

Registered number: 02809261

Haymarket Group Limited

Annual Report and Financial Statements

For the Year Ended 30 June 2017



Haymarket Group Limited

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Haymarket Group Limited

Chairman's Statement For the Year Ended 30 June 2017

The Chairman presents his statement for the year.

Haymarket Group's mission is to be the best specialist media company in our chosen markets, whilst transforming our business to take advantage of new technology and emerging revenue opportunities. The Group continues to successfully translate that strategy into its international operations, diversifying revenues to consolidate on sound fundamentals, positioning the company for continued long-term sustainable growth.

As a media, technology and information Group, we offer brands, products, services and live experiences to highly-engaged and high-value audiences in specialist consumer, business-to-business, content marketing and professional services sectors. The Group operates predominantly in the UK and USA but also operates in a number of other countries including Germany, Hong Kong, Singapore and India.

The Group has generated healthy revenues and profits in the 12 months to 30 June, despite challenging macroeconomic conditions. Uncertainty around the outcome of the EU referendum and the possible impact on the US regulatory environment of the in-coming president have impacted on underlying trading performance in some areas. But this has been offset by profits realised from the divestment of the Group's non-core motorsport and agricultural events brands. This has expedited further repayments of loan facilities as we continue to execute our debt-reduction programme, strengthening our Statement of Financial Position.

For the period covered in this Annual Report and accounts Haymarket delivered a Group operating profit of £16.0m on revenues of £172.7m. This compares to Group operating profit of £4.3m in the previous 12-month period, from turnover of £186.5m.

The Board is encouraged to report that revenues continue to diversify away from a reliance on print. In the reporting period diversified non-print revenues grew to represent almost two thirds of total revenue for the first time (63%).

These results are set in the context of significant investment in our technology infrastructure and digital platforms to ensure we continue to diversify revenues around our valuable data and paid content opportunities. Specifically, this activity includes the launch phase of a major investment programme to grow the ecommerce potential of our automotive portfolio, announced in April 2017.

With debt levels reduced to a net £1m at the year end, the management team - led by Chief Executive Kevin Costello - can now focus on driving the Group's data, live and content-led strategy of revenue diversification and sustainable growth, with a stable long-term shareholder structure in place.

The Board is mindful of the continuing economic and trading uncertainties at the macro level - as well as persistent structural change and advertising volatility in the marketing communications industries. As such, we remain focused on exercising firm management of the cost base while continuing to increase revenues from our valuable market positions, ensuring funds remain available for prudent investment in growth opportunities.

Our strategy continues to focus on developing a balanced portfolio of diversified revenues in our chosen markets: particularly in Motoring, Marketing-Communications and Medical. We will build out new opportunities in our UK business portfolio, while continuing to accelerate the digital and ecommerce opportunities of our powerful UK automotive brands. Meanwhile, expansion is continuing in the US, which now accounts for over a third of our total revenues, with healthy growth in the Medical sector.

I would like to thank the management team and our entire staff for their hard work and commitment during the reporting period, which has contributed to the performance of the Group and positions it well for the period ahead.

Name The Rt. Hon. The Lord Heseltine CH
 Chairman

Date 22 November 2017

Haymarket Group Limited

Company Information

Directors	The Rt Hon the Lord Heseltine CH The Hon R W D Heseltine K Costello B J Freeman D B Fraser M Gibson Lord Levene of Portsoken KBE
Company secretary	B J Freeman
Registered number	02809261
Registered office	Bridge House 69 London Road Twickenham TW1 3SP
Independent auditor	Grant Thornton UK LLP 30 Finsbury Square London EC2P 2YU
Banker	The Royal Bank of Scotland plc 280 Bishopsgate London EC2M 4RB
Solicitor	Lewis Silkin LLP 5 Chancery Lane London EC4A 1BL

Haymarket Group Limited

Group Strategic Report For the Year Ended 30 June 2017

The Directors present their Strategic Report for the year ended 30 June 2017. The Directors, in preparing this Strategic Report have complied with s414c of the Companies Act 2006.

Principal activities

Haymarket Group's mission is to be the best specialist media company in our chosen markets, whilst transforming our business to take advantage of new technology and emerging revenue opportunities.

As a media, technology and information Group, we offer brands, products, services and live experiences to highly-engaged and high-value audiences in specialist consumer, business-to-business, content marketing and professional services sectors. The Group operates predominantly in the UK and USA but also operates in a number of other countries including Germany, Hong Kong, Singapore and India.

The Group continues to invest in its technology infrastructure and digital platforms to ensure we continue to diversify revenues around our valuable data and paid content opportunities.

Business Review

Key Performance Indicators

	2017	2016
Total Turnover	£172.7m	£186.5m
Operating Profit	£16.0m	£4.3m
EBITDAE	£2.6m	£13.7m
Earnings before Interest, Tax, Depreciation, Amortisation and Exceptional items		
Net debt	£1.0m	£17.3m
Leverage (Net debt as a multiple of EBITDAE)	0.4	1.3

The Group has generated healthy revenues and profits in the 12 months to 30 June, despite challenging macroeconomic conditions. EBITDAE reflects market uncertainty around the outcome of the EU referendum and the possible impact on the US regulatory environment of the in-coming president have impacted on underlying trading performance in some areas. But this has been offset by operating profits realised from the divestment of the Group's non-core motorsport and agricultural events brands. This has expedited further repayments of loan facilities as we continue to execute our debt-reduction programme, strengthening our Statement of Financial Position.

These results are set in the context of significant investment in our technology infrastructure and digital platforms to ensure we continue to diversify revenues around our valuable data and paid content opportunities. Specifically, this activity includes the launch phase of a major investment programme to build out the ecommerce potential of our automotive portfolio, announced in April 2017.

Net cash generated from operating activities for the year to 30 June 2017 was £6.1m (2016: £7.7m - see cash flow statement).

The Directors are mindful of the continuing economic and trading uncertainties at the macro level - as well as persistent structural change and advertising volatility in the marketing communications industries. As such, we remain focused on exercising firm management of the cost base while continuing the monetisation of our valuable market positions, ensuring funds remain available for prudent investment in growth opportunities.

Haymarket Group Limited

Group Strategic Report (continued) For the Year Ended 30 June 2017

Our strategy continues to focus on developing a balanced portfolio of diversified revenues in our chosen markets: particularly in Motoring, Marketing-Communications and Medical. We will build out new opportunities in our UK business portfolio, while continuing to accelerate the digital and ecommerce opportunities of our powerful UK automotive brands. Meanwhile, expansion is continuing in the US, which now accounts for over a third of our total revenues, with healthy growth in the Medical sector.

Principal risks and uncertainties

a) General economic conditions

The Group's largest operations are situated in the UK and the US, where, despite the devaluation of sterling following the result of the EU referendum, there remains relative economic stability. The Group's long-established strategy of holding both business-to-business and business-to-consumer products and services in its portfolio, together with the specialist subject matter of those products and services, means that the Directors have confidence that the Group's balanced portfolio will allow the Group to benefit. In addition, the Group provides a mix of print, data, digital and face-to-face products and services that best suit both the audience's and clients' needs within each market.

b) Digital Revenues

There remains fierce competition and significant opportunity in the digital markets where the Group operates. The Group continues to invest across our digital platforms in order to further diversify our revenue streams and address competitive action.

c) Employees

The Group's performance is dependent on its employees and a failure to recruit and appropriately develop staff would have an impact on its performance. This risk is addressed by investment in the recruitment process, staff training and ensuring that the Group's compensation and benefits are competitive.

d) Financial risks


The financial risks that the Directors consider most applicable to the Group and Company are credit risk and liquidity risk.

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments. The Group's credit risk is primarily attributable to its trade receivables.

The Group actively monitors amounts owed by its customers by way of comprehensive and detailed information that is supplied regularly to management. The Group has no concentration of credit risk, with its exposure being spread over a large number of clients.

The Group mitigates liquidity risk by assessing working capital requirements against its undrawn facilities to ensure that it has availability of funds for day-to-day operations. The Group uses bank debt finance to ensure that sufficient funds are available for ongoing operations and future developments. The Group entered into a new three year facility with Royal Bank of Scotland following the disposal of Teddington Studios in November 2015.

This report was approved by the Board and signed on its behalf.



B J Freeman
Company Secretary

Date: 22 November 2017

Haymarket Group Limited

Directors' Report For the Year Ended 30 June 2017

The Directors present their report and the audited financial statements for the year ended 30 June 2017.

The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report. This includes a review of the development of the Group and financial risks during the year, of its position at the end of the year and of the likely future developments in its business.

Dividends

Dividends of £2.0m were paid during the year (2016: £1.9m).

Directors

The Directors who served during the year and up to the date of signing were:

The Rt Hon the Lord Heseltine CH
The Hon R W D Heseltine
K Costello
B J Freeman
D B Fraser
M Gibson
Lord Levene of Portsoken KBE

Environmental matters

Haymarket has the following environmental accreditations: ISO 14001 and ISO 50001 (energy management accreditations).

Haymarket is also committed to ensuring that our supply chain operates to the same high standards. We use print suppliers that have gained ISO 14001 to support our own accreditation and request information on environmental performance for large tender processes. We offer all suppliers the opportunity to declare their environmental accreditations at the point of registration. Our procurement policy states that sustainability must be a consideration when procuring.

We will only use papers sourced from a sustainable, accredited, traceable sources that are FSC (Forest Stewardship Council) and PEFC (Programme for the Endorsement of Forest Certification) certified. Our supply chain complies with the EUTR (European Union Timber Regulation) and we support the PPA's (Professional Publishers Association) declaration of support for the WWF (World Wide Fund) forests campaign, promoting responsible forest trade.

In 2015 Haymarket joined the On Pack Recycling Label (OPRL) scheme, switching our packaging to recyclable polythene film.

We have won the Professional Publishers Association (PPA) Environmentally Sustainable Business of the Year in 2012, 2013, 2014, and 2015.

Haymarket Group Limited

Directors' Report (continued) For the Year Ended 30 June 2017

Going concern

The Group currently has in place a three year banking facility totalling £18.5m, made up of a term loan of £11m and the balance in revolving credit facilities. The term loan had £7.2m drawn down at the year end, albeit offset by £6.2m of net cash balances across the UK and international companies within the Group.

The Directors acknowledge the uncertainty inherent in forecasting advertising and other revenue streams. However, they believe that, having drawn up the Group's latest forecasts, which take into account their view of any adverse variations in trading performance, the Group will continue to have sufficient cash and leverage covenant headroom under the Group's facilities for the foreseeable future.

Hence after considering the Group's current financial projections, the Directors consider that the Group will have access to sufficient financial resources to continue in operational existence for the foreseeable future and therefore the Directors continue to adopt the going concern basis in preparing the financial statements.

Employees

Details of the number of employees and related costs can be found in note 7 to the financial statements.

The Group provides employees with information on matters relevant to them as employees throughout the year as part of its corporate communications.

The Group is an equal opportunities employer and appoints employees without reference to age, sex, ethnic group or religious beliefs. It is the Group's policy to give full consideration to suitable applications for employment by disabled persons. Where existing employees become disabled, it is the Group's policy wherever practicable, to provide continuing employment under normal terms and conditions and to provide training for positions in the Group where appropriate.

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Disclosure of information to auditor

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have been taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

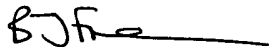
Haymarket Group Limited

**Directors' Report (continued)
For the Year Ended 30 June 2017**

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the Registrar, whichever is earlier.

This report was approved by the Board and signed on its behalf.



B J Freeman
Company Secretary
Date: 22 November 2017
Bridge House
69 London Road
Twickenham
TW1 3SP

Haymarket Group Limited

Directors' Responsibilities Statement For the Year Ended 30 June 2017

The Directors are responsible for preparing the Annual Report and the consolidated audited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare audited financial statements for each financial year. Under that law the Directors have elected to prepare the audited financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the Directors must not approve the audited financial statements unless they are satisfied that they are a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these audited financial statements, the Directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Haymarket Group Limited

Independent Auditors' Report to the Members of Haymarket Group Limited

Opinion

We have audited the financial statements of Haymarket Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 June 2017 which comprise of the Consolidated Income Statement, Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

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

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

Haymarket Group Limited

Independent Auditors' Report to the Members of Haymarket Group Limited

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

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

- 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; 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.

Responsibilities of directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

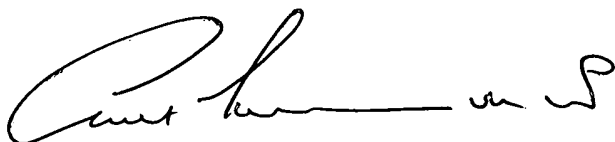
Haymarket Group Limited

Independent Auditors' Report to the Members of Haymarket Group Limited

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditresponsibilities. This description forms part of our Auditor's Report.



Mark Henshaw
Senior Statutory Auditor
For and on behalf of Grant Thornton UK LLP
30 Finsbury Square
London
EC2P 2YU

22 November 2017

Haymarket Group Limited

**Consolidated Income Statement
For the Year Ended 30 June 2017**

	Note	Continuing operations 2017 £000	Discontin'd operations 2017 £000	Total 2017 £000	Continuing operations 2016 £000	Discontin'd operations 2016 £000	Total 2016 £000
Turnover	4	169,614	3,124	172,738	170,617	15,844	186,461
Cost of sales		(143,735)	(2,902)	(146,637)	(137,088)	(12,338)	(149,426)
Gross profit		25,879	222	26,101	33,529	3,506	37,035
Administrative expenses		(31,894)	-	(31,894)	(33,072)	-	(33,072)
Profit on disposal of tangible fixed assets		48	-	48	305	-	305
Profit on disposal of operations		-	21,761	21,761	-	-	-
Operating profit	5	(5,967)	21,983	16,016	762	3,506	4,268
Income from other participating interests		683	-	683	438	-	438
Finance income	9	1,877	-	1,877	5,650	-	5,650
Finance expense	10	(2,667)	-	(2,667)	(8,644)	-	(8,644)
Profit before tax		(6,074)	21,983	15,909	(1,794)	3,506	1,712
Tax on profit	12	1,097	-	1,097	347	-	347
Profit for the financial year		(4,977)	21,983	17,006	(1,447)	3,506	2,059
Profit for the year attributable to:							
Non-controlling interests		(9)	-	(9)	37	-	37
Owners of the Parent		(4,968)	21,983	17,015	(1,484)	3,506	2,022
		(4,977)	21,983	17,006	(1,447)	3,506	2,059

The accompanying notes on pages 19 to 43 form part of these financial statements.

Haymarket Group Limited

Consolidated Statement of Comprehensive Income For the Year Ended 30 June 2017

	2017 £000	2016 £000
Profit for the financial year	17,006	2,059
Currency translation differences on foreign currency net investments	592	2,386
Total comprehensive income for the year	17,598	4,445
Profit for the year attributable to:		
Non-controlling interest	(9)	37
Owners of the Parent Company	17,015	2,022
	17,006	2,059
Total comprehensive income attributable to:		
Non-controlling interest	(9)	37
Owners of the Parent Company	17,607	4,408
	17,598	4,445

The accompanying notes on pages 19 to 43 form part of these financial statements.

Haymarket Group Limited
Registered number: 02809261

Consolidated Statement of Financial Position
As at 30 June 2017

	Note	2017 £000	2016 £000
Fixed assets			
Intangible assets	13	10,040	11,852
Tangible assets	14	20,874	19,016
Investments	15	1,542	166
		<u>32,456</u>	<u>31,034</u>
Current assets			
Stocks	16	630	743
Debtors due after more than 1 year	17	10,653	8,627
Debtors due within 1 year	17	40,079	45,824
Cash at bank and in hand		8,227	4,300
		<u>59,589</u>	<u>59,494</u>
Creditors: amounts falling due within one year	18	(61,620)	(59,043)
Net current (liabilities)/assets		<u>(2,031)</u>	<u>451</u>
Total assets less current liabilities		<u>30,425</u>	<u>31,485</u>
Creditors: amounts falling due after more than one year	19	(12,223)	(28,810)
Deferred tax		(641)	(712)
Net assets		<u><u>17,561</u></u>	<u><u>1,963</u></u>
Capital and reserves			
Called-up share capital	23	258	258
Capital redemption reserve	24	254	254
Merger reserve	24	6,236	6,236
Profit and loss account	24	10,662	(4,945)
Equity attributable to owners of the Parent Company		<u>17,410</u>	<u>1,803</u>
Non-controlling interests		151	160
		<u><u>17,561</u></u>	<u><u>1,963</u></u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



The Rt Hon the Lord Heseltine CH
Chairman

Date: 22 November 2017

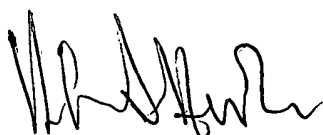
The accompanying notes on pages 19 to 43 form part of these financial statements.

Haymarket Group Limited
Registered number: 02809261

Company Statement of Financial Position
As at 30 June 2017

	Note	2017 £000	2016 £000
Fixed assets			
Investments	15	166,106	160,606
		<u>166,106</u>	<u>160,606</u>
Creditors: amounts falling due within one year	18	(405)	(450)
Net current liabilities		<u>(405)</u>	<u>(450)</u>
Total assets less current liabilities		165,701	160,156
Creditors: amounts falling due after more than one year	19	(76,640)	(138,725)
Net assets		<u>89,061</u>	<u>21,431</u>
Capital and reserves			
Called-up share capital	23	258	258
Capital redemption reserve	24	254	254
Profit and loss account	24	88,549	20,919
		<u>89,061</u>	<u>21,431</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:



The Rt Hon the Lord Heseltine CH
Chairman
Date: 22 November 2017

The accompanying notes on pages 19 to 43 form part of these financial statements.

Haymarket Group Limited

Consolidated Statement of Changes in Equity (continued)
For the Year Ended 30 June 2017

	Called-up share capital	Capital redemption reserve	Revaluation reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 July 2015	258	254	55,898	6,236	(63,351)	(705)	123	(582)
Comprehensive income for the year								
Profit for the year	-	-	-	-	2,022	2,022	37	2,059
Currency translation differences	-	-	-	-	2,386	2,386	-	2,386
Disposal of freehold property	-	-	(55,898)	-	55,898	-	-	-
Dividends: Equity capital	-	-	-	-	(1,900)	(1,900)	-	(1,900)
At 1 July 2016	258	254	-	6,236	(4,945)	1,803	160	1,963
Comprehensive income for the year								
Profit for the year	-	-	-	-	17,015	17,015	(9)	17,006
Currency translation differences	-	-	-	-	592	592	-	592
Dividends: Equity capital	-	-	-	-	(2,000)	(2,000)	-	(2,000)
At 30 June 2017	258	254	-	6,236	10,662	17,410	151	17,561

The accompanying notes on pages 20 to 42 form part of these financial statements.

Haymarket Group Limited

**Company Statement of Changes in Equity
For the Year Ended 30 June 2017**

	Called-up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2015	258	254	59,291	59,803
Comprehensive income for the year				
Loss for the year	-	-	(36,472)	(36,472)
Dividends: Equity capital	-	-	(1,900)	(1,900)
At 1 July 2016	258	254	20,919	21,431
Comprehensive income for the year				
Profit for the year	-	-	69,630	69,630
Dividends: Equity capital	-	-	(2,000)	(2,000)
At 30 June 2017	258	254	88,549	89,061

The accompanying notes on pages 20 to 42 form part of these financial statements.

Haymarket Group Limited

**Consolidated Statement of Cash Flows
For the Year Ended 30 June 2017**

	2017 £000	2016 £000
Cash flows from operating activities		
Profit for the financial year	17,006	2,059
Adjustments for:		
Amortisation of intangible assets	4,279	5,258
Depreciation of tangible assets	2,625	2,669
Profit on sale of intangible assets	(21,648)	-
Profit on disposal of tangible assets	(48)	(305)
Interest payable	2,667	5,867
Interest receivable	(1,877)	(2,873)
Taxation charge	(1,097)	(347)
Decrease in stocks	113	12
Decrease/(increase) in debtors	6,194	(4,555)
Increase/(decrease) in creditors	541	(2,283)
Increase in amounts owed to associates	630	-
Share of operating profit in participating interests	(683)	(438)
Corporation tax (paid)/received	(2,652)	2,657
Net cash generated from operating activities	<u>6,050</u>	<u>7,721</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,412)	(1,560)
Sale of intangible assets	20,630	-
Purchase of tangible fixed assets	(4,538)	(8,787)
Sale of tangible fixed assets	-	84,565
Interest received	15	187
Dividends received	414	414
Net cash from investing activities	<u>14,109</u>	<u>74,819</u>
Cash flows from financing activities		
Repayment of bank loans	(12,400)	(76,970)
Dividends paid	(2,000)	(1,900)
Interest paid	(1,832)	(5,390)
Net cash used in financing activities	<u>(16,232)</u>	<u>(84,260)</u>
Net increase/(decrease) in cash and cash equivalents	<u>3,927</u>	<u>(1,720)</u>
Cash and cash equivalents at beginning of year	4,300	6,020
Cash and cash equivalents at the end of year	<u><u>8,227</u></u>	<u><u>4,300</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,227	4,300

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

1. General information

Haymarket Group Limited is a company incorporated in the United Kingdom under the Companies Act.

The registered office, and principal place of business is Bridge House, 69 London Road, Twickenham, TW1 3SP.

A description of the nature of the Group's operations and its principal activities is set out in the Strategic Report on page 3.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Parent Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Comprehensive Income in these financial statements and has adopted the following disclosure exemptions:

- the requirement to present a statement of cash flow and related notes; and
- financial instrument disclosures, including,
 - categories of financial instruments;
 - items of income, expenses, gains or losses relating to financial instruments; and
 - exposure to, and management of, financial risks.

The Parent Company's profit for the year was £69,630k (2016: £201,124k).

The functional currency of the Group is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

The Group meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, intra-group transactions, cashflow and remuneration of key management personnel.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Income Statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.3 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Income Statement includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Statement of Financial Position, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

2.4 Going concern

The Group currently has in place a three year banking facility totalling £18.5m, made up of a term loan of £11m and the balance in revolving credit facilities. The term loan had £7.2m drawn down at the year end, albeit offset by £6.2m of net cash balances across the UK and international companies within the Group.

The Directors acknowledge the uncertainty inherent in forecasting advertising and other revenue streams. However, they believe that, having drawn up the Group's latest forecasts, which take into account their view of any adverse variations in trading performance, the Group will continue to have sufficient cash and leverage covenant headroom under the Group's facilities for the foreseeable future.

Hence after considering the Group's current financial projections, the Directors consider that the Group will have access to sufficient financial resources to continue in operational existence for the foreseeable future and therefore the Directors continue to adopt the going concern basis in preparing the financial statements.

2.5 Intangible assets

Publishing and exhibition rights, whether acquired as assets or as a business combination, are held at cost less any provision for impairment in value and are amortised on a straight-line basis over the economic life of the asset estimated at 20 years unless a reliable estimate to use a period in excess of 20 years can be made. Acquired non-compete agreements are amortised over the effective period of that agreement.

Website development expenditure is an intangible asset under FRS102 and is amortised over 3 years on a straight-line basis.

A review of the useful life of intangible assets is undertaken annually.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Agricultural and residential properties are shown at cost less accumulated depreciation.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range is as follows:

Freehold property	-	50 years
Leasehold property	-	5 - 10 years
Plant and machinery	-	4 - 5 years
IT infrastructure & equipment	-	3 - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Income Statement.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value. Stocks of magazine back issues are not valued. Agricultural stock is included at independent professional valuation.

2.9 Turnover

Turnover represents amounts receivable for goods and services net of sales tax and trade discounts.

All revenue arising from magazine publishing is recognised on the date of publication. Revenue from face-to-face activities such as exhibitions, conferences and other events is recognised on the date of the event. Revenue from online advertising is recognised over the period of the advertising contract.

2.10 Finance costs

Finance costs are accrued on a time basis, by reference to the direct issue costs and principal amounts outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the direct costs and estimated future cash payments through the expected life of the financial liability's net carrying amount.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Financial instruments

The Group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Income Statement..

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

The Group also enters into contracts for derivatives, including interest rate swaps and forward foreign exchange contracts, which are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company's and Group's functional and presentational currency is pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Income Statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Income Statement within 'other operating income'.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Income Statement.

2.15 Operating leases: the Group as lessee

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

2.16 Pensions

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into an employees individual plans. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Income Statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the Statement of Financial Position date.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Income Statement in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Consolidated Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Consolidated Statement of Financial Position.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised and held at an undiscounted value, in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

2. Accounting policies (continued)

2.20 Research and development

An entity may recognise an intangible asset arising from development (or from the development phase of an internal project) if, and only if, an entity can demonstrate all of the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the intangible asset and use or sell it.
- Its ability to use or sell the intangible asset.
- How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is used internally, the usefulness of the intangible asset.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

The assessment of the useful economic life and the method of amortising tangible and intangible assets require judgement. Depreciation and amortisation are charged to the Consolidated Income Statement based on the useful economic life selected, which requires an estimation of the period and profile over which the Group expects to consume the future economic benefits embodied in the assets. The Group reviews its useful economic life on an annual basis.

Determining whether the carrying amount of intangible fixed assets and investments and have indication of impairment also requires judgement. If an indication of impairment is identified, further judgement is required to assess whether the carrying amount can be supported by the net present value of future cashflows forecast to be derived from the asset. This forecast involves cashflow projections and selecting the appropriate discount rate.

Assessing whether website development assets meet the required criteria for initial capitalisation requires judgement. This requires a determination of whether the assets will result in future benefits to the Group and are commercially viable. In particular, internally generated intangible assets must be assessed during the development phase to identify whether the Group has the ability and intention to complete the development successfully.

There were no other critical accounting judgements made in applying the Company's accounting policies.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £000	2016 £000
Sale of goods	24,008	27,506
Rendering of services	147,676	157,663
Royalties	746	521
Other	308	771
	<u>172,738</u>	<u>186,461</u>

Analysis of turnover by country of destination:

	2017 £000	2016 £000
United Kingdom	88,900	108,662
USA	60,383	57,306
Rest of the world	23,455	20,493
	<u>172,738</u>	<u>186,461</u>

5. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	2,625	2,669
Amortisation of intangible assets	4,279	7,011
Exchange differences	(297)	1,048
Other operating lease rentals	4,301	4,070
Defined contribution pension cost	3,162	2,861
Exceptional staff restructuring costs	1,395	371
	<u>1,395</u>	<u>371</u>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

6. Auditors' remuneration

	2017 £000	2016 £000
Fees payable to the Group's auditor and its associates in respect of:		
Audit of the Group's financial statements	175	362
Audit of the Company's financial statements	4	8
Other services relating to taxation	-	91
	<u>179</u>	<u>461</u>

Grant Thornton UK LLP were appointed auditor during the year. Prior period audit and non-audit fees were paid to Deloitte LLP.

7. Employees

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	79,899	81,659
Social security costs	6,013	6,449
Cost of defined contribution scheme	3,162	2,861
	<u>89,074</u>	<u>90,969</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2017 No.	2016 No.
Staff numbers	<u>1,573</u>	<u>1,673</u>

Haymarket Group Limited

**Notes to the Financial Statements
For the Year Ended 30 June 2017**

8. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	2,747	3,926
Company contributions to defined contribution pension schemes	20	143
	<u>2,767</u>	<u>4,069</u>

The highest paid Director received remuneration of £1,096,000 (2016: £2,247,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £NIL (2016: £30,000).

There are defined contribution pension plans for the benefit of three Directors (2016: 3).

The Directors are considered to be key management personnel.

9. Finance income

	2017 £000	2016 £000
Release of deferred consideration	-	561
Bank interest receivable and similar income	15	187
Fair value movement on derivatives	930	2,777
Foreign exchange gain	932	2,125
	<u>1,877</u>	<u>5,650</u>

The release of deferred consideration is in relation to the acquisition of Group DCA in the prior year.

10. Finance expense

	2017 £000	2016 £000
Bank interest payable	2,032	5,471
Foreign exchange loss	635	3,173
	<u>2,667</u>	<u>8,644</u>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

11. Income from Participating Interests

	2017 £000	2016 £000
Investment in joint ventures	595	438
Investment in associates	88	-
	<u>683</u>	<u>438</u>

12. Taxation

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the year	1,038	4,052
Adjustments in respect of previous periods	(553)	5
	<u>485</u>	<u>4,057</u>
Foreign tax		
Foreign tax on income for the year	32	759
Foreign tax in respect of prior periods	-	(72)
	<u>32</u>	<u>687</u>
Total current tax	<u>517</u>	<u>4,744</u>
Deferred tax		
Origination and reversal of timing differences	(1,472)	(5,281)
Adjustments in respect of previous periods	(142)	190
	<u>(1,614)</u>	<u>(5,091)</u>
Taxation on loss on ordinary activities	<u>(1,097)</u>	<u>(347)</u>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.75% (2016 - 20%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2014. The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	15,909	1,712
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.75% (2016 - 20%)	3,142	343
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	278	315
Capital allowances for year in excess of depreciation	22	29
Adjustments to tax charge in respect of prior periods	(695)	(67)
Non-deductible depreciation/amortisation/impairments on assets not qualifying for capital allowances	327	672
Non-taxable income	(3,385)	(323)
Sale of freehold properties	-	(332)
Unutilised and unprovided UK tax losses carried forward	73	72
Unutilised and unprovided overseas losses	180	123
Utilised overseas tax losses	-	(387)
US tax credits	-	(355)
Effect of overseas tax rates	(1,039)	(503)
Change in tax rates	-	66
Total tax charge for the year	(1,097)	(347)

Factors that may affect future tax charges

Subsequent to the year end the UK Government has announced changes to the headline rate of Corporation Tax, which will reduce to 19% effective from 1 April 2017, and to 17% effective from 1 April 2020.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

13. Intangible assets

Group

	Website development £000	Publishing and exhibition rights £000	Total £000
Cost			
At 1 July 2016	4,135	93,473	97,608
Additions	1,568	844	2,412
Disposals	(1,466)	(2,466)	(3,932)
Foreign exchange movement	-	456	456
At 30 June 2017	4,237	92,307	96,544
Amortisation			
At 1 July 2016	2,027	83,729	85,756
Charge for the year	1,500	2,779	4,279
On disposals	(1,465)	(2,466)	(3,931)
Foreign exchange movement	-	400	400
At 30 June 2017	2,062	84,442	86,504
Net book value			
At 30 June 2017	2,175	7,865	10,040
At 30 June 2016	2,108	9,744	11,852

When there are indicators of impairment, in accordance with Group policy, management conducted an impairment review of its intangible assets using a 5-year discounted cashflow analysis with a terminal value, assuming a weighted average cost of capital of 10.9% and growth rates of between 0% and 3%.

The Group completed the sale of its Motorsport division in November 2016 and the sale of its agricultural events business in February 2017. In both cases the cash consideration was greater than the book value of those assets. In the year ended 30 June 2016, the businesses had combined sales of £15.8m and made a contribution of £3.5m. Proceeds were principally applied to reduce the Group's bank borrowings.

Haymarket Group Limited

Notes to the Financial Statements
For the Year Ended 30 June 2017

14. Tangible fixed assets

Group

	Freehold property £000	Long-term leasehold property £000	Plant and machinery £000	Total £000
Cost or valuation				
At 1 July 2016	11,258	5,420	20,160	36,838
Additions	3,326	459	753	4,538
Disposals	-	-	(2,619)	(2,619)
Exchange adjustments	-	18	309	327
At 30 June 2017	14,584	5,897	18,603	39,084
Depreciation				
At 1 July 2016	2,078	469	15,275	17,822
Charge for the year on owned assets	150	670	1,805	2,625
Disposals	-	-	(2,438)	(2,438)
Exchange adjustments	-	(9)	210	201
At 30 June 2017	2,228	1,130	14,852	18,210
Net book value				
At 30 June 2017	12,356	4,767	3,751	20,874
At 30 June 2016	9,180	4,951	4,885	19,016

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

15. Fixed asset investments

Group

	Investments in associates £000	Investment in joint ventures £000	Total £000
Cost or valuation			
At 1 July 2016	-	166	166
Additions	1,132	-	1,132
Foreign exchange movement	-	(26)	(26)
Share of profit/(loss)	88	182	270
At 30 June 2017	1,220	322	1,542
Net book value			
At 30 June 2017	1,220	322	1,542
At 30 June 2016	-	166	166

Participating interests

Joint ventures

Name	Country of incorporation	Holding	Principal activity
Asian Advertising Festival Pte Ltd	Singapore	50%	Event organiser
East Haymarket Pte Ltd	Singapore	50%	Market research in financial services sector

Associates

Name	Registered office	Class of shares	Holding	Principal activity
Frontline Limited	Great Britain	Ordinary 'A'	5%	Distribution of magazines
		Ordinary 'C'	100%	Distribution of magazines
		Ordinary 'E'	25%	Distribution of magazines
		Ordinary 'F'	17%	Distribution of magazines
Comexposium Haymarket Exhibitions Limited	Great Britain	Ordinary	20%	Organisation of agricultural events

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

15. Fixed asset investments (continued)

Company

	Investment in subsidiaries £000
Cost or valuation	
At 1 July 2016	160,606
Additions	5,500
	<hr/>
At 30 June 2017	166,106
	<hr/>
Net book value	
At 30 June 2017	166,106
	<hr/>
At 30 June 2016	160,606
	<hr/>

During the year the Company made £5,500k investment in Thenhurst Agricultural Limited.

A list of the company's subsidiary undertakings is shown in note 29.

16. Stocks

	Group 2017 £000	Group 2016 £000
Raw materials and consumables	630	743
	<hr/>	<hr/>

Raw materials and consumables include £81,000 (2016: £228,000) of agricultural stocks which are included at independent professional valuation.

17. Debtors

	Group 2017 £000	Group 2016 £000
Due after more than one year		
Other debtors	950	933
Deferred tax asset	9,703	7,694
	<hr/>	<hr/>
	10,653	8,627
	<hr/>	<hr/>

Haymarket Group Limited

**Notes to the Financial Statements
For the Year Ended 30 June 2017**

17. Debtors (continued)

	Group 2017 £000	Group 2016 £000
Due within one year		
Trade debtors	27,315	31,070
Amounts owed by joint ventures and associated undertakings	566	483
Other debtors	1,163	835
Prepayments and accrued income	9,851	12,637
Tax recoverable	1,183	799
	<u>40,078</u>	<u>45,824</u>

18. Creditors: Amounts falling due within one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Bank loans	4,000	-	-	-
Trade creditors	13,672	8,541	-	-
Amounts owed to associates	630	-	-	-
Corporation tax	2,507	3,915	-	-
Other taxation and social security	2,048	2,251	-	-
Other creditors	731	510	-	-
Accruals and deferred income	37,565	42,429	405	450
Financial instruments	467	1,397	-	-
	<u>61,620</u>	<u>59,043</u>	<u>405</u>	<u>450</u>

Company only accrued expenses relates to accrued interest on 3% redeemable preference shares.

The Directors consider that the carrying amount of creditors approximates to their fair value.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

19. Creditors: Amounts falling due after more than one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Bank Loans 1-2 yrs	-	7,000	-	-
Bank Loans 2-5 yrs	5,200	14,600	-	-
Amounts owed to group undertakings	-	-	70,640	132,725
Accrued expenses	1,023	1,210	-	-
3% Redeemable £1 preference shares	6,000	6,000	6,000	6,000
	<u>12,223</u>	<u>28,810</u>	<u>76,640</u>	<u>138,725</u>

Disclosure of the terms and conditions attached to the non-equity shares is made in note 23.

The Directors consider that the carrying amount of creditors approximates to their fair value.

The bank loans are secured against assets of the group and company.

20. Derivatives financial instrument

	2017 £000	2016 £000
Group		
Liabilities: Interest rate swap	<u>467</u>	<u>1,397</u>

The following table details the notional principal amounts and remaining terms of the interest rate swap contract outstanding as at 30 June 2017.

	2017 Average contract fixed interest rate %	2016 Average contract fixed interest rate %	2017 Notional principal value £000	2016 Notional principal value £000	2017 Fair value £000	2016 Fair value £000
Outstanding fixed contracts						
Within 1 year	<u>5.03%</u>	<u>5.03%</u>	<u>20,000</u>	<u>20,000</u>	<u>467</u>	<u>1,397</u>

The interest rate swap settles on a quarterly basis. The floating rate on the interest rate swap is LIBOR. The Group settles the difference between the fixed and floating interest rate on a net basis.

The interest rate swap contract exchanges floating rate interest amounts for fixed rate interest amounts. The contract was put in place in November 2007 to reduce the Company's cash flow exposure resulting from variable interest rates on borrowings and ends on 20 November 2017.

Haymarket Group Limited

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21. Financial instruments

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	29,994	33,321	-	-
Financial liabilities				
Derivative financial instruments measured at fair value through profit or loss	(467)	(1,397)	-	-
Financial liabilities measured at amortised cost	(48,357)	(57,001)	(77,045)	(139,175)
	<u>(48,824)</u>	<u>(58,398)</u>	<u>(77,045)</u>	<u>(139,175)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by joint ventures and associates.

Derivative financial liabilities measured at fair value through profit or loss comprise interest rate swaps.

Financial liabilities measured at amortised cost comprise loans, trade creditors, other creditors, accruals, amounts owed to associates and amounts owed to group undertakings.

22. Deferred taxation

Group

	2017 £000	2016 £000
At beginning of year	6,982	1,099
Charged to profit or loss	71	5,283
Utilised in year	2,009	600
At end of year	<u>9,062</u>	<u>6,982</u>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

22. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	Group 2017 £000	Group 2016 £000
Accelerated capital allowances	1,076	1,175
US deferred interest deductions	5,574	4,569
Deferred asset on fair value movement of derivatives	84	251
Other timing differences - deferred tax asset	2,373	1,699
Other timing differences - deferred tax liability	(641)	(712)
Overseas losses	596	-
	<u>9,062</u>	<u>6,982</u>
Comprising:		
Asset - due after one year (Note 18)	9,703	7,694
Liability	(641)	(712)
	<u>9,062</u>	<u>6,982</u>

Deferred tax assets or liabilities have been recognised at 18% in the financial statements, being the tax rate that was enacted at the date of the Statement of Financial Position and was in effect from 1 April 2014.

There is also an unrecognised net deferred tax asset in the Group of £1,712,000 (2016: £1,712,000) comprising the following:

	Group 2017 £000	Group 2016 £000
Unutilised overseas tax losses	1,263	1,527
Unutilised UK tax losses	789	1,032
Gain deferred by rollover relief	(412)	(458)
Accelerated capital allowances	72	49
	<u>1,712</u>	<u>2,150</u>

Deferred tax has not been provided for gains rolled over into replacement assets as gains or losses have not yet been realised in respect of these assets.

Deferred tax has not been provided for part of the Group's unutilised losses, as there is insufficient evidence that these losses will be offset against future taxable profits.

During the year beginning 1 July 2017, the net reversal of deferred tax assets and liabilities is not expected to be significant

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

23. Called-up share capital

	2017 £000	2016 £000
Shares classified as equity		
Authorised		
Allotted, called up and fully paid		
25,796,410 Ordinary shares of £0.01 each	258	258

The Rt. Hon the Lord Heseltine and his family have a controlling interest in the Company.

Ordinary shares rank equally for voting rights, dividends declared and for any distribution made on a winding up. Ordinary shares are not redeemable.

Shares classified as debt

Authorised

The redeemable preference shares have full voting rights, the right to a fixed cumulative dividend, the right to participate fully in any further dividend and preferential right to amount paid up on each share on capital distribution (including on winding up). The Company has the option to redeem the preference shares at any time, but is not obliged to do so and is not expected to exercise its option for at least one year from the date of signing these accounts. There is no premium payable on redemption.

24. Reserves

Capital redemption reserve

The capital redemption reserve represents the nominal value of ordinary shares that have been bought back by the Company. It is non-distributable.

Merger Reserve

The merger reserve arose when the Group consolidated subsidiaries following a Group reconstruction in 1993. It represents the difference between the cost of the investment in the subsidiaries and the nominal value of the share capital of those companies.

Profit and loss account

Includes all current and prior period retained profit and losses.

25. Contingent liabilities

The Group's bankers Royal Bank of Scotland have provided a letter of credit to a financial services company in respect of liabilities that might arise from that company's involvement in processing certain of the Group's sales via credit card. As at the Statement of Financial Position date, the amount guaranteed was £1.35m. The guarantee reduces in value at predetermined dates over the period to 31 January 2019.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

26. Capital commitments

As part of its involvement in the Richmond Education and Enterprise Campus Project Haymarket Group has committed a minimum of £5m to building a new office "Tech Hub" on the Richmond Upon Thames College site.

27. Commitments under operating leases

At 30 June 2017 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £000		Group 2016 £000	
Not later than 1 year	203		483	
Later than 1 year and not later than 5 years	2,949		2,495	
Later than 5 years	28,131		31,185	
	<u>31,283</u>		<u>34,163</u>	

	Group Land and Buildings 2017 £000	Group Other 2017 £000	Group Land and Buildings 2016 £000	Group Other 2016 £000
No later than 1 year	163	40	434	49
Later than 1 year and not later than 5 years	2,410	539	2,236	259
Later than 5 years	28,131	-	31,185	-
	<u>30,704</u>	<u>579</u>	<u>33,855</u>	<u>308</u>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

28. Related party transactions

During the year the Group entered into transactions with one of its Directors. Personal costs of £179,645 (2016: £165,453) for Lord Heseltine were paid for by the Group. Amounts due to be reimbursed at 30 June 2017 were £3,847 (2016: nil).

Frontline Limited is the Group's agent in relation to the sale of its publications to third parties. Distribution and trade marketing services of £1,497,200 (2016: £1,765,389) were provided to the Group in the year by Frontline Limited.

Amounts due from and owed to related parties as at 30 June 2017 were as follows:-

	2017 £000	2016 £000
Owed by Frontline Limited	1,651	2,293

The Group has taken advantage of the exemption in Financial Reporting Standard 102 section 33.1A "Related party disclosures" and has not disclosed transactions with wholly owned group undertakings.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

29. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Haymarket Media Group Ltd	Ordinary	100 %	Magazine and online publishing, organisation of events
Thenhurst Agricultural Ltd **	Ordinary	100 %	Agriculture and horticulture
Haymarket Group Properties Ltd **	Ordinary	100 %	Dormant
Haymarket Media India Pvt Ltd	Ordinary	100 %	Magazine and online publishing
Haymarket SAC Publishing Pvt Ltd	Ordinary	75 %	Magazine and online publishing
Haymarket Media Ltd	Ordinary	100 %	Magazine and online publishing
Haymarket Media Asia Pte Ltd	Ordinary	100 %	Magazine and online publishing
Haymarket Media Inc	Ordinary	100 %	Magazine and online publishing
Haymarket PR Publications LLP **	Ordinary	100 %	Magazine and online publishing
Haymarket Media Gmbh	Ordinary	100 %	Magazine and online publishing
Haymarket Publishing Services Ltd **	Ordinary	100 %	Holding Company
Haymarket UK1 Unlimited **	Ordinary	100 %	Holding Company
Haymarket UK2 Ltd **	Ordinary	100 %	Holding Company
Haymarket Worldwide Ltd **	Ordinary	100 %	Holding Company
PR Publications Ltd **	Ordinary	100 %	Holding Company
H Media LLC	Ordinary	100 %	Holding Company
Haymarket Media Asia Ltd	Ordinary	100 %	Holding Company
Haymarket Exhibitions Ltd **	Ordinary	100 %	Dormant
Haymarket Consumer Media Ltd **	Ordinary	100 %	Dormant
Haymarket New1 Limited	Ordinary	100 %	Dormant
Haymarket Medical Publications Ltd	Ordinary	100 %	Dormant
Haymarket Network Ltd	Ordinary	100 %	Dormant
CPS Communications LLC	Ordinary	100 %	Dormant
Haymarket Business Publications LLC	Ordinary	100 %	Dormant
Haymarket Medical Education LP	Ordinary	100 %	Dormant
Haymarket Worldwide LLC	Ordinary	100 %	Dormant
HME Global Education LP	Ordinary	100 %	Dormant
PR Publications LLC	Ordinary	100 %	Dormant
Prescribing Reference LLC	Ordinary	100 %	Dormant
PRI Healthcare Solutions LP	Ordinary	100 %	Dormant
Haymarket Events Pty Ltd	Ordinary	100 %	Dormant
Haymarket Media Investments (Australia) Pty Ltd	Ordinary	100 %	Dormant
Haymarket Media Pty Ltd	Ordinary	100 %	Dormant
Haymarket Shanghai Ltd	Ordinary	100 %	Dormant

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2017

29. Subsidiary undertakings (continued)

Name	Registered office
Haymarket Media Group Ltd	Bridge House, 69 London Road, Twickenham, UK
Thenhurst Agricultural Ltd **	Bridge House, 69 London Road, Twickenham, UK
Haymarket Group Properties Ltd **	Bridge House, 69 London Road, Twickenham, UK
Haymarket Media India Pvt Ltd	Unit 401, Raheja Xion, Byculla (East), Mumbai, India
Haymarket SAC Publishing Pvt Ltd	Unit 401, Raheja Xion, Byculla (East), Mumbai, India
Haymarket Media Ltd	10/F Zung Fu Industrial Building, 1067 King's Rd, Quarry Bay, Hong Kong
Haymarket Media Asia Pte Ltd	10/F Zung Fu Industrial Building, 1067 King's Rd, Quarry Bay, Hong Kong
Haymarket Media Inc	275 7th Avenue-10th Floor, New York, NY 1001, USA
Haymarket PR Publications LLP **	Bridge House, 69 London Road, Twickenham, UK
Haymarket Media GmbH	Franfurter St, 38122, Braunschweig, Germany
Haymarket Publishing Services Ltd **	Bridge House, 69 London Road, Twickenham, UK
Haymarket UK1 Unlimited **	Bridge House, 69 London Road, Twickenham, UK
Haymarket UK2 Ltd **	Bridge House, 69 London Road, Twickenham, UK
Haymarket Worldwide Ltd **	Bridge House, 69 London Road, Twickenham, UK
PR Publications Ltd **	Bridge House, 69 London Road, Twickenham, UK
H Media LLC	275 7th Avenue-10th Floor, New York, NY 1001, USA
Haymarket Media Asia Ltd	10/F Zung Fu Industrial Building, 1067 King's Rd, Quarry Bay, Hong Kong
Haymarket Exhibitions Ltd **	Bridge House, 69 London Road, Twickenham, UK
Haymarket Consumer Media Ltd **	Bridge House, 69 London Road, Twickenham, UK
Haymarket New1 Limited	Bridge House, 69 London Road, Twickenham, UK
Haymarket Medical Publications Ltd	Bridge House, 69 London Road, Twickenham, UK
Haymarket Network Ltd	Bridge House, 69 London Road, Twickenham, UK
CPS Communications LLC	275 7th Avenue-10th Floor, New York, NY 1001, USA
Haymarket Business Publications LLC	275 7th Avenue-10th Floor, New York, NY 1001, USA
Haymarket Medical Education LP	275 7th Avenue-10th Floor, New York, NY 1001, USA
Haymarket Worldwide LLC	275 7th Avenue-10th Floor, New York, NY 1001, USA
HME Global Education LP	275 7th Avenue-10th Floor, New York, NY 1001, USA
PR Publications LLC	275 7th Avenue-10th Floor, New York, NY 1001, USA
Prescribing Reference LLC	275 7th Avenue-10th Floor, New York, NY 1001, USA
PRI Healthcare Solutions LP	275 7th Avenue-10th Floor, New York, NY 1001, USA
Haymarket Events Pty Ltd	207 Pacific Highway, St Leonards, NSW, Australia
Haymarket Media Investments (Australia) Pty Ltd	207 Pacific Highway, St Leonards, NSW, Australia
Haymarket Media Pty Ltd	207 Pacific Highway, St Leonards, NSW, Australia
Haymarket Shanghai Ltd	15/F East Building, China Merchants Plaza, 333 North Changdu Rd, Shanghai, China

** These Group entities are exempt from audit by virtue of Section 479A of the Companies Act 2006. Haymarket Group Limited has provided statutory guarantees to the following entities in accordance with Section 479C of the Companies Act 2006.