

Registered number: 02809261

Haymarket Group Limited

Annual Report and Financial Statements

For the Year Ended 30 June 2016

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Haymarket Group Limited

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Haymarket Group Limited

Chairman's Statement For the Year Ended 30 June 2016

The Chairman presents his statement for the year.

Haymarket Group consolidated its position as a leading provider of consumer and business-to-business media, specialist events and marketing information in the last financial year. The Group's portfolio generated healthy revenues and profits in the 12 months to 30 June 2016, reflecting the combined benefits of a solid operating performance in our core businesses, whilst we continue to execute our debt-reduction programme.

For the period covered in this Annual Report Haymarket delivered a Group operating profit of £4.3m on revenues of £186.5m. This compares to Group operating profit of £3.4m in the previous 12-month period from turnover of £184.3m.

These are encouraging figures, particularly given the continued structural changes across the media industry, driven by the ongoing transition from traditional print to digital platforms and face-to-face event formats. The financial statements also include the favourable impact of our property rationalisation with the sale of our former offices in Teddington completed during the year. Proceeds from this sale have been used to reduce debt levels significantly within the business, thereby strengthening our Statement of Financial Position. Debt has been reduced further since the year-end following the divestment of the motor-racing brands.

The completion of the property divestment programme during the year also enables us to focus on the development of our consumer media and business information brands. We can continue that strategy, executed by a management team led by Chief Executive Kevin Costello, with a stable long-term shareholder structure.

Our strategy envisions continued expansion in our core markets of the UK and United States, where we are developing operations in areas such as motoring, marketing-communications, medical and information security. This includes expansion of our UK business portfolio as well as continued development of the consumer motoring segment where our Pistonheads, Autocar and What Car brands are building a powerful online presence. Expansion is continuing in the US, which now accounts for close to a third of our total revenues, with prolific growth in the medical sector.

Like all media companies, Haymarket is not immune to the trends of advertising volatility, whilst also taking into account the impacts of the EU referendum and the change of president in the USA. With the uncertainty that this brings, the company will continue to exercise financial discipline across its cost base, in order to ensure that funds remain available to seize opportunities arising from structural changes in our industry.

I would like to thank the management team and our entire staff for their hard work and commitment, which has contributed to the healthy results at Haymarket for the period covered in this Annual Report and Accounts.

Name The Rt. Hon. The Lord Heseltine CH
 Chairman

Date 20 December 2016

Haymarket Group Limited

Company Information

Directors	The Rt Hon the Lord Heseltine CH The Hon R W D Heseltine K Costello B J Freeman D B Fraser M Gibson Lord Levene of Portsoken KBE
Company secretary	B J Freeman
Registered number	02809261
Registered office	Bridge House 69 London Road Twickenham TW1 3SP
Independent auditor	Deloitte LLP Chartered Accountants and Statutory Auditor London United Kingdom
Banker	The Royal Bank of Scotland plc 280 Bishopsgate London EC2M 4RB
Solicitor	Lewis Silkin London

Haymarket Group Limited

Group Strategic Report For the Year Ended 30 June 2016

The Directors present their Strategic Report for the year ended 30 June 2016. The Directors, in preparing this Strategic Report, have complied with s414c of the Companies Act 2006.

Principal activities

The principal activities of the Group are the provision of editorial content and related services through multiple platforms, including magazines, websites, tablets and smartphones serving specialist audiences in both the business to consumer and the business to business markets. In addition, the Group organises a number of face-to-face activities including exhibitions, events and conferences in both markets.

The Group operates predominantly in the UK and USA but also operates in a number of other countries including Germany, Hong Kong, Singapore and India.

The Group has continued to invest in its online activities in order to exploit the commercial opportunities as it looks to meet the demands of its specialist audiences of trade professionals and consumer enthusiasts online.

Business Review

	2016	2015 - restated under FRS102
Total Turnover	£186.5m	£184.3m
EBITDAE	£13.7m	£15.2m
Earnings before Interest, Tax, Depreciation, Amortisation and Exceptional items		
EBITDAE as a % of turnover	7.3%	8.2%
Net debt	£17.3m	£92.6m
Leverage (Net debt as a multiple of EBITDAE)	1.3	6.1

As part of a strategic decision to reduce its bank debt, the Group has made very significant progress during the year with the sale of Teddington Studios for £85m to Pinenorth Properties Limited, a wholly-owned subsidiary of City Developments Limited, which was completed on 20 November 2015. The Group has now moved to new rented offices in Twickenham, with £84m of the sale proceeds being used to repay the term loans outstanding. Post completion of the property sale, bank debt levels are now less than £20m and are expected to remain comfortably within the new banking facility.

The Directors have not felt it necessary to make any impairments in the value of acquired publishing rights in the year (2015: no impairments were made). In accordance with FRS 102, it should be noted that the Comprehensive Statement of Financial Position does not reflect the value of our overall brand portfolio.

Net cash generated from operating activities for the year to 30 June 2016 was £7.7m (2015: £8.6m - see cash flow statement).

The Group's net bank borrowings decreased during the year by £75.3m to £17.3m, following the completion of the property sale and move to rental accommodation during the year.

Haymarket Group Limited

Group Strategic Report For the Year Ended 30 June 2016

Business review (continued)

The Directors continue to be cautiously optimistic that there will be stability to trading, despite the uncertainty created by the EU referendum and the US election, with the UK and USA being the two largest markets in which it operates. This is reflected by the relative stability in adjusted EBITDA in these financial statements and also in the forecasts for the current financial year.

In accordance with the debt reduction plan, the Group has made further progress since the year end with the sale of its motor racing brands, which was completed on 8 November 2016. The proceeds of the sale are being primarily used to pay down bank debt with the remainder being used for investment.

Principal risks and uncertainties

a) General economic conditions

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

b) Digital

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

c) Employees

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

d) Financial risks

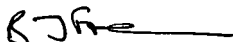
The financial risks that the Directors consider most applicable to the Group and Company are credit risk and currency risk.

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

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

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

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



B J Freeman
Company Secretary

Date: 20 December 2016

Haymarket Group Limited

Directors' Report For the Year Ended 30 June 2016

The Directors present their Annual Report and the audited financial statements for the year ended 30 June 2016.

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

Dividends

Dividends of £1.9m were paid during the year (2015: £1.1m)

Directors

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

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

Environmental matters

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

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

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

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

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

Haymarket Group Limited

Directors' Report (continued) For the Year Ended 30 June 2016

Going concern

Following the completion of the Teddington Studios sale, which completed on 20 November 2015 for £85m, the UK Group has moved into new rented office accommodation, with £84m of the proceeds used to repay most of the outstanding term loans. This repayment has triggered a new four year banking facility totalling £33.5m, made up of a term loan of £26m and the balance in revolving credit facilities. Proceeds from post balance sheet divestments have further reduced the Group's bank loans.

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

Hence after considering the Group's current financial projections following the property sale and entering into a new banking facilities arrangement, the Directors consider that the Group will have access to sufficient financial resources to continue in operational existence for the foreseeable future and therefore the Directors continue to adopt the going concern basis in preparing the financial statements.

Employees

Details of the number of employees and related costs can be found in note 8 to the financial statements.

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

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

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

Qualifying third party indemnity provisions

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

Disclosure of information to auditor

Each of the persons who are Directors at the time when this Annual Report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

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

Post balance sheet events

On 8 November 2016, the Group completed the sale of its Motorsports division for a cash consideration greater than the book value. In the year ended 30 June 2016, the business had sales of £13.3m and made a contribution of £2.5m. Proceeds have been principally applied to reduce the Group's borrowing.

Haymarket Group Limited

**Directors' Report (continued)
For the Year Ended 30 June 2016**

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term.

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



B J Freeman
Company Secretary
Date: 20 December 2016
Bridge House
69 London Road
Twickenham
TW1 3SP

Haymarket Group Limited

Directors' Responsibilities Statement For the Year Ended 30 June 2016

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

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

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

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

Haymarket Group Limited

Independent Auditor's Report to the Shareholders of Haymarket Group Limited

We have audited the consolidated financial statements of Haymarket Group Limited for the year ended 30 June 2016, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes 1 to 29 to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' Responsibilities Statement on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 30 June 2016 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Haymarket Group Limited

Independent Auditors' Report to the Shareholders of Haymarket Group Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit the information given in the Strategic Report and Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

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

Matters on which we are required to report by exception

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

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



William Touche (Senior Statutory Auditor)
for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor
London
United Kingdom
20 December 2016

Haymarket Group Limited

**Consolidated Income Statement
For the Year Ended 30 June 2016**

	Note	2016 £000	2015 £000
Turnover			
Group and share of joint ventures' turnover		187,835	185,708
Less: share of joint ventures' turnover		(1,374)	(1,421)
Group turnover	4	186,461	184,287
Cost of sales		(149,426)	(144,197)
Gross profit		37,035	40,090
Administrative expenses		(33,072)	(37,333)
Other operating income	5	305	633
Operating profit	6	4,268	3,390
Income from participating interests		438	509
Finance income	10	2,873	1,500
Finance expense	11	(5,867)	(7,984)
Profit/(loss) before tax		1,712	(2,585)
Tax on profit/(loss) on ordinary activities	12	347	573
Non-controlling interest		(37)	(35)
Profit/(loss) for the year		2,022	(2,047)

The notes on pages 19 to 42 form part of these financial statements.

Haymarket Group Limited

**Consolidated Statement of Comprehensive Income
For the Year Ended 30 June 2016**

	2016 £000	2015 £000
Profit attributable to owners of the parent	2,022	(2,047)
Total other comprehensive income		
Unrealised (deficit)/surplus on revaluation of tangible fixed assets	-	53,735
Currency translation differences	2,386	1,419
	<u>4,408</u>	<u>53,107</u>
Total comprehensive income for the year	<u><u>4,408</u></u>	<u><u>53,107</u></u>


Haymarket Group Limited
Registered number:02809261

Consolidated Statement of Financial Position
As at 30 June 2016

	Note	2016 £000	2015 £000
Fixed assets			
Intangible assets	13	11,852	16,347
Tangible assets	15	19,016	96,896
Investments	16	166	164
		<u>31,034</u>	<u>113,407</u>
Current assets			
Stocks	17	743	755
Debtors due within 1 year	18	45,824	41,913
Debtors due after more than 1 year	18	8,627	7,094
Cash at bank and in hand		4,300	9,741
		<u>59,494</u>	<u>59,503</u>
Creditors: amounts falling due within one year	19	(59,043)	(158,359)
Net current assets/(liabilities)		<u>451</u>	<u>(98,856)</u>
Total assets less current liabilities		<u>31,485</u>	<u>14,551</u>
Creditors: amounts falling due after more than one year	20	(28,810)	(9,138)
Deferred tax	22	(712)	(5,995)
		<u>1,963</u>	<u>(582)</u>
Non-controlling interest		(160)	(123)
Net assets / (liabilities)		<u><u>1,803</u></u>	<u><u>(705)</u></u>
Capital and reserves			
Called-up share capital	23	258	258
Revaluation reserve	24	-	55,898
Capital redemption reserve	24	254	254
Merger reserve	24	6,236	6,236
Retained earnings		(4,945)	(63,351)
Net assets/ (liabilities)		<u><u>1,803</u></u>	<u><u>(705)</u></u>

The financial statements of Haymarket Group Limited (Company registration number 02809261), were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

The Rt. Hon. The Lord Heseltine
Chairman
Date: 20 December 2016



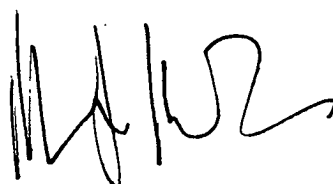
Haymarket Group Limited
Registered number: 02809261

Company Statement of Financial Position
As at 30 June 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	16	160,606	98,028
Creditors: amounts falling due within one year	19	(450)	(270)
Total assets less current liabilities		<u>160,156</u>	<u>97,758</u>
Creditors: amounts falling due after more than one year	20	(138,725)	(37,955)
Net assets		<u>21,431</u>	<u>59,803</u>
Capital and reserves			
Called-up share capital	23	258	258
Capital redemption reserve	24	254	254
Retained earnings	24	20,919	59,291
Net assets/ (liabilities)		<u>21,431</u>	<u>59,803</u>

The financial statements of Haymarket Group Limited (Company registration number 02809261), were approved and authorised for issue by the Board of Directors and were signed on its behalf by:

The Rt. Hon. The Lord Heselgrave
Chairman
Date: 20 December 2016



Haymarket Group Limited

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2016

	Called-up share capital	Capital redemption reserve	Revaluation reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 July 2015	258	254	55,898	6,236	(63,351)	(705)	123	(582)
Comprehensive income for the year								
Profit for the year	-	-	-	-	2,022	2,022	-	2,022
Currency translation differences	-	-	-	-	2,386	2,386	-	2,386
Realisation of revaluation reserve on freehold property	-	-	(55,898)	-	55,898	-	-	-
Other movement	-	-	-	-	-	-	37	37
Total comprehensive income for the year	-	-	(55,898)	-	58,284	2,386	37	2,423
Dividends: Equity capital	-	-	-	-	(1,900)	(1,900)	-	(1,900)
At 30 June 2016	258	254	-	6,236	(4,945)	1,803	160	1,963

Haymarket Group Limited

Consolidated Statement of Changes in Equity (continued)
For the Year Ended 30 June 2015

	Called-up share capital	Capital redemption reserve	Revaluation reserve	Merger reserve	Profit and loss account	Equity attributable to owners of parent Company	Non- controlling interests	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 July 2014	258	254	2,163	6,236	(61,623)	(52,712)	88	(52,624)
Comprehensive income for the year								
Loss for the year	-	-	-	-	(2,047)	(2,047)	-	(2,047)
Currency translation differences	-	-	-	-	1,419	1,419	-	1,419
Revaluation of freehold property	-	-	53,735	-	-	53,735	-	53,735
Other movement	-	-	-	-	-	-	35	35
Dividends: Equity capital	-	-	-	-	(1,100)	(1,100)	-	(1,100)
At 30 June 2015	258	254	55,898	6,236	(63,351)	(705)	123	(582)

The notes on pages 19 to 42 form part of these financial statements.

Haymarket Group Limited

Company Statement of Changes in Equity For the Year Ended 30 June 2016

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

Company Statement of Changes in Equity For the Year Ended 30 June 2015

	Called-up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 July 2014	258	254	60,823	61,335
Loss for the year	-	-	(432)	(432)
Dividends: Equity capital	-	-	(1,100)	(1,100)
At 30 June 2015	258	254	59,291	59,803

The notes on pages 19 to 42 form part of these financial statements.

Haymarket Group Limited

**Consolidated Statement of Cash Flows
For the Year Ended 30 June 2016**

	2016 £000	2015 £000
Cash flows from operating activities		
Profit for the financial year	2,022	(2,047)
Adjustments for:		
Amortisation and impairment of intangible assets	5,258	3,257
Depreciation of tangible assets	2,669	5,986
Profit on disposal of tangible assets	(305)	(633)
Interest payable	5,867	7,984
Interest receivable	(2,873)	(1,500)
Tax charge/(credit) in P&L	(347)	(573)
Decrease/(increase) in stocks	12	(44)
(Increase) in debtors	(4,555)	(2,518)
(Decrease) in creditors	(2,283)	(1,667)
Share of operating profit in joint ventures	(438)	(509)
Corporation tax	2,657	859
Equity minority interest	37	35
Net cash generated from operating activities	<u>7,721</u>	<u>8,630</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,560)	(1,040)
Sale of intangible assets	-	1,007
Purchase of tangible fixed assets	(8,787)	(4,661)
Sale of tangible fixed assets	84,565	700
Interest received	187	72
Dividends received	414	584
Net cash from investing activities	<u>74,819</u>	<u>(3,338)</u>
Cash flows from financing activities		
Repayment of loans	(76,970)	(1,520)
Dividends paid	(1,900)	(1,100)
Interest paid	(5,390)	(7,059)
Net cash used in financing activities	<u>(84,260)</u>	<u>(9,679)</u>
Cash and cash equivalents at beginning of year	6,020	10,407
Cash and cash equivalents at the end of year	<u><u>4,300</u></u>	<u><u>6,020</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,300	9,741
Bank overdrafts	-	(3,721)
	<u><u>4,300</u></u>	<u><u>6,020</u></u>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

1. General information

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

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

A description of the nature of the Group's operations and its principal activities is set out in the Strategic Report on page 4.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 29.

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

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

2.2 Basis of consolidation

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

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

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 July 2014.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.3 Associates and joint ventures

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

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

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

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.4 Going concern

Following the completion of the Teddington Studios sale, which completed on 20 November 2015 for £85m, the UK Group has moved into new rented office accommodation, with £84m of the proceeds used to repay most of the outstanding term loans. This repayment has triggered a new four year banking facility totalling £33.5m, made up of a term loan of £26m and the balance in revolving credit facilities.

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

Hence after considering the Group's current financial projections following the property sale and entering into a new banking facilities arrangement, the Directors consider that the Group will have access to sufficient financial resources to continue in operational existence for the foreseeable future and therefore the Directors continue to adopt the going concern basis in preparing the financial statements.

2.5 Intangible assets

Publishing and exhibition rights, whether acquired as assets or as a business combination, are held at cost less any provision for impairment in value and are amortised on a straight-line basis over the economic life of the asset normally estimated between 5 and 20 years and is reviewed annually. Acquired non-compete agreements are amortised over the effective period of that agreement.

Website development expenditure has been restated from being a tangible asset in prior years to an intangible asset under FRS102 and is amortised over 3 years on a straight-line basis.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.6 Tangible fixed assets

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

Office freehold properties, of which there are none in 2016, were revalued annually, surpluses or deficits on individual properties were transferred to the revaluation reserve. Agricultural and residential properties are shown at cost less accumulated depreciation.

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

The estimated useful lives range is as follows:

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

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

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

2.7 Impairment of publishing and exhibition rights

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

2.9 Stocks

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

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.10 Turnover

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

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

2.11 Finance costs

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

2.12 Debtors

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

2.13 Financial instruments

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

2.14 Creditors

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

**Notes to the Financial Statements
For the Year Ended 30 June 2016**

2. Accounting policies (continued)

2.15 Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

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

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

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

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

2.16 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

2.17 Pensions

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

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

2.18 Holiday pay accrual

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

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

2. Accounting policies (continued)

2.19 Provisions for liabilities

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

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

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

2.20 Current and deferred taxation

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

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

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

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

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

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

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

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

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

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

4. Turnover

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

	2016 £000	2015 £000
Sale of goods	7,676	7,779
Rendering of services	177,493	173,884
Royalties	521	657
Other	771	1,967
	<u>186,461</u>	<u>184,287</u>

Analysis of turnover by country of destination:

	2016 £000	2015 £000
United Kingdom	108,662	115,652
USA	57,306	46,489
Other Countries	20,493	22,146
	<u>186,461</u>	<u>184,287</u>

5. Other operating income

	2016 £000	2015 £000
Profit on disposal of intangible assets	-	157
Profit on disposal of tangible assets	305	476
	<u>305</u>	<u>633</u>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

6. Operating profit

The operating profit is stated after charging:

	2016 £000	2015 £000
Depreciation of tangible fixed assets	2,669	4,505
Amortisation and impairment of intangible assets	7,011	4,738
Fees payable to the Group's auditor for the audit of the Group's financial statements	362	311
Fees payable to the Group's auditor for the audit of the Company's financial statements	8	8
Fees payable to the Group's auditor for non-audit services to the Group	91	330
Exchange differences	1,048	224
Operating lease rentals	4,070	1,703
Defined contribution pension cost	2,861	2,367
Exceptional restructuring costs	371	2,556
	<u> </u>	<u> </u>

7. Auditors' remuneration

	2016 £000	2015 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts, including tax audit	370	319
Other services relating to taxation	91	199
Services relating to corporate finance	-	130
	<u> </u>	<u> </u>
	<u>461</u>	<u>648</u>

8. Employees

Staff costs were as follows:

	2016 £000	2015 £000
Wages and salaries	81,659	72,285
Social security costs	6,449	5,923
Cost of defined pension contribution scheme	2,861	2,367
	<u> </u>	<u> </u>
	<u>90,969</u>	<u>80,575</u>

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

	2016 No.	2015 No.
Staff numbers	<u>1,673</u>	<u>1,662</u>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

9. Directors' remuneration

	2016 £000	2015 £000
Directors' emoluments	3,926	3,140
Company contributions to defined contribution pension schemes	143	188
	<u>4,069</u>	<u>3,328</u>

The highest paid Director received remuneration of £2,247,000 (2015 - £1,162,000).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £30,000 (2015 - £61,000).

There are defined contribution pension plans for the benefit of three Directors (2015: three).

10. Finance income

	2016 £000	2015 £000
Release of deferred consideration	561	-
Bank interest receivable and similar income	187	72
Foreign exchange difference - gain	2,125	1,428
	<u>2,873</u>	<u>1,500</u>

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

11. Finance expense

	2016 £000	2015 £000
Bank interest payable	2,292	5,140
Derivative swap interest payable	402	1,192
Foreign exchange difference - loss	3,173	1,652
	<u>5,867</u>	<u>7,984</u>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

12. Taxation

	2016 £000	2015 £000
Corporation tax		
Current tax on profits for the year	4,052	-
Adjustments in respect of previous periods	5	(444)
	<u>4,057</u>	<u>(444)</u>
Foreign tax		
Foreign tax on income for the year	759	282
Foreign tax in respect of prior periods	(72)	(314)
	<u>687</u>	<u>(32)</u>
Total current tax	<u>4,744</u>	<u>(476)</u>
Deferred tax		
Origination and reversal of timing differences	(5,281)	(86)
Adjustments in respect of previous periods	190	(11)
	<u>(5,091)</u>	<u>(97)</u>
Taxation credit on loss on ordinary activities	<u>(347)</u>	<u>(573)</u>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.75%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2014. The differences are explained below:

	2016 £000	2015 £000
Profit on ordinary activities before tax	1,712	(2,585)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.75%)	343	(536)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	315	117
Capital allowances for year in excess of depreciation - deferred tax unprovided	29	-
Adjustments to tax charge in respect of prior periods	(67)	(758)
Non-deductible depreciation/amortisation/impairments on assets not qualifying for capital allowances	672	663
Non-taxable income	(323)	(49)
Sale of freehold properties	(332)	-
Unutilised and unprovided UK tax losses carried forward	72	-
Unutilised and unprovided overseas losses	123	(10)
Utilised overseas tax losses	(387)	-
US tax credits	(355)	-
Effect of overseas tax rates	(503)	-
Change in tax rates	66	-
Total tax charge for the year	(347)	(573)

Factors that may affect future tax charges

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

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

13. Intangible assets

Group and Company

	Website development £000	Publishing and exhibition rights £000	Total £000
Cost			
At 1 July 2015	4,257	90,701	94,958
Additions	1,485	75	1,560
Disposals	(1,607)	(1,230)	(2,837)
Foreign exchange movement	-	3,927	3,927
At 30 June 2016	4,135	93,473	97,608
Amortisation			
At 1 July 2015	2,075	76,536	78,611
Charge for the year	1,538	3,720	5,258
On disposals	(1,586)	(1,230)	(2,816)
Impairment charge	-	1,753	1,753
Foreign exchange movement	-	2,950	2,950
At 30 June 2016	2,027	83,729	85,756
Net book value			
At 30 June 2016	2,108	9,744	11,852
At 30 June 2015	2,182	14,165	16,347

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

14. Parent company loss for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Income Statement in these financial statements. The loss after tax of the parent Company for the year which arose principally from impairment of investments arising as part of a group reorganisation during the year, was £36,472,000 (2015: loss £432,000).

Haymarket Group Limited

**Notes to the Financial Statements
For the Year Ended 30 June 2016**

15. Tangible fixed assets

Group

	Freehold property £000	Long-term leasehold property £000	Plant and machinery £000	Total £000
Cost or valuation				
At 1 July 2015	101,034	1,641	21,401	124,076
Additions	470	5,073	3,244	8,787
Disposals	(90,246)	(1,581)	(5,509)	(97,336)
Exchange adjustments	-	287	1,024	1,311
At 30 June 2016	11,258	5,420	20,160	36,838
Depreciation				
At 1 July 2015	8,169	1,239	17,772	27,180
Charge for period on owned assets	151	506	2,012	2,669
Disposals	(6,242)	(1,509)	(5,325)	(13,076)
Exchange adjustments	-	233	816	1,049
At 30 June 2016	2,078	469	15,275	17,822
Net book value				
At 30 June 2016	9,180	4,951	4,885	19,016
At 30 June 2015	92,865	402	3,629	96,896

Haymarket Group Limited

**Notes to the Financial Statements
For the Year Ended 30 June 2016**

16. Investments

Group

	Investment in joint ventures £000
Cost or valuation	
At 1 July 2015	164
Additions	2
	<hr/>
At 30 June 2016	166
	<hr/>
Net book value	
At 30 June 2016	166
	<hr/> <hr/>
At 30 June 2015	164
	<hr/> <hr/>

Details of investments are as follows:

Name	Country of incorporation	Holding	Principal activity
Joint ventures			
Asian Advertising Festival Pte Ltd.	Singapore	50%	Event organiser
East Haymarket Pte Ltd	Singapore	50%	Market research in financial services sector
Associates			
Frontline Limited	Great Britain	Ordinary 'A'	5% Distribution of magazines
		Ordinary 'C'	100% Distribution of magazines
		Ordinary 'E'	25% Distribution of magazines
		Ordinary 'F'	17% Distribution of magazines

Company

	Investment in subsidiaries £000
Cost or valuation	
At 1 July 2015	98,028
Investment in subsidiaries	62,578
	<hr/>
At 30 June 2016	160,606
	<hr/>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

16. Investments (continued)

Net book value

At 30 June 2016	160,606
At 30 June 2015	98,028

A list of the company's subsidiary undertakings is shown in note 27.

All movements during the year occurred as part of a Group reorganisation under which the Company's direct subsidiary, Haymarket Finance Ltd, was liquidated. The Company acquired Haymarket Finance Ltd's subsidiaries for a consideration equal to their net book value on 23 June 2016.

17. Stocks

	Group 2016 £000	Group 2015 £000
Raw materials and consumables	743	755

Raw materials and consumables include £228,000 (2015: £232,000) of agricultural stocks which are included at independent professional valuation.

18. Debtors

	Group 2016 £000	Group 2015 £000
Due after more than one year		
Prepayments	933	-
Deferred tax asset (Note 22)	7,694	7,094
	8,627	7,094
Due within one year		
Trade debtors	31,070	23,537
Amounts owed by joint ventures and associated undertakings	483	593
Other debtors	835	672
Prepayments and accrued income	12,637	16,329
Current tax recoverable	799	782
	54,451	49,007

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

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

19. Creditors: Amounts falling due within one year

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Bank overdrafts	-	3,721	-	-
Bank loans	-	98,570	-	-
Trade creditors	8,541	4,121	-	-
Corporation tax	3,915	2,001	-	-
Taxation and social security	2,251	1,956	-	-
Other creditors	510	1,374	-	-
Accrued expenses	19,140	22,910	450	270
Deferred income	23,289	21,490	-	-
Financial instruments	1,397	2,216	-	-
	<u>59,043</u>	<u>158,359</u>	<u>450</u>	<u>270</u>

Company only accrued expenses relates to accrued interest on 3% redeemable preference shares.
The Directors consider that the carrying amount of creditors approximates to their fair value.

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

	Group 2016 £000	Group 2015 £000	Company 2016 £000	Company 2015 £000
Bank loans	21,600	-	-	-
Amounts owed to group undertakings	-	-	132,725	31,955
Accrued expenses	1,210	1,180	-	-
3% Redeemable £1 preference shares	6,000	6,000	6,000	6,000
Financial instruments (after 1 yr)	-	1,958	-	-
	<u>28,810</u>	<u>9,138</u>	<u>138,725</u>	<u>37,955</u>

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

21. Derivatives financial instrument

	2016 £000	2015 £000
Group and Company		
Liabilities: Interest rate swap	<u>1,397</u>	<u>4,174</u>

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

The following table details the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at 30 June 2016.

	2016	2015	2016	2015	2016	2015
	Average contract fixed interest rate %	Average contract fixed interest rate %	Notional principal value £000	Notional principal value £000	Fair value £000	Fair value £000
Outstanding fixed contracts						
1 to 2 years	5.03%	5.12%	20,000	70,000	1,397	4,174

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

The interest rate swap contract exchanging floating rate interest amounts for fixed rate interest amounts was put in place to reduce the Company's cash flow exposure resulting from variable interest rates on borrowings.

22. Deferred taxation

Group

	2016 £000	2015 £000
Deferred tax asset at the beginning of the year	1,099	5,948
Credited/(charged) to the profit or loss	5,091	97
Charged to other comprehensive income	-	(5,282)
Effect of FX differences on re-translation	792	336
Deferred tax asset at end of year	6,982	1,099

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

22. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	Group 2016 £000	Group 2015 £000
Accelerated capital allowances	1,175	1,235
US deferred interest deductions	4,569	2,537
Deferred asset on fair value movement of derivatives	251	835
Other timing differences - deferred tax asset	1,699	2,487
Other timing differences - deferred tax liability	(712)	(712)
Deferred tax liability on revaluation of property	-	(5,283)
	<u>6,982</u>	<u>1,099</u>

Comprising:

Asset - due after one year (Note 18)	7,694	7,094
Liability	(712)	(5,995)
	<u>6,982</u>	<u>1,099</u>

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

There is also an unrecognised net deferred tax asset in the Group of £1,712,000 (2015: £2,150,000) comprising the following:

	Group 2016 £000	Group 2015 £000
Unutilised overseas tax losses	1,263	1,527
Unutilised UK tax losses	789	1,032
Gain deferred by rollover relief	(412)	(458)
Accelerated capital allowances	72	49
	<u>1,712</u>	<u>2,150</u>

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

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

During the year beginning 1 July 2016, the net reversal of deferred tax assets and liabilities is not expected to be significant.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

23. Called-up share capital

	2016 £000	2015 £000
Shares classified as equity		
Allotted, called up and fully paid		
25,796,410 Ordinary shares of £0.01 each	258	258

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

Shares classified as debt

The Company has the option to redeem the preference shares at any time, but is not obliged to do so and is not expected to exercise its option for at least one year from the date of signing these accounts. There is no premium payable on redemption.

24. Reserves

Revaluation reserve

The revaluation reserve represents the cumulative effect of revaluations of office freehold land and buildings which are revalued to fair value at each reporting date.

Capital redemption reserve

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

Merger Reserve

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

25. Capital commitments

There were no capital commitments by the Group at 30 June 2016 (2015: £3,850,000). There were no capital commitments relating to the Company on either date.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

26. Commitments under operating leases

At 30 June 2016 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £000	Group 2015 £000
Not later than 1 year	483	433
Later than 1 year and not later than 5 years	2,495	2,021
Later than 5 years	31,185	14,946
	<u>34,163</u>	<u>17,400</u>
	<u>Group</u>	<u>Group</u>
	<u>Land and</u>	<u>Land and</u>
	<u>Buildings</u>	<u>Buildings</u>
	<u>2016</u>	<u>2015</u>
	<u>£000</u>	<u>£000</u>
No later than 1 year	434	258
Later than 1 year and not later than 5 years	2,236	1,842
Later than 5 years	31,185	14,669
	<u>33,855</u>	<u>16,769</u>
	<u>Group</u>	<u>Group</u>
	<u>Other</u>	<u>Other</u>
	<u>2016</u>	<u>2015</u>
	<u>£000</u>	<u>£000</u>
	49	175
	259	179
	-	277
	<u>308</u>	<u>631</u>

27. Post balance sheet events

On 8 November 2016, the Company completed the sale of its Motorsports division for a cash consideration greater than the book value. In the year ended 30 June 2016, the business had sales of £13.3m and made a contribution of £2.5m. Proceeds have been principally applied to reduce the Group's borrowing.

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

28. Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Holding	Principal activity
Haymarket Media Group Ltd.	Great Britain [1]	100 %	Magazine and online publishing, organisation of events
Thenhurst Agricultural Ltd.	Great Britain [1]	100 %	Agriculture and horticulture
Haymarket Group Properties Ltd.	Great Britain [1]	100 %	Freehold property
Haymarket Media India Pvt. Ltd.	India	100 %	Magazine and online publishing
Haymarket SAC Pvt. Ltd.	India	100 %	Magazine and online publishing
Haymarket Media Inc.	USA	100 %	Magazine and online publishing
Haymarket Media Ltd.	Hong Kong	100 %	Magazine and online publishing
Haymarket Media Pte Ltd.	Singapore	100 %	Magazine and online publishing
Haymarket PR Publications LLP	Great Britain	100 %	Magazine and online publishing
Haymarket Media Gmbh.	Germany	100 %	Magazine and online publishing
Haymarket Publishing Services Ltd.	Great Britain	100 %	Holding company
Haymarket UK1	Great Britain	100 %	Holding company
Haymarket UK2 Ltd.	Great Britain	100 %	Holding company
Haymarket Worldwide Ltd.	Great Britain	100 %	Holding company
PR Publications Ltd.	Great Britain	100 %	Holding company
H Media LLC.	USA	100 %	Holding company
Haymarket Exhibitions Ltd.	Great Britain	100 %	Dormant
Haymarket Consumer Media Ltd.	Great Britain	100 %	Dormant
Haymarket Medical Publications Ltd.	Great Britain	100 %	Dormant
Haymarket Network Ltd.	Great Britain	100 %	Dormant
CPS Communications LLC	USA	100 %	Dormant
Haymarket Business Publications Inc	USA	100 %	Dormant
Haymarket Medical Education LP	USA	100 %	Dormant
Haymarket Worldwide LLC	USA	100 %	Dormant
HME Global Education LP	USA	100 %	Dormant
PR Publications LLC	USA	100 %	Dormant
Prescribing Reference LLC	USA	100 %	Dormant
PRI Healthcare Solutions	USA	100 %	Dormant
Haymarket Events Pty Ltd.	Australia	100 %	Dormant
Haymarket Media Investments Ltd.	Australia	100 %	Dormant
Haymarket Media Pty Ltd.	Australia	100 %	Dormant

[1] Shares held by Haymarket Group Limited

Haymarket Group Limited

Notes to the Financial Statements For the Year Ended 30 June 2016

29. First time adoption of FRS 102

Group

	As previously stated 1 July 2014 £000	Effect of transition 1 July 2014 £000	FRS 102 (as restated) 1 July 2014 £000	As previously stated 30 June 2015 £000	Effect of transition 30 June 2015 £000	FRS 102 (as restated) 30 June 2015 £000
Note						
Fixed assets	58,808	-	58,808	113,407	-	113,407
Current assets	57,803	1,314	59,117	58,304	1,199	59,503
Creditors: amounts falling due within one year	(155,121)	(6,168)	(161,289)	(154,377)	(3,982)	(158,359)
Net current liabilities	(97,318)	(4,854)	(102,172)	(96,073)	(2,783)	(98,856)
Total assets less current liabilities	(38,510)	(4,854)	(43,364)	17,334	(2,783)	14,551
Creditors: amounts falling due after more than one year	(9,260)	-	(9,260)	(13,176)	(1,957)	(15,133)
Non-controlling interest	(88)	-	(88)	(123)	-	(123)
Net liabilities	(47,858)	(4,854)	(52,712)	4,035	(4,740)	(705)
Capital and reserves	47,858	4,854	52,712	4,035	(4,740)	(705)

Explanation of changes to previously reported statement of financial position::

1. Liability on interest rate swap of £6,168,000 and deferred tax asset on the liability of £1,314,000 at 1 July 2014.
2. Liability on interest rate swap of £4,174,000 and deferred tax asset on the liability of £835,000 at 30 June 2015.
3. Holiday pay accrual of £1,765,000, and a deferred tax asset of £364,000 at 30 June 2015.

Haymarket Group Limited

**Notes to the Financial Statements
For the Year Ended 30 June 2016**

29. First time adoption of FRS 102 (continued)

	As previously stated 30 June 2015 £000	Effect of transition 30 June 2015 £000	FRS 102 (as restated) 30 June 2015 £000
Note			
Turnover	184,287	-	184,287
Cost of sales	(142,432)	(1,765)	(144,197)
	<hr/>	<hr/>	<hr/>
	41,855	(1,765)	40,090
Administrative expenses	(37,333)	-	(37,333)
Other operating income	633	-	633
	<hr/>	<hr/>	<hr/>
Operating profit	5,155	(1,765)	3,390
Income from shares in group undertakings	509	-	509
Interest receivable and similar income	1,500	-	1,500
Interest payable and similar charges	(9,978)	1,994	(7,984)
Taxation	701	(128)	573
Non-controlling interest	35	-	35
	<hr/>	<hr/>	<hr/>
Loss on ordinary activities after taxation and for the financial year	(2,148)	101	(2,047)
	<hr/>	<hr/>	<hr/>

Explanation of changes to previously reported profit and equity:

- 1 Holiday pay accrual £1,765,000
- 2 Reduction in liability on interest rate swap £1,994,000
- 3 Tax credit on holiday pay accrual £364,000
- 4 Deferred tax charge of £492,000 on interest rate swap