

Registered No. 06428210

# Hays Transport Limited

## Report and Financial Statements

31 October 2016



**Directors**

John Hays  
Jonathan Hays  
Marta Fernandez Varona  
Jane Schumm

**Auditor**

Ernst & Young LLP  
Citygate  
St James' Boulevard  
Newcastle upon Tyne  
NE1 4JD

**Bankers**

Barclays Bank plc  
53 Fawcett Street  
Sunderland  
Tyne and Wear  
SR1 1SD

**Solicitors**

Muckle LLP  
Time Central  
32 Gallowgate  
Newcastle upon Tyne  
NE1 4BF

**Registered Office**

25 Vine Place  
Sunderland  
Tyne and Wear  
SR1 3NA

## Strategic report

The Directors present their strategic report for the year ended 31 October 2016, comprising of the Company's business review, an analysis of its financial performance and a description of the principal risks and uncertainties in relation thereto.

### Principal activity and review of the business

The Company's principal activity during the year was the provision of transport services to the Hays Travel Limited Group under the HMRC Transport scheme.

The Company's key financial and other performance indicators during the year were as follows:

	2016	2015
	£	£
Turnover	91,310,714	87,504,664
Profit after tax	4,079	4,800
Current assets as % of current liabilities	100%	100%
Shareholders' equity	9,797	5,718
Average number of employees	-	-

### Principal risks and uncertainties

The Company's financial assets and liabilities, such as trade creditors and trade debtors, arise directly from the Company's operating activities within the Hays Travel Limited Group, all the companies of which are under the same management control.

The main risks associated with the Company's financial assets and liabilities are set out below.

#### Credit risk

The Company does not have external debtors; the risk to the business is the parent company's ability to discharge its liabilities.

#### Liquidity risk

The Company aims to mitigate liquidity risk by managing cash generated by its operations.

#### Foreign currency risk

The Company reviews its foreign currency exposure on an ongoing basis. The Company buys foreign currencies to settle liabilities in those currencies. Transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Currency is purchased as soon as possible thereafter to mitigate rate risk.

On behalf of the Board

John Hays  
Director



2 February 2017

## Directors' report

The Directors present their report and financial statements for the year ended 31 October 2016.

### Results and dividends

The profit for the year after taxation amounted to £4,079 (2015: £4,800). The Directors do not recommend payment of a final dividend (2015: £nil).

### Directors

The Directors who served the Company during the year and to the date of approval of the financial statements were as follows:

John Hays  
Jonathan Hays  
Marta Fernandez Varona  
Jane Schumm

### Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditor

A resolution to re-appoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

By order of the board



John Hays  
Director

2 February 2017

## Statement of directors' responsibilities

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditor's report**

### **to the members of Hays Transport Limited**

We have audited the financial statements of Hays Transport Limited for the year ended 31 October 2016 which comprise the Profit and Loss Account, the Statement of Total Recognized Gains and Losses, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

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

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditor's report**

**to the members of Hays Transport Limited**

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Darren Rutherford (Senior Statutory Auditor)  
For and on behalf of Ernst & Young LLP (Statutory Auditor)  
Newcastle upon Tyne

2 February 2017

## Income statement

for the year ended 31 October 2016

	<i>Notes</i>	2016 £	2015 £
<b>Turnover</b>	2	91,310,714	87,504,664
Operating expenses	3	(91,305,615)	(87,498,663)
<b>Operating profit</b>	4	5,099	6,001
Interest payable		-	(1)
<b>Profit before taxation</b>		5,099	6,000
Tax on profit	6	(1,020)	(1,200)
<b>Profit for the financial year</b>		4,079	4,800

All activities are continuing.

The Company has no other comprehensive income other than the profit for the financial year reported above.



## Statement of changes in equity

for the year ended 31 October 2016

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 November 2014	100	818	918
Profit for the year	-	4,800	4,800
	<hr/>	<hr/>	<hr/>
At 31 October 2015	100	5,618	5,718
Profit for the year	-	4,079	4,079
	<hr/>	<hr/>	<hr/>
At 31 October 2016	100	9,697	9,797
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Balance sheet**

at 31 October 2016

	<i>Notes</i>	<i>2016</i>	<i>2015</i>
		£	£
<b>Current assets</b>			
Debtors	7	15,994,919	15,104,242
Cash at bank and in hand		2,409	-
		<u>15,997,328</u>	<u>15,104,242</u>
<b>Creditors: amounts falling due within one year</b>	8	(15,987,531)	(15,098,524)
		<u>9,797</u>	<u>5,718</u>
<b>Net current assets</b>		<u>9,797</u>	<u>5,718</u>
<b>Net assets</b>			
		<u>9,797</u>	<u>5,718</u>
<b>Capital and reserves</b>			
Called up share capital	9	100	100
Profit and loss account		9,697	5,618
		<u>9,797</u>	<u>5,718</u>
<b>Total equity</b>		<u>9,797</u>	<u>5,718</u>

The financial statements were approved and authorised for issue by the Board of Directors on 2 February 2017 and signed on their behalf by:

John Hays  
Director



## Notes to the financial statements

at 31 October 2016

### 1. Accounting policies

#### **Statement of compliance**

Hays Transport Limited is a limited liability company incorporated in England.

The Registered Office is:

25 Vine Place  
Sunderland  
Tyne and Wear  
SR1 3NA

The Company's financial statements have been prepared in accordance with FRS102, for the first time, as it applies to the financial statements of the Company for the year ended 31 October 2016.

The Company transitioned from the previously extant UK GAAP to FRS102 as at 1 November 2014. An explanation of how transition to FRS102 has affected the reported financial position and financial performance is given in note 10.

In these financial statements, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv)
- the requirements of Section 7 Statement of Cash Flows
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.39 to 11.48A
- the requirements of Sections 33.1A and 33.7 Related Party Disclosures

The group in which the results of the Company are consolidated is Hays Travel Limited. Consolidated financial statements are available at 25 Vine Place, Sunderland, Tyne and Wear, SR1 3NA.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards.

The financial statements have been prepared using accounting principles based on historical cost, unless stated otherwise.

The financial statements are prepared in sterling which is the functional currency of the Company and rounded to the nearest £.

#### **Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

No significant judgments have had to be made by management in preparing these financial statements other than as described in the following accounting policies.

#### **Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the income statement.

## Notes to the financial statements

at 31 October 2016

### 1. Accounting policies (continued)

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 1st February 2017 where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the exception of deferred tax assets. Deferred tax assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

### 2. Turnover

Turnover represents the total amount receivable by the Company from the sale of transport services supplied within the group.

### 3. Operating expenses

	2016	2015
	£	£
Cost of sales	91,299,481	87,492,674
Other expenses	6,134	5,989
	<u>91,305,615</u>	<u>87,498,663</u>

### 4. Operating profit

This is stated after charging:

	2016	2015
	£	£
Auditors' remuneration	1,250	1,675
	<u>1,250</u>	<u>1,675</u>

### 5. Directors' emoluments

The Directors' remuneration is borne by other Group companies and is not recharged.

## Notes to the financial statements

at 31 October 2016

### 6. Tax on profit

#### (a) Tax on profit

	2016	2015
	£	£
<i>Current tax:</i>		
UK corporation tax on profit for the year	1,020	1,200
Total current tax	<u>1,020</u>	<u>1,200</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total tax on profit (note 6(b))	<u>1,020</u>	<u>1,200</u>
<b>(b) Factors affecting tax charge for the year</b>		
Profit before tax	<u>5,099</u>	<u>6,000</u>
Profit multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20%)	<u>1,020</u>	<u>1,200</u>
Total tax charge for year (note 6(a))	<u>1,020</u>	<u>1,200</u>

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

The Company has no brought forward tax losses.

Reductions in the rate of corporation tax from 20% to 19% from 1 April 2017 and 18% from 1 April 2020 were substantively enacted on 26 October 2016. A further rate reduction to 17% from 1 April 2020 was enacted on 6 September 2016.

The Company has no deferred tax.

### 7. Debtors

	2016	2015
	£	£
Amounts due from group undertakings	13,330,905	12,589,901
Other taxes	2,664,014	2,514,341
	<u>15,994,919</u>	<u>15,104,242</u>

## Notes to the financial statements

at 31 October 2016

### 8. Creditors: amounts falling due within one year

	2016	2015
	£	£
Bank overdraft	-	298
Trade creditors	480	1,193
Amounts due to group undertakings	15,983,606	15,094,033
Corporation tax	1,020	1,200
Accruals and deferred income	2,425	1,800
	<u>15,987,531</u>	<u>15,098,524</u>

### 9. Issued share capital

	2016	2015	2016	2015
	No.	No.	£	£
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

### 10. Transition to FRS102

The Company transitioned to FRS102 from previously extant UK GAAP as at 1 November 2014. There were no restatements required upon transitioning as no significant differences to existing accounting policies were noted.

### 11. Financial instruments

	2016	2015
	£	£
Financial assets measured at amortised cost:		
Trade and other debtors	-	-
	<u>-</u>	<u>-</u>
Financial liabilities recorded at amortised cost:		
Trade and other creditors	480	1,193
	<u>480</u>	<u>1,193</u>

### 12. Capital commitments

There were no capital commitments at 31 October 2016 (2015: £Nil).

### 13. Related party transactions

The Company has taken advantage of the exemptions available to subsidiary undertakings of not disclosing transactions with wholly owned entities of the group qualifying as related parties.

### 14. Ultimate parent undertaking and controlling party

In the Directors' opinion the Company's ultimate parent undertaking and controlling party is Hays Travel Limited, a company registered in England and Wales.

The parent undertaking's financial statements can be obtained from Companies House in Cardiff.