



# **HAYNES PUBLISHING GROUP P.L.C.**

Interim Report and Accounts  
for the 6 months ended 30 November 2017



# Haynes Publishing Group P.L.C.

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*Interim Report and Accounts for the 6 months ended 30 November 2017*

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## BUSINESS AND FINANCIAL HIGHLIGHTS

	26 weeks to 30 Nov 2017	26 weeks to 30 Nov 2016	Change YoY (year-on-year)
Group revenue	£16.9m	£14.0m	+21%
Adjusted EBITDA <sup>1</sup>	£5.3m	£4.1m	+29%
Adjusted operating profit <sup>1</sup>	£1.5m	£0.8m	+88%
Adjusted profit before tax <sup>1</sup>	£1.1m	£0.5m	+120%
Adjusted basic earnings per share <sup>1</sup>	5.3p	2.1p	+151%
Interim dividend	3.5p	3.5p	-
Net cash/(debt) <sup>2,3</sup>	(£0.3m)	£0.6m	(£0.9m)
Operating cash flow	£6.0m	£3.8m	+58%

<sup>1</sup> Adjusted to exclude £0.2 million of exceptional costs (2016: £nil). Reported EBITDA of £5.1 million, reported operating profit of £1.3 million, reported profit before tax of £1.0 million and reported basic earnings per share of 4.3 pence.

<sup>2</sup> Net cash defined as cash at bank net of overdrafts and loans.

<sup>3</sup> The Company has 1.2 million ordinary shares held in treasury.

- Highly synergistic acquisition of the E3 Technical business, a leading UK supplier of vehicle registration look-up and helpdesk services, for £4.72 million.
- Like-for-like Group revenue, excluding acquisitions and exchange rate movements, up 8% to £15.2 million (2016: £14.0 million).
- Adjusted EBITDA up 29% to £5.3 million (2016: £4.1 million) with £6.0 million (2016: £3.8 million) converted into operating cash flow, representing a conversion ratio of 113%.
- Revenue from the Group's digital product ranges of £7.7 million (2016: £5.1 million), a YoY increase of 51%, now representing 46% of total Group revenue (2016: 36%).
- UK & European revenue up 34% YoY; segmental operating profit before interest up 55% at £1.7 million (2016: £1.1 million).
- North America & Australian revenue up 2% YoY; segmental operating profit before interest of £0.4 million (2016: loss of £0.2 million).
- Like-for-like YoY increase in new product development excluding acquisitions of 2%. Total new product development up 24% at £4.1 million (2016: £3.3 million).
- Practical lifestyle publishing programme strengthened following addition of worldwide publishing rights to the Bluffer's Guides.
- Sale of US freehold property, post period end, for \$5.4 million (£4.0 million).

## **INTERIM STATEMENT**

### **Business overview**

Through a combination of restructuring, re-organising and investing in new content and delivery platforms, the Group has been placed on a stronger operational and financial foothold and is transitioning towards becoming an integrated content business.

46% of Group revenues are now digital and Haynes is committed to growing its data business in both its professional and consumer markets. In particular, recent acquisitions have added to the breadth of the Group's automotive repair and maintenance content. Following the acquisition of OATS in December 2016, Haynes now has lubricant data covering 98% of the European car market. Moreover, the acquisition of the E3 Technical business widens the Group's professional offering to include vehicle registration look-up and customer helpdesk services covering the UK automotive aftermarket adding to both the breadth and quality of our digital professional and consumer products.

The Group also continues to strengthen the range of its print titles and, in September 2017, we attained the worldwide print and digital publishing rights to the Bluffer's Guides, which will be re-launched in 2018 with a fresh look and new line-up.

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## **Operational review**

### *UK & Europe*

In Europe, HaynesPro has experienced another strong six months of trading and, in September 2017, it successfully released the second phase of a major website and data overhaul for a major global automotive aftermarket parts supplier.

An important driver for HaynesPro's growth following the acquisition of OATS in December 2016 has been the expansion of the OATS lubricants data matching coverage. It was encouraging to see that, towards the end of the period, OATS won their first new global contract under Haynes ownership.

Meanwhile, in the UK, for the second year in a row, the Haynes Explains series has sold well in the run up to Christmas, with over 200,000 copies sold into retail since the beginning of September 2017. Haynes further secured another deal with Disney to publish the next four 'Star Wars' themed Haynes manuals. Since first publication, the Star Wars titles have sold over 250,000 copies internationally.

### *North America and Australia*

Over the last six months, US management have been working with key retail customers on introducing new in-store programmes to improve the stock turn of print manuals. Alongside these programmes, and to coincide with the launch of the Haynes OnDemand platform in June 2017, management launched a range of sales and marketing initiatives to promote the growing range of consumer digital products.

In Australia, management recently implemented initiatives with retail partners to grow sales while addressing excess inventory and range availability issues. The outcome of these initiatives will become clearer by the end of the financial year.

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## Financial review

Overall Group revenue during the six-month period to 30 November 2017 increased by 21% to £16.9 million (2016: £14.0 million), boosted by a full period of revenue from the OATS acquisition in December 2016 and two months of trading from the newly acquired E3 Technical business which, in combination, contributed £1.6 million to Group revenue. The impact of foreign exchange rate movements increased half year revenues by £0.1 million. Like for like, excluding acquisitions and exchange rate movements, overall Group revenue increased by 8%.

In the UK and Europe, revenue was up 34% at £11.0 million (2016: £8.2 million) with like-for-like local currency revenue from HaynesPro up 15%. In the UK, revenue ended the period 8% ahead of last year with higher sales of practical lifestyle titles (up 24%) offsetting a softening in the sales of UK automotive print manuals which ended the period down 6%. The higher revenue in the UK and Europe has helped increase segmental operating profit before interest in the UK and European business by 55% to £1.7 million (2016: £1.1 million).

In North America and Australia local currency revenue ended the six-month period up 3% at \$7.7 million (2016: \$7.5 million). After translation to Sterling, the increase was 2%, yielding revenue for the period of £5.9 million (2016: £5.8 million). Segmental operating profit before interest in this part of the business returned to profit over the first half of the year ending the period at £0.4 million (2016: loss of £0.2 million). The improved performance was driven, in part, by a higher mix of US consumer digital revenue.

Overall Group gross profit increased by 24% to £10.2 million (2016: £8.2 million). The Group's gross margin increased by 1.6 percentage points to 60.2% (2016: 58.6%), helped by higher revenue from our higher margin professional operations in Europe.

Group overheads increased by 16% during the period to £8.7 million (2016: £7.5 million). This rise was largely due to the first-time inclusion of OATS, two months of overheads from the E3 acquisition, increased marketing and trade show costs and the costs of the new Senior Executive long-term incentive plan. Like-for-like excluding acquisitions and exchange, the increase in overheads was 6%.

Exceptional costs of £0.2 million were incurred during the period in relation to professional fees on the E3 acquisition.

Adjusted Group operating profit before tax and exceptional items was up 88% to £1.5 million (2016: £0.8 million).

Net finance costs ended the period in line with the prior year at £0.3 million (2016: £0.3 million).

Adjusted Group profit before tax before exceptional items ended the period up 120% at £1.1 million (2016: £0.5 million).

The Group's effective tax rate for the period was 32% (2016: 34%).

Adjusted earnings per share before exceptional items increased to 5.3 pence (2016: 2.1 pence).



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## Balance sheet and cash flow

Expenditure on product development grew during the six months to 30 November 2017 by 24% to £4.1 million (2016: £3.3 million), marking the fifth consecutive year of increased investment in the Group's platforms and product ranges.

The remaining US freehold property in Nashville was sold on 15 December 2017 for \$5.35 million (£4.0 million), giving rise to an estimated profit on disposal of £2.6 million. As the sale did not occur until after 30 November 2017, it is not reflected in these interim results but will be included in the final year results to 31 May 2018.

The net IAS 19 pensions deficit on the Group's two defined benefit retirement schemes as at 30 November 2017 was 3% lower at £22.4 million (31 May 2017: £23.0 million). The combined assets of the schemes were £33.3 million (31 May 2017: £34.2 million) and the combined scheme liabilities were £55.7 million (31 May 2017: £57.2 million).

The net cash generated from operations before tax increased during the six-month period to £6.1 million (2016: £3.9 million).

The Group's net debt position on 30 November 2017 was £0.3 million (31 May 2017: net cash of £3.7 million) reflecting the acquisition of the E3 Technical business in September 2017 for £4.72 million financed through a combination of internal cash and an increase in the UK overdraft.

## Interim dividend

Despite the encouraging results Haynes remains a company in turnaround, and given the content and platform investment requirements needed to grow the business, the Board feels it is appropriate to declare an unchanged interim dividend of 3.5 pence per share. The interim dividend will be paid on 11 April 2018 to shareholders on the register at the close of business on 16 March 2018 (with an ex-dividend date of 15 March 2018).

## Group Auditors

In line with Board policy and good corporate governance, the services offered by the Group's auditors were competitively reviewed by the Audit Committee in November 2017. Following this review, PriceWaterhouseCoopers LLP (PwC) were appointed as the new Haynes Group Auditors. On behalf of the Board, I would like to thank our outgoing auditors, BDO LLP for their services since they took office in 2003. I would also like to welcome PwC as our new Group auditors.

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## **Board**

I am pleased to announce that the following Board changes will take effect from 1 February 2018.

James Bunkum is promoted to Chief Operating Officer and will step down from his position as Chief Financial Officer.

Jeremy Yates-Round, currently Managing Director Consumer Publishing, will take on additional responsibility and oversee the commercial activities of the Group's consumer digital initiatives as Managing Director of Haynes Consumer.

Peter van der Galiën and Richard Barker will be appointed to the Board as Executive Directors.

Peter has been Managing Director of HaynesPro since 2016 and has played a key role in overseeing the growth in this part of the Group. Peter will now take on overall responsibility for the Group's professional operations.

Richard Barker will be promoted to the role of Group Finance Director. Richard is currently the Group's UK and European Finance Director. Richard will also retain his role as Group Company Secretary.

## **Future outlook**

We are encouraged that in each part of our business, we are implementing new projects and initiatives to drive future revenue and profit growth.

We are committed to providing a broad range of practical content and solutions to end-users, whether drivers, hobbyists or professional mechanics. The re-positioning of Haynes requires significant investment in new products and platforms. We will continue to carefully manage our costs and cash flows during this turnaround to ensure we maintain focus on our end goal: the transition of the Group to being an integrated multi-media content and data solutions provider.

## **J Haynes**

Chief Executive Officer

24 January 2018

## **Responsibility statement**

Pages 22 and 23 of the Annual Report 2017 provide details of the serving Executive and Non-Executive Directors. A statement of the Directors' responsibilities is contained on page 45 of the Annual Report 2017. A copy of the Annual Report 2017 can be found on the Haynes website [www.haynes.com/investor](http://www.haynes.com/investor).

The Board confirms that to the best of its knowledge the condensed set of financial statements gives a true and fair view of the assets and liabilities, financial position and profit of the Group and has been prepared in accordance with IAS 34 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by the Disclosure and Transparency Rules as issued by the Financial Conduct Authority, namely:

- DTR 4.2.7: An indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year.
- DTR 4.2.8: Details of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the enterprise during that period. Together with any changes in the related parties' transactions described in the last annual report that could have a material effect on the enterprise in the first six months of the current financial year.

## **INDEPENDENT REVIEW REPORT TO HAYNES PUBLISHING GROUP P.L.C.**

### **Report on the Interim Financial Statements**

#### **Our conclusion**

We have reviewed Haynes Publishing Group P.L.C.'s Interim Financial Statements (the "Interim Financial Statements") in the interim results of Haynes Publishing Group P.L.C. for the 6 month period ended 30 November 2017. Based on our review, nothing has come to our attention that causes us to believe that the Interim Financial Statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

#### **What we have reviewed**

The Interim Financial Statements comprise:

- the Consolidated Balance Sheet as at 30 November 2017;
- the Consolidated Income Statement and Consolidated Statement of Comprehensive Income for the period then ended;
- the Consolidated Cash Flow Statement for the period then ended;
- the Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The Interim Financial Statements included in the interim results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1 to the Interim Financial Statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **Responsibilities for the Interim Financial Statements and the Review**

#### **Our responsibilities and those of the directors**

The interim results, including the Interim Financial Statements, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim results in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

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Our responsibility is to express a conclusion on the Interim Financial Statements in the interim results based on our review. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **What a review of interim financial statements involves**

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Interim Financial Statements.

## **PricewaterhouseCoopers LLP**

Chartered Accountants

Bristol

24 January 2018

- a) The maintenance and integrity of the Haynes Publishing Group P.L.C. website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Interim Financial Statements since they were initially presented on the website.
- b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Haynes Publishing Group P.L.C.

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## INTERIM FINANCIAL STATEMENTS FOR THE 6 MONTHS ENDED 30 NOVEMBER 2017

### Consolidated Income Statement

	<i>Unaudited</i>			<i>Unaudited</i>	<i>Audited</i>		
	6 months to 30 Nov 2017			6 months to	Year ended 31 May 2017		
	Before exceptional items	Exceptional items (note 4)	Total	30 Nov 2016 Total	Before exceptional items	Exceptional items (note 4)	Total
	£000	£000	£000	£000	£000	£000	£000
<b>Continuing operations</b>							
<b>Revenue</b> (note 2)	<b>16,882</b>	-	<b>16,882</b>	<b>14,032</b>	<b>29,774</b>	-	<b>29,774</b>
Cost of sales	(6,725)	-	(6,725)	(5,812)	(11,694)	(1,282)	(12,976)
<b>Gross profit</b>	<b>10,157</b>	-	<b>10,157</b>	<b>8,220</b>	<b>18,080</b>	<b>(1,282)</b>	<b>16,798</b>
Other operating income	5	-	5	15	31	-	31
Distribution costs	(4,292)	-	(4,292)	(4,129)	(8,039)	(209)	(8,248)
Administrative expenses	(4,417)	(171)	(4,588)	(3,329)	(6,864)	(88)	(6,952)
Gain on disposal of property	-	-	-	-	-	1,608	1,608
<b>Operating profit</b>	<b>1,453</b>	<b>(171)</b>	<b>1,282</b>	<b>777</b>	<b>3,208</b>	<b>29</b>	<b>3,237</b>
Finance income	3	-	3	2	5	-	5
Finance costs	(49)	-	(49)	(30)	(60)	-	(60)
Other finance costs – retirement benefits	(270)	-	(270)	(258)	(518)	-	(518)
<b>Profit before taxation</b>	<b>1,137</b>	<b>(171)</b>	<b>966</b>	<b>491</b>	<b>2,635</b>	<b>29</b>	<b>2,664</b>
Taxation (note 5)	(340)	31	(309)	(167)	(1,211)	(79)	(1,290)
<b>Profit for the period</b>	<b>797</b>	<b>(140)</b>	<b>657</b>	<b>324</b>	<b>1,424</b>	<b>(50)</b>	<b>1,374</b>
<b>Earnings per 20p share -</b> (note 6)	Pence		Pence	Pence	Pence		Pence
From continuing operations							
- Basic	5.3		4.3	2.1	9.4		9.1
- Diluted	5.2		4.3	2.1	9.4		9.1

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## Consolidated Statement of Comprehensive Income

	<i>Unaudited</i> 6 months to 30 Nov 2017 £000	<i>Unaudited</i> 6 months to 30 Nov 2016 £000	<i>Audited</i> Year ended 31 May 2017 £000
<b>Profit for the period</b>	<b>657</b>	<b>324</b>	<b>1,374</b>
<b>Other comprehensive income</b>			
<b><i>Items that will not be reclassified to profit or loss in subsequent periods:</i></b>			
Actuarial gains/(losses) on retirement benefit obligation			
- UK Scheme	1,644	(4,233)	(8,392)
- US Scheme	(1,002)	(1,464)	451
Deferred tax on retirement benefit obligation			
- UK Scheme	(279)	720	1,427
- US Scheme	400	586	(180)
Deferred tax arising on change in UK Corporation tax rate	-	(143)	(144)
	763	(4,534)	(6,838)
<b><i>Items that will or maybe reclassified to profit or loss in subsequent periods:</i></b>			
Exchange differences on translation of foreign operations	(652)	3,864	3,678
<b>Other comprehensive income/(expense) recognised directly in equity</b>	<b>111</b>	<b>(670)</b>	<b>(3,160)</b>
<b>Total comprehensive income/(expense) for the financial period</b>	<b>768</b>	<b>(346)</b>	<b>(1,786)</b>

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## Consolidated Balance Sheet

	<i>Unaudited</i> 30 Nov 2017 £000	<i>Unaudited</i> 30 Nov 2016 £000	<i>Audited</i> 31 May 2017 £000
<b>Non-current assets</b>			
Property, plant and equipment (note 11)	4,023	8,854	4,011
Intangible assets (note 12)	32,806	24,783	27,696
Deferred tax assets	7,630	9,086	7,669
<b>Total non-current assets</b>	<b>44,459</b>	<b>42,723</b>	<b>39,376</b>
<b>Current assets</b>			
Inventories	3,511	4,908	3,965
Trade and other receivables	7,750	7,718	7,806
Tax recoverable	-	1,228	130
Cash and short-term deposits	4,260	3,538	7,036
<b>Total current assets</b>	<b>15,521</b>	<b>17,392</b>	<b>18,937</b>
Assets held for sale (note 13)	1,416	-	1,483
<b>Total assets</b>	<b>61,396</b>	<b>60,115</b>	<b>59,796</b>
<b>Current liabilities</b>			
Trade and other payables	(8,553)	(5,283)	(7,674)
Current tax liabilities	(51)	(364)	-
Borrowings	(4,570)	(2,915)	(3,331)
Provisions	(885)	(3,678)	(1,164)
<b>Total current liabilities</b>	<b>(14,059)</b>	<b>(12,240)</b>	<b>(12,169)</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	(3,335)	(3,541)	(3,287)
Retirement benefit obligation (note 9)	(22,364)	(21,049)	(23,024)
<b>Total non-current liabilities</b>	<b>(25,699)</b>	<b>(24,590)</b>	<b>(26,311)</b>
<b>Total liabilities</b>	<b>(39,758)</b>	<b>(36,830)</b>	<b>(38,480)</b>
<b>Net assets</b>	<b>21,638</b>	<b>23,285</b>	<b>21,316</b>
<b>Equity</b>			
Share capital	3,270	3,270	3,270
Share premium	638	638	638
Treasury shares	(2,447)	(2,447)	(2,447)
Retained earnings	12,576	13,385	11,602
Foreign currency translation reserve	7,601	8,439	8,253
<b>Total equity</b>	<b>21,638</b>	<b>23,285</b>	<b>21,316</b>



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## 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
<i>Unaudited</i>						
<b>Current interim period :</b>						
Balance at 1 June 2017	3,270	638	(2,447)	8,253	11,602	21,316
Profit for the period	-	-	-	-	657	657
<i>Other comprehensive income:</i>						
Currency translation adjustments	-	-	-	(652)	-	(652)
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	-	763	763
<b>Total other comprehensive income/(expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(652)</b>	<b>763</b>	<b>111</b>
<b>Total comprehensive income/(expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(652)</b>	<b>1,420</b>	<b>768</b>
Performance share plan	-	-	-	-	158	158
Dividends (note 7)	-	-	-	-	(604)	(604)
<b>Balance at 30 November 2017</b>	<b>3,270</b>	<b>638</b>	<b>(2,447)</b>	<b>7,601</b>	<b>12,576</b>	<b>21,638</b>
<i>Unaudited</i>						
<b>Prior interim period :</b>						
Balance at 1 June 2016	3,270	638	(2,447)	4,575	18,199	24,235
Profit for the period	-	-	-	-	324	324
<i>Other comprehensive income:</i>						
Currency translation adjustments	-	-	-	3,864	-	3,864
Actuarial losses on defined benefit plans (net of tax)	-	-	-	-	(4,534)	(4,534)
<b>Total other comprehensive income/(expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,864</b>	<b>(4,534)</b>	<b>(670)</b>
<b>Total comprehensive income/(expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,864</b>	<b>(4,210)</b>	<b>(346)</b>
Dividends (note 7)	-	-	-	-	(604)	(604)
<b>Balance at 30 November 2016</b>	<b>3,270</b>	<b>638</b>	<b>(2,447)</b>	<b>8,439</b>	<b>13,385</b>	<b>23,285</b>
<i>Audited</i>						
<b>Prior year :</b>						
Balance at 1 June 2016	3,270	638	(2,447)	4,575	18,199	24,235
Profit for the period	-	-	-	-	1,374	1,374
<i>Other comprehensive income:</i>						
Currency translation adjustments	-	-	-	3,678	-	3,678
Actuarial gains/(losses) on defined benefit plans (net of tax)	-	-	-	-	(6,838)	(6,838)
<b>Total other comprehensive income/(expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,678</b>	<b>(6,838)</b>	<b>(3,160)</b>
<b>Total comprehensive income/(expense)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,678</b>	<b>(5,464)</b>	<b>(1,786)</b>
Dividends (note 7)	-	-	-	-	(1,133)	(1,133)
<b>Balance at 31 May 2017</b>	<b>3,270</b>	<b>638</b>	<b>(2,447)</b>	<b>8,253</b>	<b>11,602</b>	<b>21,316</b>

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## Consolidated Cash Flow Statement

	<i>Unaudited</i> 6 months to 30 Nov 2017 £000	<i>Unaudited</i> 6 months to 30 Nov 2016 £000	<i>Audited</i> Year ended 31 May 2017 £000
<b>Cash flows from operating activities - continuing</b>			
Profit after tax	657	324	1,374
<b>Adjusted for :</b>			
Income tax expense	309	167	1,290
Interest payable and similar charges	49	30	60
Interest receivable	(3)	(2)	(5)
Retirement benefit finance cost	270	258	518
<b>Operating profit</b>	<b>1,282</b>	<b>777</b>	<b>3,237</b>
Depreciation on property, plant and equipment	258	363	782
Amortisation of intangible assets	3,620	2,983	6,421
Impairment of intangible assets	-	-	1,249
Performance share plan	158	-	-
IAS 19 pensions current service cost net of contributions paid	(254)	(179)	(636)
Movement in provisions	(234)	(571)	(2,492)
Loss/(gain) on disposal of property, plant and equipment	2	68	(963)
	<b>4,832</b>	<b>3,441</b>	<b>7,598</b>
<b>Changes in working capital :</b>			
Decrease in inventories	338	262	1,111
(Increase)/decrease in receivables	(49)	508	724
Increase/(decrease) in payables	947	(336)	285
<b>Net cash generated from operations</b>	<b>6,068</b>	<b>3,875</b>	<b>9,718</b>
Tax (paid)/received	(79)	(111)	159
<b>Net cash generated by operating activities</b>	<b>5,989</b>	<b>3,764</b>	<b>9,877</b>
<b>Investing activities</b>			
Acquisition – business combinations	(4,720)	-	(1,729)
Disposal proceeds on disposal of property, plant and equipment	-	214	4,329
Purchases of property, plant and equipment	(356)	(164)	(415)
Expenditure on development costs included in intangible assets	(4,100)	(3,346)	(7,922)
Interest received	3	2	5
<b>Net cash used in investing activities</b>	<b>(9,173)</b>	<b>(3,294)</b>	<b>(5,732)</b>
<b>Financing activities</b>			
Repayments of borrowings	-	(155)	(177)
Dividends paid	(604)	(604)	(1,133)
Interest paid	(49)	(30)	(60)
<b>Net cash from financing activities</b>	<b>(653)</b>	<b>(789)</b>	<b>(1,370)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,837)</b>	<b>(319)</b>	<b>2,775</b>
Cash and cash equivalents at beginning of period	3,705	540	540
Effect of foreign exchange rate changes	(178)	402	390
<b>Cash and cash equivalents at end of period (note 8)</b>	<b>(310)</b>	<b>623</b>	<b>3,705</b>

## **Notes to the Interim Report and Accounts**

### **1. Accounting policies - Basis of preparation**

#### *a) General information*

The interim financial statements for the six months ended 30 November 2017 and 30 November 2016 and for the twelve months ended 31 May 2017 do not constitute statutory accounts for the purposes of Section 434 of the Companies Act 2006. The Annual Report and Financial Statements for the year ended 31 May 2017 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for the year ended 31 May 2017 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006. The 30 November 2017 statements were approved by the Board of Directors on 24 January 2018 and although not audited are subject to a review by the Group's auditors. These condensed interim financial statements have been reviewed, not audited.

The financial information has been prepared in accordance with the Disclosure and Transparency rules of the Financial Conduct Authority and in compliance with International Accounting Standard (IAS) 34 'Interim Financial Reporting (Revised)' as endorsed by the European Union.

#### *b) Estimates and judgements*

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 May 2017, with the exception of changes in estimates that are required in determining the provision for income taxes.

These interim financial statements have been prepared on the going concern basis as the directors have a reasonable expectation that the Group has adequate resources to continue to operate for a period of at least 12 months from the date of this report. In forming this view the directors have considered the Group's recent trading performance and its future outlook, its cash flow forecasts for the next 12 months and any known financial commitments.

# Haynes Publishing Group P.L.C.

Interim Report and Accounts for the 6 months ended 30 November 2017

## 1. Accounting policies - Basis of preparation (continued)

### c) New standards and interpretations

The interim financial statements have been prepared on a consistent basis with the accounting policies set out in the Annual Report 2017 and should be read in conjunction with that Annual Report. The Group's annual financial statements are prepared in accordance with International Financial Reporting Standards (IFRS's) and International Financial Reporting Interpretations Committee (IFRIC) pronouncements as adopted by the European Union and the Annual Report 2017 provides details of other new standards, amendments and interpretations which come into effect for the first time during the current financial year. The new standards, amendments to standards and interpretations which apply to the Group for the first time in this financial year have been reviewed by management who do not believe that the new standards, amendments to standards or interpretations will have a material impact on the Group's financial statements for the financial year ended 31 May 2018. 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 2018 and which have not been adopted early, including the following:

- IFRS 15 Revenue from contracts with customers (with an effective date of 1 January 2018)
- IFRS 16 Leases (with an effective date of 1 January 2019)
- IFRS 9 Financial instruments (with an effective date of 1 January 2018)

## 2. Revenue

	6 months to 30 Nov 2017	6 months to 30 Nov 2016	Year ended 31 May 2017
	£000	£000	£000
<b>Revenue by geographical destination on continuing operations :</b>			
United Kingdom	4,259	2,989	6,873
Rest of Europe	6,285	5,047	10,527
United States of America	5,201	5,010	10,490
Australasia	870	773	1,322
Rest of World	267	213	562
<b>Total consolidated revenue *</b>	<b>16,882</b>	<b>14,032</b>	<b>29,774</b>

### \* Analysed as follows :

Revenue from sales of printed products	8,907	8,831	17,533
Revenue from sales of digital data	7,742	5,089	11,853
Revenue from royalty and licensing arrangements	233	112	388
	<b>16,882</b>	<b>14,032</b>	<b>29,774</b>

# Haynes Publishing Group P.L.C.

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*Interim Report and Accounts for the 6 months ended 30 November 2017*

## 3. Segmental analysis

For management and internal reporting purposes, the Group is organised into two geographical operating segments as follows:

- UK & Europe
- North America & Australia

The UK and European business with headquarters in Sparkford, Somerset has subsidiaries in the Netherlands, Italy, Spain, Romania, Germany and Sweden. Its core business is the publication and supply of automotive repair and technical information to the professional automotive and DIY aftermarkets in both a printed and digital format.

The North American and Australian business with headquarters near Los Angeles, California publishes DIY repair manuals for cars and motorcycles in both a printed and digital format. The business publishes titles under the Haynes, Chilton, Clymer and Intertec brands. The operation in Sydney, Australia publishes similar products under both the Haynes and Gregory's brands.

The above two operating segments are each organised and managed separately and are treated as distinct operating and reportable segments in line with the provisions of IFRS 8. The identification of the two operating segments is based on the reports reviewed by the chief operating decision maker, which form the basis for operational decision making. The segments reflect the geographical location and management of the operating units rather than the delivery channel through which the Group's content is delivered, as this is deemed to be more relevant for reporting purposes. Inter-segmental revenue is charged at the prevailing market rates in a manner similar to transactions with third parties.

The adjustments below have been made in the segmental tables which follow to reconcile the internal reports as reviewed by the chief operating decision maker to the financial information as reported under IFRS in the Group Financial Statements:

- In the segmental reporting the excess of the consideration over net assets acquired on a business combination is shown as goodwill – under IAS 38 specific intangible assets are created and adjusted for deferred tax arising on acquisition.
- The unallocated head office assets primarily relate to freehold property, deferred tax assets and amounts owed by subsidiary undertakings. The unallocated head office liabilities primarily relate to the deficit on the UK's multi-employer defined benefit pension scheme and tax liabilities.

# Haynes Publishing Group P.L.C.

Interim Report and Accounts for the 6 months ended 30 November 2017

## 3. Segmental analysis (continued)

### Analysis of geographic operating segments

#### Revenue and results:

	UK & Europe 6 months to 30 Nov 2017	North America & Australia 6 months to 30 Nov 2017	Consolidated 6 months to 30 Nov 2017
	£000	£000	£000
<b>Segmental revenue</b>			
Total segmental revenue	11,109	5,965	17,074
Inter-segment revenue	(92)	(100)	(192)
<b>Total external revenue</b>	<b>11,017</b>	<b>5,865</b>	<b>16,882</b>
<b>Segment result</b>			
Segment operating profit before interest	1,710	422	2,132
Interest receivable	2	1	3
Interest payable	(38)	-	(38)
<b>Segment profit after and interest</b>	<b>1,674</b>	<b>423</b>	<b>2,097</b>
Unallocated head office income less expenses (including exceptional costs of £171,000)			(1,131)
<b>Consolidated profit before tax</b>			<b>966</b>
Taxation			(309)
<b>Consolidated profit after tax</b>			<b>657</b>

	UK & Europe 30 Nov 2017	North America & Australia 30 Nov 2017	Eliminations 30 Nov 2017	Consolidated 30 Nov 2017
	£000	£000	£000	£000
<b>Segment assets:</b>				
Property, plant and equipment	890	465	-	1,355
Intangible assets	19,195	5,280	-	24,475
Working capital assets	7,942	9,112	(149)	16,905
<b>Segment total assets</b>	<b>28,027</b>	<b>14,857</b>	<b>(149)</b>	<b>42,735</b>
Unallocated head office assets and eliminations				18,661
<b>Consolidated total assets</b>				<b>61,396</b>
<b>Segment liabilities:</b>				
Segment working capital liabilities	8,327	4,402	(500)	12,229
Unallocated head office liabilities and eliminations				27,529
<b>Consolidated total liabilities</b>				<b>39,758</b>

# Haynes Publishing Group P.L.C.

Interim Report and Accounts for the 6 months ended 30 November 2017

## 3. Segmental analysis (continued)

### Revenue and results:

	UK & Europe 6 months to 30 Nov 2016 £000	North America & Australia 6 months to 30 Nov 2016 £000	Consolidated 6 months to 30 Nov 2016 £000
<b>Segmental revenue</b>			
Total segmental revenue	8,448	6,346	14,794
Inter-segment revenue	(239)	(523)	(762)
<b>Total external revenue</b>	<b>8,209</b>	<b>5,823</b>	<b>14,032</b>
<b>Segment result</b>			
Segment operating profit/(loss) before interest	1,118	(235)	883
Interest receivable	1	1	2
Interest payable	(29)	-	(29)
<b>Segment profit/(loss) after exceptional items and interest</b>	<b>1,090</b>	<b>(234)</b>	<b>856</b>
Unallocated head office income less expenses			(365)
<b>Consolidated profit before tax</b>			<b>491</b>
Taxation			(167)
<b>Consolidated profit after tax</b>			<b>324</b>

	UK & Europe 30 Nov 2016 £000	North America & Australia 30 Nov 2016 £000	Eliminations 30 Nov 2016 £000	Consolidated 30 Nov 2016 £000
<b>Segment assets:</b>				
Property, plant and equipment	774	5,408	-	6,182
Intangible assets	11,765	6,229	-	17,994
Working capital assets	7,168	10,906	(844)	17,230
<b>Segment total assets</b>	<b>19,707</b>	<b>22,543</b>	<b>(844)</b>	<b>41,406</b>
Unallocated head office assets and eliminations				18,709
<b>Consolidated total assets</b>				<b>60,115</b>
<b>Segment liabilities:</b>				
Segment working capital liabilities	7,291	7,834	(1,330)	13,795
Unallocated head office liabilities and eliminations				23,035
<b>Consolidated total liabilities</b>				<b>36,830</b>

The above tables have been updated to allocate items previously classified as reconciling from internal reporting into the appropriate segment.

# Haynes Publishing Group P.L.C.

Interim Report and Accounts for the 6 months ended 30 November 2017

## 3. Segmental analysis (continued)

### Revenue and results:

	UK & Europe Year ended 31 May 2017	North America & Australia Year ended 31 May 2017	Consolidated Year ended 31 May 2017
	£000	£000	£000
<b>Segmental revenue</b>			
Total segmental revenue	18,129	12,543	30,672
Inter-segment revenue	(342)	(556)	(898)
<b>Total external revenue</b>	<b>17,787</b>	<b>11,987</b>	<b>29,774</b>
<b>Segment result</b>			
Underlying segment operating profit before exceptional items and interest	2,704	643	3,347
Exceptional items	(213)	1,285	1,072
Interest receivable	2	3	5
Interest payable	(50)	(2)	(52)
<b>Segment profit after exceptional items and interest</b>	<b>2,443</b>	<b>1,929</b>	<b>4,372</b>
Unallocated head office income less expenses (including exceptional costs of £1,043,000)			(1,708)
<b>Consolidated profit before tax</b>			<b>2,664</b>
Taxation			(1,290)
<b>Consolidated profit after tax</b>			<b>1,374</b>

	UK & Europe 31 May 2017	North America & Australia 31 May 2017	Eliminations 31 May 2017	Consolidated 31 May 2017
	£000	£000	£000	£000
<b>Segment assets:</b>				
Property, plant and equipment	715	1,087	-	1,802
Intangible assets	13,945	5,567	-	19,512
Working capital assets	9,388	12,440	(1,718)	20,110
<b>Segment total assets</b>	<b>24,048</b>	<b>19,094</b>	<b>(1,718)</b>	<b>41,424</b>
Unallocated head office assets and eliminations				18,372
<b>Consolidated total assets</b>				<b>59,796</b>
<b>Segment liabilities:</b>				
Segment working capital liabilities	9,312	3,430	(1,254)	11,488
Unallocated head office liabilities and eliminations				26,992
<b>Consolidated total liabilities</b>				<b>38,480</b>

The above tables have been updated to allocate items previously classified as reconciling from internal reporting into the appropriate segment.



# Haynes Publishing Group P.L.C.

Interim Report and Accounts for the 6 months ended 30 November 2017

## 4. Exceptional items

	6 months to 30 Nov 2017	6 months to 30 Nov 2016	Year ended 31 May 2017
	£000	£000	£000
Exceptional items included in cost of sales :			
- Write down of intangible assets	-	-	1,282
Exceptional items included in selling and distribution expenses :			
- Restructuring costs	-	-	209
Exceptional items included in administrative expenses :			
- Acquisition expenses	171	-	88
Exceptional items included in gain on disposal of property :			
- Gain of sale of property	-	-	(1,608)
	<b>171</b>	<b>-</b>	<b>(29)</b>

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

## 5. Taxation

The tax charge in the Consolidated Income Statement is calculated using the tax rates which each of the Group's operating entities expects to adopt for the financial year ended 31 May 2018. The Group continues to expect its effective corporation tax rate to be higher than the standard UK rate due to the trading profits it generates in overseas subsidiaries where the tax rates are higher than the UK.

The deferred tax asset relates to obligations under the defined benefit pension scheme and other temporary differences. The elements of the asset will be recovered in the UK and USA respectively.

On 22 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%. As the announcement was not made until after the Balance Sheet date the Haynes North America Inc, deferred tax assets and liabilities have been valued using the federal tax rate in force as at 30 November 2017. Management estimate the impact of the change would have reduced the US deferred tax assets and deferred tax liabilities held on the balances held at 30 November 2017 by £1.3 million and £0.1 million respectively. An adjustment to reflect this tax change on the deferred tax balances will be made in the full year results to 31 May 2018.

# Haynes Publishing Group P.L.C.

Interim Report and Accounts for the 6 months ended 30 November 2017

## 6. Earnings per share

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

	Before exceptional items	After exceptional items		Before exceptional items	After exceptional items
	6 months to 30 Nov 2017	6 months to 30 Nov 2017	6 months to 30 Nov 2016	Year ended 31 May 2017	Year ended 31 May 2017
	£000	£000	£000	£000	£000
<b>Earnings :</b>					
Profit after tax attributable to equity holders of the Company – continuing operations	797	657	324	1,424	1,374
<b>Number of shares :</b>	No.	No.	No.	No.	No.
Weighted average for basic earnings per share <sup>[a]</sup>	15,111,540	15,111,540	15,111,540	15,111,540	15,111,540
Adjusted weighted average for diluted earnings per share <sup>[a]</sup>	15,272,540	15,272,540	15,111,540	15,111,540	15,111,540
Basic earnings per share (pence)	5.3	4.3	2.1	9.4	9.1
Diluted earnings per share (pence)	5.2	4.3	2.1	9.4	9.1

[a] During the period the Company held 1,240,000 of its ordinary shares in treasury and have not been included in the calculation.

As at 30 November 2017, there were outstanding options on the Company's Ordinary shares. For diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential ordinary shares, such as share options granted to directors and employees.

As at 31 May 2017 and 30 November 2016 there were no outstanding options on either of the Company's two classes of shares and there was no difference between the earnings used in the basic and diluted earnings per share calculation.

## 7. Dividends

	6 months to 30 Nov 2017	6 months to 30 Nov 2016	Year ended 31 May 2017
	£000	£000	£000
<b>Amounts recognised as distributions to equity holders :</b>			
Final dividend of 4.0p per share (2016: 4.0p)	604	604	604
Interim dividend of 3.5p per share	-	-	529
	<b>604</b>	<b>604</b>	<b>1,133</b>

The directors have decided to pay an interim dividend of 3.5p per share (2016: 3.5p) amounting to £528,904 (2016: £528,904) on 11 April 2018 to shareholders on the register at the close of business on 16 March 2018. Accordingly, this dividend is not recognised in the interim accounts.

# Haynes Publishing Group P.L.C.

Interim Report and Accounts for the 6 months ended 30 November 2017

## 8. Analysis of the changes in cash and cash equivalents

	As at 1 June 2017	Cashflow	Exchange movements	As at 30 Nov 2017
	£000	£000	£000	£000
Cash at bank and in hand	7,036	(2,598)	(178)	4,260
Bank overdrafts	(3,331)	(1,239)	-	(4,570)
	<b>3,705</b>	<b>(3,837)</b>	<b>(178)</b>	<b>(310)</b>

## 9. 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.

During the period, the financial position of the above pension arrangements have been updated in line with the anticipated annual cost for current service, the interest on scheme liabilities and cash contributions made to the schemes.

The last full IAS 19 actuarial valuation was carried out by a qualified independent actuary as at 31 May 2017. This valuation has been updated by the scheme's actuaries on an approximate basis for the six month period ending 30 November 2017.

The movements in the retirement benefit obligation were as follows:

	6 months to 30 Nov 2017	6 months to 30 Nov 2016	Year ended 31 May 2017
	£000	£000	£000
Retirement benefit obligation at beginning of period	(23,024)	(15,101)	(15,101)
Movement in the period :			
- Total expenses charged in the Income Statement	(677)	(600)	(1,397)
- Contributions paid	661	520	1,515
- Actuarial (losses)/gains taken directly to reserves	642	(5,697)	(7,941)
- Foreign currency exchange rates	34	(171)	(100)
<b>Retirement benefit obligation at end of period</b>	<b>(22,364)</b>	<b>(21,049)</b>	<b>(23,024)</b>

# Haynes Publishing Group P.L.C.

Interim Report and Accounts for the 6 months ended 30 November 2017

## 10. Exchange rates

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

	Period end rate			Average rate		
	30 Nov 2017	30 Nov 2016	31 May 2017	30 Nov 2017	30 Nov 2016	31 May 2017
US dollar	1.35	1.25	1.29	1.32	1.29	1.28
Euro	1.13	1.18	1.15	1.12	1.17	1.17
Australian dollar	1.78	1.69	1.74	1.70	1.71	1.70

## 11. Property, plant and equipment

	Total
	£000
Net book value at 1 June 2016	8,434
Exchange rate movements	901
Additions	164
Disposals	(282)
Depreciation	(363)
<b>Net book value at 30 November 2016</b>	<b>8,854</b>
	£000
Net book value at 1 June 2017	4,011
Exchange rate movements	(84)
Additions	356
Disposals	(2)
Depreciation	(258)
<b>Net book value at 30 November 2017</b>	<b>4,023</b>

The Group had no capital expenditure which had been contracted but had not been provided for as at 30 November 2017 (2016: £nil).

# Haynes Publishing Group P.L.C.

Interim Report and Accounts for the 6 months ended 30 November 2017

## 12. Intangible assets

	Total
	£000
Carrying value at 1 June 2016	22,381
Exchange rate movements	2,039
Additions	3,346
Amortisation	(2,983)
<b>Carrying value at 30 November 2016</b>	<b>24,783</b>
	£000
Carrying value at 1 June 2017	27,696
Exchange rate movements	(90)
Additions	4,100
Additions through business combinations (note 14)	4,720
Amortisation	(3,620)
<b>Carrying value at 30 November 2017</b>	<b>32,806</b>

## 13. Asset held for sale

A freehold property in Nashville, US has been reclassified as an Asset held for sale. At the Balance Sheet date the property was under offer and was subsequently sold on 15 December 2017 for a gross cash consideration of \$5.35 million (£4.0 million) with a subsequent estimated tax charge of \$1.6 million (£1.2 million). The disposal will generate an estimated pre-tax profit on sale of \$3.5 million (£2.6 million).

# Haynes Publishing Group P.L.C.

Interim Report and Accounts for the 6 months ended 30 November 2017

## 14. Acquisition

On 30 September 2017, Haynes Publishing Group P.L.C. acquired the E3 Technical business from Carweb, a UK subsidiary of Solera Holdings Inc. for a cash consideration of £4.72 million. The E3 Technical business consists of repair and maintenance information ("RMI"), vehicle registration mark look-up ("VRM") and associated helpdesk services. The transaction included the acquisition of certain customer contracts, and the transfer of employees from Carweb. Immediately after acquisition Haynes Publishing Group P.L.C. assigned the assets acquired to its wholly owned subsidiary, HaynesPro (UK) Limited.

The table below shows the fair values of the assets and liabilities arising on the acquisition. The fair values are provisional pending the completion of the fair value exercise in respect of each class of asset which will be finalised during the second half of the financial year :

	Recognised on acquisition £000
<b>Assets Acquired</b>	
Intangible assets	4,720
Trade receivables	390
Other payables	(390)
<b>Fair value of net assets and total consideration</b>	<b>4,720</b>
Cash consideration	4,720
<b>Total consideration</b>	<b>4,720</b>
The net cash outflows arising on the acquisition were as follows :	
Cash consideration	4,720
Costs of acquisition (included in cash flows from operating activities) <sup>A</sup>	171
<b>Net cash outflow</b>	<b>4,891</b>

<sup>A</sup> The costs of acquisition of £171,000 were expensed as incurred in the period and have been included as an exceptional item within administrative expenses (note 4).

During the two month period since acquisition, the E3 Technical business contributed £0.5 million of revenue and £0.2 million of profit before tax. If the acquisition had been made at the start of the financial period the revenue from the acquired business would have been £1.5 million. However, as prior to the acquisition the E3 Technical business was an integral part of the wider Carweb business utilising shared overhead services, it is not practical to quantify the associated profit contribution during this period.

# Haynes Publishing Group P.L.C.

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*Interim Report and Accounts for the 6 months ended 30 November 2017*

## **15. Related party transactions**

During the six months to 30 November 2017 there were no material related party transactions or material changes to the arrangements with related parties as reported in the Annual Report 2017.

## **16. Principal risks and uncertainties**

The principal risks and uncertainties facing the Group during the second half of the financial year are outlined in the Interim Statement and summarised below :

- The UK and Global economic outlook and in particular, the consequential impact on consumer confidence and businesses.
- Movements in the exchange rate of the US Dollar and Euro against Sterling.
- The impact of movements in interest rates, inflation and investment performance on the Group's retirement benefit schemes.

The Board considers that the above, along with the principal risks and uncertainties which were discussed at more length in the Annual Report 2017 under the following headings and page references, continue to be the major risks and uncertainties facing the Group :

- The Group's principal operational risks and uncertainties (page 18)
- The processes adopted by the Board to identify and monitor risk (page 31)
- The Group's principal financial risks and uncertainties (pages 78 – 80)

A copy of the Annual Report 2017 can be found on the Group's corporate website [www.haynes.com/investor](http://www.haynes.com/investor).

A copy of this half-year report will be distributed to all shareholders and will also be available to members of the public from the Company's registered office at Sparkford, Near Yeovil, Somerset BA22 7JJ. A copy of the interim report will also be available on the Group's corporate website at [www.haynes.com/investor](http://www.haynes.com/investor).



## **Haynes Publishing Group P.L.C.**

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