.249</u>
Equity and liabilities		<u>17.913.295</u>	<u>5.133</u>
Unrecognised rental and lease commitments	7		
Contingent assets	8		
Related parties with control	9		
Ownership	10		
Consolidation	11		

Statement of changes in equity for 2015/16

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	1.003.000	(1.119.242)	(116.242)
Increase of capital	1.000	699.000	700.000
Profit/loss for the year	0	3.154.176	3.154.176
Equity end of year	1.004.000	2.733.934	3.737.934

Notes

	2015/16 DKK	2014/15 DKK'000
1. Staff costs		
Wages and salaries	7.571.121	5.983
Pension costs	600.094	607
Other social security costs	330.411	155
Other staff costs	14.454	62
	8.516.080	6.807
	2015/16 DKK	2014/15 DKK'000
2. Depreciation, amortisation and impairment losses		
Depreciation of property, plant and equipment	130.525	116
	130.525	116
	2015/16 DKK	2014/15 DKK'000
3. Other financial expenses		
Financial expenses from group enterprises	32.411	56
Exchange rate adjustments	46.355	30
Other financial expenses	25	1
	78.791	87
		Acquired intangible assets DKK
4. Intangible assets		
Cost beginning of year		274.328
Cost end of year		274.328
Amortisation and impairment losses beginning of year		(274.328)
Amortisation and impairment losses end of year		(274.328)
Carrying amount end of year		0

Notes

	Other fixtures and fittings, tools and equipment	
	DKK	
5. Property, plant and equipment		
Cost beginning of year		1.050.250
Additions		52.414
Cost end of year		1.102.664
Depreciation and impairment losses beginning of the year		(730.471)
Depreciation for the year		(130.525)
Depreciation and impairment losses end of the year		(860.996)
Carrying amount end of year		241.668
	Number	Nominal value
6. Contributed capital		DKK
Ordinary shares	1.004.000	1.004.000
	1.004.000	1.004.000

By conversion of debt, the following capital increases have been implemented over the past five financial years:

On 21 September 2015, a capital increase was implemented in the amount of DKK 1,000 at a price of DKK 700,000.

On 24 March 2015, a capital increase was implemented in the amount of DKK 1,000 at a price of DKK 5,900,000.

On 31 May 2013, a capital increase was implemented in the amount of DKK 1,000 at a price of DKK 9,000,000.

On 23 December 2012, a capital increase was implemented in the amount of DKK 1,000 at a price of DKK 5,952,000.

Notes

7. Unrecognised rental and lease commitments

The Entity has annual rental agreements of DKK 1,568,000 (30 June 2015: DKK 768,000).

8. Contingent assets

The Entity has unrecognised deferred tax assets.

9. Related parties with control

Hays Holding GmbH, Willy-Brandt-Platz 1-3, 68161 Mannheim, Germany, wholly owns the shares of the Entity and thus has control of the Entity.

10. Ownership

The Company has registered that the following shareholders hold more than 5% of the voting share capital or of the nominal value of the share capital:

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

11. Consolidation

Name and registered office of the Parent preparing consolidated financial statements for the largest group:

Hays PLC, 4th floor Central Wing, 250 Euston Rd, London NW1 2AF, UK