HAYNES PUBLISHING GROUP P.L.C.

PRELIMINARY UNAUDITED RESULTS FOR THE YEAR ENDED 31 May 2019

Haynes Publishing Group P.L.C. ("Haynes" or "the Group"), a leading supplier of content, data and innovative work-flow solutions for the automotive industry and motorists, today announces its results for the 12 months ended 31 May 2019.

Financial Highlights

	12 months to 31 May 2019	12 months to 31 May 2018	% Increase Year-on-year (YoY)
Group revenue	£36.2m	£33.8m	+7%
Gross profit	£22.5m	£20.1m	+12%
Adjusted EBITDA[1]	£12.8m	£11.5m	+11%
Adjusted operating profit[1]	£4.2m	£3.5m	+20%
Adjusted profit before tax[1]	£3.6m	£2.9m	+24%
Adjusted basic earnings per share[1]	19.0p	13.2p	+44%
Total dividend	7.5p	7.5p	-
Net cash[2]	£4.9m	£2.5m	+96%

[1] Full details of the adjusting items and reconciliation to statutory numbers are included in the Consolidated Income Statement and note 2.

[2] Net cash defined as cash at bank net of bank overdrafts and bank loans.

- Revenue from the Group's range of digital products and technical data solutions increased by 20% YoY to £20.2 million (2018: £16.9 million) representing 56% of total Group revenue (2018: 50%).
- Revenue in the Group's Professional segment was up 20% at £19.5 million (2018: £16.3 million).
- Consumer segment revenue was down 4% at £16.7 million (2018: £17.4 million). YoY revenue from the Consumer digital channels was up 38% in the UK, 32% in North America and 72% in Australia.
- Investment to expand and update global content, datasets and technology platforms was up 4% to £8.7 million (2018: £8.4 million) with spend targeted on growth areas of the Group.
- Net cash generated from operating activities (after tax) of £12.5 million, up 21% YoY (2018: £10.3 million).
- Group is debt free for the first time since 2013 and net cash up 96% at £4.9 million (2018: £2.5 million).

Business Highlights

- HaynesPro servers exceed one billion data access requests over a rolling 12 month period.
- Launch of new HaynesPro WorkshopData™ platform for the Australian professional aftermarket.
- First significant multi-year contract signed for 'ProFIT', our online installation module.
- New responsive design for the Group's online manuals, enhancing services to our 60,000 subscribers.
- Second data production office opened in Bucharest, Romania, to support the growth of our Professional operations.
- HaynesPro UK's vehicle registration look up servers received in excess of 192 million data requests

Eddie Bell, Chairman of Haynes Publishing Group, commented:

"I am delighted to report a third successive year of headline revenue and underlying profit growth.

"Our continued programme of product innovation, data integration and growing content coverage allows the Group to deliver integrated work-flow solutions for our growing base of global partners.

"Through the extensive automotive knowledge and technological expertise we possess in the business, we are accelerating the linking of the Group's content and datasets and our teams are well positioned to deliver new and exciting global growth opportunities for the Haynes Group."

Enquiries :

Haynes Publishing Group P.L.C.	+44 1963 442009
Eddie Bell, Chairman	
J Haynes, Chief Executive Officer	
Investor Contact: Panmure Gordon (UK) Limited	+44 20 7886 2500
James Stearns	
Media Contact: New Century Media	+44 20 7930 8033
Catherine Hems	

Cautionary Statement:

This report contains certain forward-looking statements with regard to the financial condition and results of the operations of Haynes Publishing Group P.L.C. These statements and forecasts involve risk factors which are associated with, but are not exclusive to, the economic and business circumstances occurring from time to time in the countries and sectors in which the Group operates. These forward-looking statements are made only as at the date of this announcement. Nothing in this announcement should be construed as a profit forecast. Except as required by law, Haynes Publishing Group P.L.C., has no obligation to update the forward-looking statements or to correct any inaccuracies therein.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.

Chairman's Statement

On a corporate level this has been another successful year for the Haynes Group as we report a third successive year of headline revenue and underlying profit growth.

On a personal level this has also been a sad year, as we reflect on the legacy left by John Haynes OBE, the founder of the Haynes Group, who passed away in February 2019. John was a true entrepreneur and inspiring individual who, through a combination of vision, dedication and hard work turned his passion for the motor car into the global Haynes business we know today. Since John stripped down his first vehicle back in 1956, over 200 million Haynes manuals have been sold worldwide. John's attention to detail, his step-by-step approach and the honest and impartial advice which were all important pillars of his success, still remain the core values at the heart of the Haynes business.

John understood the need for businesses to adapt, change and most of all to remain relevant in a changing global and economic environment. Through the changes implemented in recent years, the Haynes Group continues to position itself as a leading global automotive content, data and solutions provider. Our growth is underpinned through our investment in people, products and technology and a tight control over costs and cash management.

Financial highlights

Through a combination of organic growth and an additional four months of revenue from the E3 Technical acquisition, Group revenue increased by 7% to £36.2 million (2018: £33.8 million). Like-for-like Group revenue (excluding acquisitions, discontinued third party Australian print services and on a constant currency basis) was up 5% year-on-year. The increase in revenue helped grow adjusted profit by 24% to £3.6 million (2018: £2.9 million).

I am pleased to report that following the significant restructuring programme implemented over the last five years, together with the acquisitions of OATS and E3 Technical in 2016/17 and 2017/18 respectively, the Group is debt free for the first time since 2013, with net cash balances up 96% at £4.9 million (2018: £2.5 million).

Dividend

The Board is recommending an unchanged final dividend for the year of 4.0 pence which, together with the interim dividend paid in April 2019, maintains the total dividend for the year at 7.5 pence (2018: 7.5 pence). Subject to approval by shareholders, the final dividend will be paid on 30 October 2019 to shareholders on the register at the close of business on 11 October 2019 (with an ex-dividend date of 10 October 2019).

Board

On 19 July 2019, we announced the appointment of Harvey Wolff to the Haynes Board. Harvey's appointment strengthens our commercial insight and market experience in North America, which continues to be a strategically important territory for the Group.

I would also like to take this opportunity to thank my fellow directors for their support and hard work during the year. There is a strong team spirit in the Board which continues to grow and help drive the business forward and it is pleasing to see the strength and depth we now have as a business in our global operational management teams.

Group employees

The Group's continuing success is built on the commitment, performance and loyalty of all our employees. Our workforce have talents and skills which help us create innovative and dynamic solutions and which allow our partners to drive workflow and business efficiencies. On behalf of the Board, I would like to thank all our staff for their valuable contribution during the year.

Outlook

Through the automotive knowledge and technological expertise we possess in the business, we are accelerating the linking of the Group's content and datasets. Allied to the breadth and depth of content and data in our three core brands 'Haynes', 'HaynesPro' and 'OATS,' and our growing data analytical capabilities, our teams are well positioned to deliver new and exciting global opportunities for the Haynes Group through a combination of organic growth and strategic acquisition.

Eddie Bell

Chairman
11 September 2019

Chief Executive's Review

I am pleased to report that it has been another excellent year for the Haynes Group. Our strategy is delivering value for you, our shareholders, while being responsive to changes in the transport sector.

Through our programme of product innovation and data development, we offer world leading integrated transport work-flow solutions. This focus has resulted in the retention of all key contracts at renewal date over the past 12 months, as well as a number of important customer wins.

Strong Numbers

As a result of these commercial successes, our organic growth, together with a full year of trading from HaynesPro UK, drove revenue up 7% year-on-year. Adjusted pre-tax profit was up 24% to £3.6 million (2018: £2.9 million) and adjusted EBITDA increased 11% to £12.8 million (2018: £11.5 million).

Our commitment to creating world leading solutions is illustrated by our investment in global content, datasets and technology platforms. Over the past 12 months, the Group has invested £8.7 million in expanding and updating our core content. Over two thirds of this expenditure was directed to our professional business.

We gain confidence over the levels of investment through the proportion of Group revenue from our digital product ranges. This revenue, which is primarily contracted and recurring in nature, has more than tripled in the last 5 years and now represents 56% of total Group revenue (2018: 50%).

The level of development expenditure to revenue ratio improved during the year to 23.9%, down from 25.0% in 2017/18 and 26.6% in 2016/17. Net cashflows generated from operating activities increased by 21% during the year to £12.5 million (2018: £10.3 million).

For the first time our European servers achieved a landmark one billion data access requests over a 12 month period. HaynesPro UK's vehicle registration look-up servers received in excess of 192 million data requests, with over 33 million of the 40 million vehicles on the UK's roads having had a look up request.

We continue to invest in the taxonomy and linking of our datasets. In HaynesPro, the technical information we possess on passenger cars, light commercial vehicles and trucks provides coverage for 99% of the vehicles in Western Europe and 90% in Australia. The OATS lubricant datasets cover 98% of US vehicles in operation since 2003, in Canada the figure is 96%, in mainland Europe 97% and UK coverage is 99%.

Alongside our growing professional datasets, our iconic step-by-step picture driven service and repair data, which is available in both print and online manual formats, covers over 180 million vehicles in the USA and 19 million vehicles in the UK.

Our consumer digital content is one of the fastest growing channels in the Group, and we now have over 60,000 online manual subscribers. Over the last 12 months, there were 6.5 million visits to our site spending 30 minutes or more viewing our data on haynes.com, 69% higher than the prior year. During these sessions over 2.4 million job specific tasks were viewed online.

Operational update

To facilitate greater shareholder understanding of the Group's activities the Board has decided to report on a new segmental basis, focusing on professional and consumer. These are our two primary operating segments, and brings our reporting more closely into alignment with how the executive team now manage the business.

Innovation and integration

Our ability to deliver innovative software solutions is illustrated by VESA™, our market leading electronics diagnostics application, which helps technicians diagnose electronic faults and component errors. The software is now embedded into the tools of market leading diagnostic equipment manufacturers with over 25,000 devices throughout Europe now fitted with the VESA™ application.

Earlier in 2019, we launched an Australian WorkshopData™ module. This is the first expansion of the HaynesPro WorkshopData™ platform outside of Europe. During the year, we signed a distribution agreement with a leading global tools and diagnostics equipment manufacturer to market the new product in Australia.

ProFIT is an innovative solution which helps parts manufacturers reduce their CO_2 carbon footprint by providing online installation instructions. During the year, the Group signed a multi-year contract with a major global manufacturer of timing belts.

Our online manual product has a new responsive design and over 2,000 videos linked to more than 4,500 task specific jobs. The new features have also been integrated into 'Haynes AllAccess', the Group's library of online manuals available in one subscription and aimed at the education, library, retail and independent garage workshop sectors.

Partnership

During the year, OATS and HaynesPro completed a groundbreaking project with a major global oil and lubricant partner. Our team customised a data input platform for the customer to enter industrial equipment and lubricant specifications, which is linked to OATS lube advice tool.

In many cases our partners are multi-national businesses and one of our key strengths is our ability to engage with our partners in numerous geographies. During the year, our teams spent time at the Chinese headquarters of a major Asian diagnostic tool manufacturer helping them to integrate VESA™ into their European diagnostic tools.

The HaynesPro UK team has been working closely with a leading Retail and Autocentre chain to extend our relationship beyond that of a data supplier, by assisting in the development and delivery of key data centric work-flow projects.

In Germany, HaynesPro has been a key partner to a leading European automotive aftermarket catalogue provider since 2006. We have helped integrate HaynesPro's technical data into their innovative new catalogue which is being rolled out to customers in 2019.

Our complementary mix of automotive and technology skillsets makes us well placed to offer value added consultancy services. Since 2016, we have been working closely with a global automotive parts manufacturer on a major website and data overhaul. Following the introduction of the new portal in 2017, our teams have been commissioned to work on new features for the website including vehicle registration look-up in multiple countries, quote management and extended product line support.

Organisational efficiency

In March 2019, we opened up a second office in Bucharest which extends our resource capacity in Romania by approximately 60%, enabling the Group to move forward with some key new product initiatives.

To facilitate accurate and timely decision making we commenced a programme to roll out a new finance software package across all parts of the Haynes Group in 2017/18. I am pleased to confirm this roll-out was completed in June of this year.

In November 2018, as part of an ongoing management plan for our legacy defined benefit pension arrangements, the UK defined benefit scheme was closed to future accrual. All active members transferred to a new Group defined contribution arrangement.

Shortly after the financial year end we opened our first OATS office in North America. Our presence in this territory has been growing in recent years, and this dedicated local resource will help build our relationships with existing and future North American partners.

People and structure

In November 2018, we were delighted to welcome Mike Skypala as Managing Director of OATS and in January 2019, Harvey Wolff as Senior Vice President of Haynes North America Inc. These were key appointments for the Group and I am pleased to report that both Mike and Harvey have settled well into their new roles.

As the Group grows, we need to continually refine our organisational structure and processes. During the year management implemented a series of coordinated initiatives to improve the Group's future performance. The total cost of these one-off actions was £0.6 million which has been included within Group overheads.

In the last 12 months, I have been able to spend time with many of our employees and I feel incredibly grateful for the dedication and professionalism of our staff. Our employees are the cornerstone from which the Group's future success will be driven and I would like to offer my sincere thanks and appreciation to all of them.

First quarter trading update

Overall Group revenue during the first quarter of 2019/20 was tracking 9% ahead of the prior year. At a segmental level, both the Professional and Consumer segments were performing ahead of the prior year through the first 13 weeks of 2019/20.

Outlook and future developments

The Group's management teams enter the new financial year focused on delivering our current initiatives and progressing our pipeline projects.

My father founded the Haynes Group with a belief that to be helpful and relevant we must provide accurate, useful and trustworthy information. Through our programme of product innovation, integration and growing data coverage we will continue to deliver work-flow solutions and advice, serving both drivers and the automotive industry. I believe this focus will support our partners' growth ambitions, and firmly establish the Haynes Group as a leading global transport data solutions business.

J Haynes
Chief Executive Officer
11 September 2019

Group Finance Director's Review

The 2019 financial year represents the 52 weeks to 31 May 2019 ("the financial year") and the comparative period represents the 52 weeks to 31 May 2018 ("prior year").

Group revenue

	2019	2018	Movement
	£m	£m	%
Total Group revenue	**36.2**	33.8	+7%

Overall Group revenue ended the year up 7% at £36.2 million (2018: £33.8 million) boosted by the performance from the professional product ranges. Revenue from the Group's range of digital products and work-flow solutions ended the year up 20% at £20.2 million (2018: £16.9 million) and now represents 56% of total Group revenue (2018: 50%).

This is the first set of Group results to include a full 12 months of the E3 Technical business, which added £0.9 million of incremental revenue in comparison to 2017/18.

The decision to exit low margin third party printing services in Australia in August 2018, reduced revenue by £0.4 million year-on-year.

Over the course of the last 12 months, Sterling has weakened against the US dollar, driving a lower average exchange rate of $1.30 (2018: $1.35). In contrast, Sterling strengthened against the Euro and Australian dollar leading to average exchange rates of €1.14 (2018: €1.13) and A$1.81 (2018: A$1.74) respectively. The net effect of these movements increased Group revenue by £0.2 million.

On a constant currency basis and excluding the incremental revenue from E3 Technical and discontinued Australian third-party print services, underlying Group revenue increased by 5%.

Segmental review

Professional

	2019	**2018**	Movement
	£m	**£m**	%
Professional revenue	**19.5**	**16.3**	+20%
Professional adjusted operating profit [1]	**7.0**	**5.6**	+25%
Professional adjusted EBITDA [1]	**12.0**	**10.2**	+18%

[1] Adjusted EBITDA and adjusted operating profit are defined as before Group licence fees and adjusting items.

Revenue from the Group's Professional operations ended the year up 20% at £19.5 million (2018: £16.3 million) which includes a full period of trading from the E3 Technical business (acquired 30 September 2017) which contributed an incremental £0.9 million to revenue. On a like-for-like basis, excluding the impact of exchange rate movements and the additional E3 Technical income, Professional revenue was up 15% at £18.7 million (2018: £16.3 million).

Local currency HaynesPro revenue excluding the incremental benefit from E3 Technical was up 15%. OATS delivered revenue growth of 10% during the year, driven by the new management team and a focus on expanding the OATS global content and datasets and upgrading the businesses delivery platforms.

The impact of the stronger trading led to adjusted operating profit in the Professional segment ending the year up 25% at £7.0 million (2018: £5.6 million). After Group licence fees, adjusting items and finance costs, Professional profit before tax for the year was up 26% at £4.9 million (2018: £3.9 million).

Consumer

	2019	2018	Movement
	£m	£m	%
Consumer revenue	**16.7**	17.4	(4%)
Consumer adjusted operating profit [1]	**1.1**	1.8	(39%)
Consumer adjusted EBITDA [1]	**4.4**	4.9	(10%)

[1] Adjusted EBITDA and adjusted operating profit are defined as before Group licence fees and adjusting items.

Consumer revenue ended the year down 4% at £16.7 million (2018: £17.4 million). The exchange gains from a weaker Sterling against the US dollar were offset by the reduction in revenue following the exit from low margin Australian third party printing services, leaving Consumer revenue on a constant currency basis similarly down 4%.

UK consumer revenue was up 1% over the prior year, driven by a solid performance from our UK automotive manuals which ended the period up 4%. Offsetting the higher automotive revenue was lower revenue from our brand extension publishing, as sales of the new Bluffers range of titles only partially offset the expected reduction in sales from the novelty Haynes Explains range. Revenue from UK consumer digital products, although small in value has grown by 84% year-on-year.

Local currency US revenue was down 6% as weaker ordering from a small number of key retailers impacted the business but was partially offset by growth in the digital revenue channels. The new management team in the US implemented an overdue stock replenishment programme with a key customer in the final quarter of 2018/19 and I am pleased to report that we have experienced a pickup in the ordering patterns from this customer in recent weeks.

Like-for-like Australian local currency revenue, excluding the discontinued third party printing services income, ended the 12 month period in line with the prior year, as lower print manual revenue was offset by higher revenue from the Australian digital channels.

Non-trading restructuring costs impacted adjusted operating profit in the Consumer segment, which ended the year down 39% at £1.1 million (2018: £1.8 million). Excluding the non-trading costs, adjusted operating profit in the Consumer segment would have traded in line with the prior year.

The reported Consumer profit before tax for the year was down 79% at £0.6 million (2018: £2.9 million) following the exceptional property gain in the US last year of £2.6 million and after Group licence fees, adjusting items and finance costs.

Group margins

	2019 £m	2018 £m	Movement %	**2019 %**	2018 %	Movement bps
Gross profit & margin	**22.5**	20.1	+12%	**62.2**	59.5	+270
Adjusted operating profit & margin [1]	**4.2**	3.5	+20%	**11.6**	10.4	+120

[1] Excluding adjusting items. Reported Group operating profit was £2.4 million (2018: £4.2 million) with a Group operating margin of 6.6% (2018: 12.4%)

Adjusted gross profit ended the 12 month period up 12% at £22.5 million (2018: £20.1 million) and with the growing mix of digital revenues and the exit from low margin third party printing in Australia, the Group gross margin was up 270 basis points at 62.2% (2018: 59.5%).

Adjusted operating profit ended the year up 20% at £4.2 million (2018: £3.5 million). Following a full year of trading from the E3 Technical business and the additional costs associated with the new finance IT system roll-out Group overheads were up 10%. Excluding E3 Technical, the one-off costs and the impact of currency movements, like-for-like overheads were up 4% against the prior year.

Group finance costs ended the year in line with the prior year at £0.6 million (2018: £0.6 million) and primarily relate to the interest charge on the UK and US defined benefit pension schemes' liabilities net of interest on the pension schemes' assets.

Adjusted earnings and earnings per share

	2019[1] £m	2018[1] £m	Movement %
Adjusted profit before tax	**3.6**	2.9	+24%
Adjusted taxation	**(0.7)**	(0.9)	(22%)
Adjusted profit for the period	**2.9**	2.0	+45%
	Pence	Pence	
Adjusted basic EPS	**19.0**	13.2	+44%

[1] Excluding adjusting items. Reported profit before tax was £1.9 million (2018: £3.6 million), taxation was £0.5 million (2018: £2.1 million) and the reported profit for the period was £1.4 million (2018: £1.5 million). Reported earnings per share were 9.4 pence (2018: 9.9 pence).

Adjusted pre-tax profit ended the year up 24% at £3.6 million (2018: £2.9 million). The adjusted tax charge was £0.7 million (2018: £0.9 million) giving an effective tax rate of 20.6% (2018: 31.2%). The lower effective tax rate is primarily driven by a full year of a lower headline federal tax rate in the US. Adjusted earnings per share increased to 19.0 pence (2018: 13.2 pence).

Adjusting items

	2019 £m	2018 £m
Equalisation of Guaranteed Minimum Pension (GMP) benefits	**(1.2)**	-
Acquired intangible amortisation charge	**(0.6)**	(0.3)
Write-down of assets held for sale	**-**	(0.4)
Restructuring costs	**-**	(1.0)
Acquisition expenses	**-**	(0.2)
Gain on property disposals	**-**	2.6
Total adjusting items effecting profit before tax	**(1.8)**	0.7
Adjustments to tax	**0.3**	(1.2)
Total adjusting items	**(1.5)**	(0.5)

Adjusting items include £1.2 million to reflect the impact of guaranteed minimum pension ("GMP") equalisation to our UK pension scheme which remains our actuaries best estimate of the charge. On 26 October 2018, the High Court handed down a judgement involving the Lloyds Banking Group's defined benefit pension schemes. The judgement concluded that Schemes should equalise pension benefits for men and women in relation to GMP. The judgement has implications for many defined benefit schemes, including our UK scheme. Adjusting items also include the amortisation of acquired intangible assets of £0.6 million (2018: £0.3 million).

Balance sheet

	2019 £m	Restated [1] 2018 £m	Movement £m
Non-current assets	**41.2**	40.5	+0.7
Working capital	**1.8**	2.5	(0.7)
Net cash	**4.9**	2.5	+2.4
Retirement benefit obligation	**(23.8)**	(18.7)	(5.1)
Net other assets/(liabilities)	**(1.1)**	(1.2)	+0.1
Net assets	**23.0**	25.6	(2.6)

[1] See Note 1 – Restatement of prior years

During the year, the Group increased its investment in new product development by 4% to £8.7 million (2018: £8.4 million) which included £6.2 million (2018: £5.3 million) in relation to the Group's rapidly growing professional product ranges. The Group also invested £2.3 million (2018: £2.8 million) on new consumer content and £0.2 million (2018: £0.3 million) on new consumer digital platforms. Netting against the above was higher product development amortisation of £8.2 million (2018: £7.5 million) and acquired intangible amortisation of £0.6 million (2018: £0.3 million). Deferred tax assets increased by £0.6 million directly linked to the increase in the deficit of the Group's defined benefits schemes.

Group working capital has benefitted from lower outsourced print prices, which has reduced inventory values on similar volumes. Trade receivables were in line with the prior year, despite the increased revenues, with the Group's debtors days ratio improved by 7 days. Our ongoing focus on cash has helped reduce the Group's working capital as a percentage of sales to 5.0% (2018: 7.5%). The improvement in working capital has boosted Group net cash which ended the year up 96% at £4.9 million (2018: £2.5 million).

At 31 May 2019, the net deficit, as reported in accordance with IAS 19, on the Group's two defined benefit retirement schemes increased by £5.1 million to £23.8 million (2018: £18.7 million) with the UK scheme deficit increasing to £22.6 million (2018: £17.4 million) offset by a small reduction in the US deficit to £1.2 million (2018: £1.3 million). The combined total assets of the schemes were maintained at £34.1 million (2018: £34.1 million) while the total liabilities increased to £57.9 million (2018: £52.8 million). The adverse movement in the UK scheme liabilities was driven by a lower UK discount rate of 2.45% (2018: 2.85%) and the inclusion of an actuarial estimated charge of £1.2 million in relation to GMP equalisation (as noted above).

On 30 November 2018, the UK defined benefit scheme was closed to future accrual and all active members transferred to a new Group defined contribution arrangement.

Cash flow

	2019 **£m**	2018 £m
Net cash generated from operations before tax	**12.7**	11.8
Tax paid	**(0.3)**	(1.5)
Investing activities	**(8.9)**	(10.0)
Financing activities	**(1.2)**	(1.2)
Net movement in cash during the year	**2.3**	(0.9)
Cash and cash equivalents at the beginning of the year	**2.5**	3.7
Effect of foreign exchange rates	**0.1**	(0.3)
Cash and cash equivalents at the end of the period	**4.9**	2.5

The Group's net cash generated from operations before tax for the year was up 8% at £12.7 million (2018: £11.8 million) reflecting the improved trading performance and working capital cycles. Management continue to closely monitor free operational cash flows to provide confidence over the Group's investing activities and I am pleased to report the Group's cash generation remains strong with cash generated from operations at 303% (2018: 332%) of adjusted Group operating profit.

Richard Barker
Group Finance Director
11 September 2019

Consolidated Income Statement

		Year ended 31 May 2019			Year ended 31 May 2018		
		Adjusted	Adjusting items (note 2)	Statutory	Adjusted	Adjusting items (note 2)	Statutory
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Continuing operations							
Revenue	3	36,197	-	36,197	33,788	-	33,788
Cost of sales		(13,744)	-	(13,744)	(13,641)	-	(13,641)
Gross profit		**22,453**	**-**	**22,453**	**20,147**	**-**	**20,147**
Other income		54	-	54	17	-	17
Distribution costs		(8,261)	-	(8,261)	(8,151)	(337)	(8,488)
Administrative expenses		(10,047)	(1,760)	(11,807)	(8,511)	(1,591)	(10,102)
Gain on disposal of property		-	-	-	-	2,588	2,588
Operating profit/(loss)		**4,199**	**(1,760)**	**2,439**	**3,502**	**660**	**4,162**
Finance income	5	3	-	3	11	-	11
Finance costs	6	(43)	-	(43)	(57)	-	(57)
Other finance costs – retirement benefits		(531)	-	(531)	(554)	-	(554)
Profit/(loss) before taxation		**3,628**	**(1,760)**	**1,868**	**2,902**	**660**	**3,562**
Taxation	7	(749)	299	(450)	(904)	(1,164)	(2,068)
Profit/(loss) for the period		**2,879**	**(1,461)**	**1,418**	**1,998**	**(504)**	**1,494**
Earnings per 20p share	8	Pence		Pence	Pence		Pence
From continuing operations							
- Basic		19.0		9.4	13.2		9.9
- Diluted		18.7		9.2	13.1		9.8

Consolidated Statement of Comprehensive Income

	Year Ended 31 May 2019 £'000	Year Ended 31 May 2018 £'000
Profit for the period	**1,418**	**1,494**
Other comprehensive (expense)/income		
Items that will not be reclassified to profit or loss in subsequent periods:		
Actuarial gains/(losses) on retirement benefit obligation		
- UK Scheme	(4,420)	5,718
- US Scheme	138	(458)
Deferred tax on retirement benefit obligation		
- UK Scheme	751	(972)
- US Scheme	(31)	103
Deferred tax arising on change in corporation tax rates	-	(53)
	(3,562)	4,338
Items that will or may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	528	(530)
Other comprehensive (expense)/income	**(3,034)**	**3,808**
Total comprehensive (expense)/income for the financial period	**(1,616)**	**5,302**

Consolidated Balance Sheet

	Note	Year Ended 31 May 2019 £'000	Restated [1] Year Ended 31 May 2018 £'000	Restated [1] Year Ended 31 May 2017 £'000
Non-current assets				
Property, plant and equipment		1,378	1,525	4,011
Intangible assets		33,502	33,244	27,696
Deferred tax assets		6,301	5,693	7,839
Total non-current assets		**41,181**	**40,462**	**39,546**
Current assets				
Inventories		2,599	3,084	3,965
Trade and other receivables		9,296	9,264	8,586
Tax recoverable		79	124	130
Cash and cash equivalents		4,871	4,809	7,036
		16,845	17,281	19,717
Assets held for sale		2,135	2,195	1,483
Total current assets		**18,980**	**19,476**	**21,200**
Total assets		**60,161**	**59,938**	**60,746**
Current liabilities				
Trade and other payables		(10,257)	(9,813)	(7,674)
Borrowings		-	(2,276)	(3,331)
Provisions		-	(332)	(1,164)
Total current liabilities		**(10,257)**	**(12,421)**	**(12,169)**
Non-current liabilities				
Deferred tax liabilities		(3,026)	(3,233)	(3,482)
Retirement benefit obligation	11	(23,845)	(18,712)	(23,778)
Total non-current liabilities		**(26,871)**	**(21,945)**	**(27,260)**
Total liabilities		**(37,128)**	**(34,366)**	**(39,429)**
Net assets		**23,033**	**25,572**	**21,317**
Equity				
Share capital		3,270	3,270	3,270
Share premium		638	638	638
Treasury shares		(2,425)	(2,447)	(2,447)
Retained earnings		13,299	16,388	11,603
Foreign currency translation reserve		8,251	7,723	8,253
Total equity		**23,033**	**25,572**	**21,317**

[1] See Note 1 – Restatement of prior years arising from adoption of IFRS 15

Consolidated Statement of Changes in Equity

	Share capital £'000	Share premium £'000	Treasury shares £'000	Foreign currency translation reserve £'000	Retained earnings £'000	Total £'000
Balance at 31 May 2017	**3,270**	**638**	**(2,447)**	**8,253**	**11,018**	**20,732**
Prior year restatement [1]	-	-	-	-	585	(585)
Balance at 31 May 2017 restated [1]	**3,270**	**638**	**(2,447)**	**8,253**	**11,603**	**21,317**
Profit for the period	-	-	-	-	1,494	1,494
Other comprehensive income/(expense) : Currency translation adjustments	-	-	-	(530)	-	(530)
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	-	4,338	4,338
Total other comprehensive income / (expense)	**-**	**-**	**-**	**(530)**	**4,338**	**3,808**
Total comprehensive income / (expense)	**-**	**-**	**-**	**(530)**	**5,832**	**5,302**
Performance share plan	-	-	-	-	86	86
Dividends (note 9)	-	-	-	-	(1,133)	(1,133)
Balance at 31 May 2018 restated [1]	**3,270**	**638**	**(2,447)**	**7,723**	**16,388**	**25,572**
Profit for the period	-	-	-	-	1,418	1,418
Other comprehensive income/(expense) : Currency translation adjustments	-	-	-	528	-	528
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	-	(3,562)	(3,562)
Total other comprehensive income / (expense)	**-**	**-**	**-**	**528**	**(3,562)**	**(3,034)**
Total comprehensive income / (expense)	**-**	**-**	**-**	**528**	**(2,144)**	**(1,616)**
Performance share plan	-	-	-	-	189	189
Dividends (note 9)	-	-	-	-	(1,134)	(1,134)
Sale of treasury shares	-	-	22	-	-	22
Balance at 31 May 2019	**3,270**	**638**	**(2,425)**	**8,251**	**13,299**	**23,033**

[1] See Note 1 – Restatement of prior years arising from adoption of IFRS 15

Consolidated Cash Flow Statement

	Year Ended 31 May 2019 £'000	Year Ended 31 May 2018 £'000
Cash flows from operating activities		
Profit after tax	1,418	1,494
Adjusted for :		
Income tax expense	450	2,068
Interest payable and similar charges	43	57
Interest receivable	(3)	(11)
Retirement benefits finance costs	531	554
Operating profit	**2,439**	**4,162**
Depreciation on property, plant and equipment	439	504
Amortisation of intangible assets	8,194	7,461
Adjusting items (note 2)	1,760	(660)
EBITDA before adjusting items	**12,832**	**11,467**
Performance share plan	189	86
IAS 19 pensions service costs net of contributions paid	(906)	(548)
Loss on disposal of property, plant and equipment	32	125
Operating cash flows before working capital movements	**12,147**	**11,130**
Decrease in inventories	560	793
Decrease/(increase) in receivables	99	(753)
Increase in payables	252	1,449
Movement in provisions	(340)	(832)
Net cash generated from operations	**12,718**	**11,787**
Tax paid	(258)	(1,479)
Net cash generated by operating activities	**12,460**	**10,308**
Investing activities		
Acquisition of E3 Technical	-	(4,891)
Disposal proceeds on property, plant and equipment	22	3,798
Purchases of property, plant and equipment	(401)	(499)
Expenditure on product development	(8,657)	(8,446)
Interest received	3	11
Net cash used in investing activities	**(9,033)**	**(10,027)**
Financing activities		
Dividends paid	(1,134)	(1,133)
Interest paid	(43)	(57)
Proceeds from sale of treasury shares	22	-
Net cash used in financing activities	**(1,155)**	**(1,190)**
Net increase/(decrease) in cash and cash equivalents	**2,272**	**(909)**
Cash and cash equivalents at beginning of year	2,533	3,705
Effect of foreign exchange rate changes	66	(263)
Cash and cash equivalents at end of year	**4,871**	**2,533**

Notes to the Results Announcement

1. Accounting policies

Basis of preparation

Haynes Publishing Group P.L.C. (the "Company") is a company domiciled in the United Kingdom. The financial information of the Company as set out in this announcement for the year ended 31 May 2019 comprise the Company and its subsidiaries (together referred to as the "Group"). This announcement has been prepared in accordance with our accounting policies published in our financial statements available on our website www.haynes.com/investor and are presented in sterling, with all values rounded to the nearest thousand pounds (£'000) except as indicated otherwise.

The financial information contained in this report does not constitute the Company's statutory accounts for the year ended 31 May 2019 or for the year ended 31 May 2018. The statutory accounts for the year ended 31 May 2018 have been reported on by the Independent Auditors and the Independent Auditors' Report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006. The statutory accounts for the year ended 31 May 2018 have been filed with the Registrar of Companies.

The 2019 figures are based on unaudited accounts for the year ended 31 May 2019. Statutory accounts for the year ended 31 May 2019 will be finalised based on the information presented in this announcement and the auditors will report on those accounts once they are finalised. The statutory accounts for the year ended 31 May 2019 will be delivered to the Registrar in due course.

The preliminary announcement has been approved by the Board of Directors and authorised for issue on 11 September 2019. The Annual Report 2019 will be approved by the Board of Directors and authorised for issue on 18 September 2019.

Basis of accounting

The Group's annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRSIC) interpretations as adopted by the European Union and Companies Act 2006 applicable to companies reporting under IFRS. The accounting policies used to prepare this results announcement are consistent with those set out in the Annual Report 2018 and should be read in conjunction with that Annual Report except for the adjustments of new accounting standards as discussed below. As a result of adopting the standards below, the Group has changed its accounting policies, and where applicable, made retrospective adjustments.

New standards and interpretations adopted in the current year

- IFRS 15 – Revenue from Contracts with Customers

'IFRS 15 – Revenue from Contracts with Customers' establishes a principles based approach for revenue recognition and is based on the concept of recognising revenue when (or as) performance obligations are satisfied and the control of goods and services is transferred.

During the year, the Directors completed their review outlined in the 2018 Annual Report and have adopted IFRS 15 from 1 June 2018, applying the full retrospective approach and restating the comparatives where necessary. Full details of the restatement can be found below.

The review focussed on the timing of recognition of revenue from contracts where 'usage' of services was reported by customers to the Group either on a monthly or quarterly basis. Until this point, the Group had no visibility of the revenue. Prior to the adoption of IFRS 15, the Group recognised this revenue at the time it could be reliably measured, i.e. when it was reported to the Group, in line with 'IAS 18 – Revenue'. Under IFRS 15, the revenue from these contracts has been estimated and brought forward, in line with when performance conditions are provided and when the customers are deemed to have 'control', which under the standard is when they use the Group's Intellectual Property under contract for their benefit.

As a result of the review outlined above, the Group has updated its revenue recognition policy on revenue from the sale of digital data through subscriptions, software licenses and development projects to reflect when licences are sold on the Group's behalf by third party distributors, so that revenue will be estimated over the period in which these sales occur.

1. Accounting policies (continued)

- IFRS 9 – Financial Instruments

'IFRS 9 – Financial Instruments' includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. IFRS 9 requires a new impairment model with impairment provisions based on expected credit losses rather than incurred credit losses under IAS 39. For trade and other receivables, the Group has applied the simplified approach under the standard and assessed expected credit losses for the Group's receivables.

The Directors consider the transitional movement in the impairment allowance as a result of adopting this policy as immaterial and therefore there was no IFRS 9 impact on retained earnings at 1 June 2018.

New standards and interpretations not adopted with an effective date after the year

Management are currently assessing the impact of the new standards, interpretations and amendments which are effective for accounting periods beginning on or after 1 January 2019 and which have not been adopted early, including the following:

- IFRS 16 – Leases (with an effective date of periods beginning on or after 1 January 2019)

'IFRS 16 – Leases' requires operating leases to be treated the same as finance leases except for short-term leases and leases of low value assets. This results in previously recognised operating leases being treated as right of use assets and the finance lease liability being recorded on the Consolidated Balance Sheet. The right of use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments. Under IFRS 16, the classification of cash flows will be amended as the lease payments will be split into a principal and interest portion and presented as financing and operating cash flows respectively.

As at 31 May 2019, the Group had total non-cancellable lease commitments of £2,506,000. Management have concluded that these arrangements meet the definition of a lease under IFRS 16 and hence the Group will recognise a right of use asset and lease liability, unless they meet the definition of a short-term or low value lease as permitted under the standard. Management also anticipates an increase in operating cash flows but a decrease in financing cash flows, as the associated expense is split between depreciation and interest. Notwithstanding the Group's level of non-cancellable lease commitments as detailed above, management considers the anticipated impact from the adoption of IFRS 16 will not have a material impact on the net assets although assets and liabilities will be grossed up for the net present value of the outstanding operating lease liabilities as at 1 June 2019.

Restatement of prior years

As explained above, during the year the Group has transitioned to IFRS 15 applying the full retrospective approach for revenue recognition which requires the restatement of previous results so that prior period revenue is reported in line with the current period. The impact of this restatement on the years ended 31 May 2018 and 31 May 2017 in the Consolidated Balance Sheet has been to increase other debtors by £780,000, increase deferred tax liabilities by £195,000 and increase equity reserves by the corresponding £585,000 which has also been adjusted in the Consolidated Statement of Changes in Equity. There is no impact on the Consolidated Income Statement in respect of the year 31 May 2018.

Foreign exchange rates

The foreign exchange rates used in the financial statements to consolidate the overseas subsidiaries are as follows (local currency equivalent to £1):

	Year-end rate		Average rate	
	2019	2018	2019	2018
US dollar	1.26	1.33	1.30	1.35
Euro	1.13	1.14	1.14	1.13
Australian dollar	1.82	1.76	1.81	1.74

2. Adjusting items

	31 May 2019 £'000	31 May 2018 £'000
Adjusting gains included in gain on disposal of property:		
- Gain on sale of property	-	2,588
Adjusting costs included in selling and distribution expenses:		
- Restructuring costs	-	(337)
Adjusting costs included in administrative expenses:		
- Equalisation of Guaranteed Minimum Pension (GMP) benefits	(1,160)	-
- Acquired intangible amortisation charge	(600)	(318)
- Write down of assets held for sale	-	(467)
- Restructuring costs	-	(635)
- Acquisition expenses	-	(171)
Total adjusting items effecting profit	**(1,760)**	**660**
Adjustments to tax	**299**	**(1,164)**
Total adjusting charge to income statement	**(1,461)**	**(504)**

Adjusting items are those items which warrant separate disclosure by virtue of their scale and nature to enable a full understanding of the Group's financial performance.

The change in pension liabilities recognised in relation to GMP equalisation involves estimation uncertainty. The Group and the Scheme Trustees are yet to decide which approach they will use to equalise GMP as a range of options are available. While this announcement reflects the current best estimate of the impact on pension liabilities, this estimate reflects a number of assumptions and the information currently available. The current best estimate reflects an increase in liabilities of 2.7% and the Directors have been advised the final impact could be in the potential range of 2.0% - 3.3% of liabilities.

Amortisation of acquired intangible assets is treated as an adjusting item to provide stakeholders with additional useful information to assess the trading performance of the Group on a consistent basis.

The gain from the sale of property in the prior year arose following the implementation of the global operational, cost and structure review and relates to the sale of a property in the US.

The restructuring costs adjustment to selling and distribution costs during the prior year related to the implementation of the restructuring programme in Australia, whilst the adjustment to administration costs related to one-off employee severance packages and past service pension costs.

The write down of assets held for sale in the prior year related to a UK freehold property where the net book value was adjusted to its expected recoverable amount.

The prior year acquisition expenses related to the successful acquisition of the trade and assets of E3 Technical on 30 September 2017.

The adjustment to tax relates to the tax effect on the adjusting items. In the prior year, this balance was also impacted by the reduction in the US deferred tax balances as a result of the cut in the federal tax rate from 35% to 21%.

3. Revenue

	31 May 2019 £'000	31 May 2018 £'000
Revenue by geographical destination on continuing operations:		
United Kingdom	10,134	8,733
Rest of Europe	14,096	12,804
United States of America	10,248	10,145
Australasia	1,054	1,525
Rest of World	665	581
Total consolidated revenue	**36,197**	**33,788**

4. Segmental analysis

As reported in the Group's recent Annual Reports, the Board have been transforming the Haynes Group to become a leading global supplier of content, data and innovative work-flow solutions for motorists and the automotive industry. As part of this strategic refocussing of the Group, the way the Board manages the business has been changing and the Board feels it is now appropriate to re-align the way the Group reports its segments in line with IFRS 8 to reflect these changes.

The segmental analysis for 2018/19 has been prepared in line with the new reporting basis and the comparative figures for 2017/18 have been restated accordingly. A summary of the new segmental reporting basis is included below:

The Group has two primary operating segments:

– Professional

– Consumer

The Professional segment has its headquarters in The Netherlands and has offices in the UK, Germany, Italy, Spain, France, Romania and the US, operating under the HaynesPro and OATS brands. HaynesPro provide technical data and intelligent work-flow solutions for the automotive industry including parts distributors, parts manufacturers, diagnostic equipment manufacturers, fast fit & auto repair centres and fleet operators. In the UK, HaynesPro is an official DVLA licence holder providing number plate and vehicle registration look-up services for a range of organisations in the automotive sector where highly accurate and granular reporting are an essential work tool. OATS is a leading source of lubricant recommendations for the oil and lubes industry, with partners in over 90 countries including some of the world's major global petrochemical companies.

The Consumer segment which has headquarters in Sparkford, Somerset, has offices in the US and Australia and originates and delivers automotive repair and maintenance information to motorists and motoring enthusiasts in both a print and digital format. Through Haynes AllAccess, the businesses also supply a full range of online vehicle and motorcycle manuals to professional mechanics, automotive retailers, libraries and the education sector. The UK business also publishes a range of practical brand extension titles covering a wide variety of subjects styled on the iconic Haynes Manual as well as a range of light-hearted factual titles published under the Bluffers branding.

Analysis of operating segments

Revenue and results:	Professional 2019 £'000	Consumer 2019 £'000	Unallocated 2019 £'000	Consolidated 2019 £'000
Segment revenue:				
Total segment revenue	19,496	17,223	-	36,719
Inter-segment sales [1]	(43)	(479)	-	(522)
Total external revenue	**19,453**	**16,744**	**-**	**36,197**
Segment result:				
Adjusted EBITDA	**11,997**	**4,442**	**(3,607)**	**12,832**
Segment amortisation & depreciation	(5,040)	(3,322)	(271)	(8,633)
Adjusted operating profit	**6,957**	**1,120**	**(3,878)**	**4,199**
Intra group licence fee	(1,656)	(415)	2,071	-
Adjusting items [2]	(354)	-	(1,406)	(1,760)
Net interest payable	(7)	(22)	(11)	(40)
Other finance costs - retirement benefits	-	(48)	(483)	(531)
Consolidated profit before tax	**4,940**	**635**	**(3,707)**	**1,868**
Taxation [3]				(450)
Consolidated profit after tax				**1,418**

[1] Inter-segment sales are charged at the prevailing market rates.
[2] Details of the adjusting items are shown in note 2 of this Results Announcement.
[3] The charge to taxation relates to the consolidated Group. Included within the charge to taxation is £791,000 which relates to the Professional segment and £275,000 which relates to the Consumer segment.

4. Segment analysis (continued)

Revenue and results:	Professional 2018 £'000	Consumer 2018 £'000	Unallocated 2018 £'000	Consolidated 2018 £'000
Segment revenue:				
Total segment revenue	16,378	17,853	-	34,231
Inter-segment sales [1]	(39)	(404)	-	(443)
Total external revenue	**16,339**	**17,449**	**-**	**33,788**
Segment results:				
Adjusted EBITDA	**10,193**	**4,922**	**(3,648)**	**11,467**
Segment amortisation & depreciation	(4,570)	(3,168)	(227)	(7,965)
Adjusted operating profit	**5,623**	**1,754**	**(3,875)**	**3,502**
Intra group licence fee	(1,388)	(726)	2,114	-
Adjusting items [2]	(368)	1,963	(935)	660
Net interest payable	8	(44)	(10)	(46)
Other finance costs - retirement benefits	-	(13)	(541)	(554)
Consolidated profit before tax	**3,875**	**2,934**	**(3,247)**	**3,562**
Taxation [3]				(2,068)
Consolidated profit after tax				**1,494**

[1] Inter-segment sales are charged at the prevailing market rates.
[2] Details of the adjusting items are shown in note 2 of this Results Announcement.
[3] The charge to taxation relates to the consolidated Group. Included within the charge to taxation is £255,000 which relates to the Professional segment and £1,998,000 which relates to the Consumer segment.

5. Finance income

	31 May 2019 £'000	31 May 2018 £'000
Interest receivable on bank deposits	**3**	**11**

6. Finance costs

	31 May 2019 £'000	31 May 2018 £'000
Interest payable on bank loans and overdrafts	**43**	**57**

7. Taxation

	31 May 2019 £'000	31 May 2018 £'000
Analysis of charge during the period :		
Current tax		
- UK corporation tax on profits for the period	-	-
- Foreign tax	450	1,415
- Adjustments in respect of prior periods	28	(3)
	478	**1,412**
Deferred tax		
- Origination and reversal of temporary differences	(28)	656
Total taxation in the Consolidated Income Statement	**450**	**2,068**

The effective rate of tax is higher than the standard rate of UK corporation tax due to the mix of profits from overseas operations where the tax rates are higher than in the UK. There is an unrecognised deferred tax asset for temporary timing differences associated with the Group's UK entities. Had the asset been recognised it would have reduced the tax charge by £968,000.

In December 2017, the US Senate substantively enacted the Tax Cuts and Jobs Act of 2017 (TCJA) which included, amongst other changes, a reduction in the federal tax rate in the US from 35% to 21%. In calculating the prior year US tax charge, a hybrid rate was used for the year at 28.5%. The US deferred tax balances were revalued at a rate of 22.5% as a combination of the federal and state tax rates substantively enacted at 31 May 2018.

8. Earnings per share

The calculation of the basic and diluted earnings per share is based on the following:-

	Adjusted 2019 £'000	Statutory 2019 £'000	Adjusted 2018 £'000	Statutory 2018 £'000
Earnings :				
Profit after tax attributable to equity holders of the Company– continuing operations	2,879	1,418	1,998	1,494
	No.	No.	No.	No.
Number of shares :				
Weighted average number of shares for basic earnings per share [a]	15,119,577	15,119,577	15,111,540	15,111,540
Adjusted weighted average for diluted earnings per share [a]	15,424,244	15,424,244	15,261,207	15,261,207
Basic earnings per share (pence)	19.0	9.4	13.2	9.9
Diluted earnings per share (pence)	18.7	9.2	13.1	9.8

[a] The total number of Ordinary shares held in treasury at 31 May 2019 was 1,229,054 (2018: 1,240,000) which are not included in the calculation. On 5 September 2018, the Company sold 10,946 Ordinary shares held in treasury which have been weighted accordingly in the above calculation.

As at 31 May 2019 there were 304,667 (2018: 149,667) outstanding options on the Company's 'Ordinary' shares.

There are no outstanding options on the Company's 'A Ordinary' shares.

9. Dividends

	31 May 2019 £'000	31 May 2018 £'000
Amounts recognised as distributions to equity holders :		
Final dividend for the year ended 31 May 2018 of 4.0p per share (2017: 4.0p per share)	605	604
Interim dividend for the year ended 31 May 2019 of 3.5p per share (2018: 3.5p per share)	529	529
	1,134	**1,133**
Proposed final dividend for the year ended 31 May 2019 of 4.0p per share (2018: 4.0p per share)	605	604

As at 31 May 2019, the Company held 1,229,054 (2018: 1,240,000) Ordinary shares in treasury which represents 16.7% (2018: 16.9%) of the Ordinary share capital and 7.5% (2018: 7.6%) of the Company's total share capital. The Company is not able to vote on the treasury shares and the treasury shares carry no right to receive a dividend or other distribution of assets other than in relation to an issue of bonus shares.

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting to be held on 23 October 2019 and has not been included as a liability in these financial statements.

Subject to final approval by shareholders the final dividend will be paid on 30 October 2019 to shareholders on the register at the close of business on 11 October 2019.

10. Analysis of the changes in cash and cash equivalents

	As at 1 June 2018 £'000	Cash flow £'000	Exchange movements £'000	As at 31 May 2019 £'000
Cash at bank and in hand	4,809	(4)	66	4,871
Bank overdrafts	(2,276)	2,276	-	-
	2,533	**2,272**	**66**	**4,871**

11. Retirement benefit obligation

The Group operates a number of different retirement programmes in the countries within which it operates. The principal pension programmes are a contributory defined benefit scheme in the UK and a non-contributory defined benefit plan in the US. The assets of all schemes are held independently of the Group and its subsidiaries.

As at 31 May 2019, the financial position of the two defined benefit schemes have been updated by qualified independent actuaries in line with the requirements of IAS 19 and the combined movements on the two schemes are shown below:

	31 May 2019 £'000	31 May 2018 £'000
Consolidated retirement benefit obligation at beginning of period	(18,712)	(23,778)
Movement in the period :		
- Total expenses charged in the income statement	(2,091)	(1,571)
- Contributions paid	1,306	1,350
- Actuarial gains/(losses) taken directly to reserves	(4,282)	5,260
- Foreign currency exchange rate movements	(66)	27
Consolidated retirement benefit obligation at end of period	**(23,845)**	**(18,712)**

12. Other information

The Directors Report and audited Report & Accounts for the financial year ended 31 May 2019 will be posted to shareholders on 23 September 2019 and delivered to the Registrar of Companies following the Annual General Meeting which will be held on 23 October 2019. Copies of the Directors' Report and audited Report & Accounts will be available from the Group Company Secretary, Haynes Publishing Group P.L.C., Sparkford, Near Yeovil, Somerset, BA22 7JJ (telephone 01963 440635) after 24 September 2019.

This results announcement is not being posted to shareholders, but is available on the Group Investors website www.haynes.com/investor.