24 March 2017

**HENRY BOOT PLC**
('Henry Boot', 'the Company' or 'the Group')

# UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

Henry Boot PLC, a company engaged in land promotion, property investment and development, and construction, announces its results for the year ended 31 December 2016. Ticker: BHY: Main market premium listing: FTSE: construction & materials.

## 2016 KEY HIGHLIGHTS

- Revenue increased 74% to £306.8m (2015: £176.2m)
- Profit before tax increased 22% to £39.5m (2015: £32.4m)
- Earnings per share increased 23% to 21.5p (2015: 17.5p)
- Proposed final dividend of 4.50p (2015: 3.80p), giving a total for the year of 7.00p (2015: 6.10p), a 15% increase
- Net asset value per share increased 5% to 177p (2015: 168p)
- Conservative gearing at 14% (2015: 18%), net debt £32.9m (2015: £38.9m)
- Strategic land acreage now 11,888 acres (2015: 11,061 acres)

**Commenting on the results, Chairman, Jamie Boot said:**

"I am delighted to report a 22% increase in profit before tax to £39.5m for the year ended 31 December 2016. Each of our three business segments performed well, notwithstanding the macroeconomic concerns after the EU referendum result, and we have built a strong pipeline of schemes to be delivered over 2017-2019."

**Commenting on the results, Chief Executive Officer, John Sutcliffe said:**

"In my first business review since taking over as Chief Executive Officer on 1 January 2016, I am very pleased to report that Henry Boot PLC has delivered yet another strong operational performance, financial result and earnings per share growth of 23%. Our strategy and the Company organisation remains unchanged, as do the key metrics by which we manage and monitor our business segments. 2017 has started well in all our businesses and we confidently look forward to a year of further progress."

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## CHAIRMAN'S STATEMENT

I am delighted to report a 22% increase in profit before tax to £39.5m for the year ended 31 December 2016. Each of our three business segments performed well, notwithstanding the macroeconomic concerns after the EU referendum result, and we have built a strong pipeline of schemes to be delivered over 2017-2019. Retained earnings, offset in part by a slightly higher pension scheme deficit, resulted in the net asset value per share rising to 177p from 168p with total capital employed of £233.6m.

Hallam Land, our land promotion business, continues to operate in relatively stable market conditions. The major UK house builders report that they are replenishing land banks in line with sales and the UK planning process was largely unchanged over 2016. We continue to have a good supply of permissioned land for the house builders to draw on.

As noted in our 2015 Annual Report, 2016 saw the start of several larger commercial developments for Henry Boot. Delivery of major schemes at Aberdeen, Markham Vale and York has progressed well in the year and, in addition, we continue to work on a number of smaller schemes. As many of these projects are pre-sold, much of this activity is reflected in 2016 turnover which increased 74% to £306.8m. This increase in activity also included 89 residential completions at York and 70 completions through our jointly owned house builder, Stonebridge Projects.

The Construction segment once again performed solidly, being underpinned by the stable PFI income stream. Plant Hire traded consistently well over the year and although we saw slightly lower activity from the Construction business, secured contracts for 2017 will see activity move forward once again.

### Dividend

I am very pleased to report that the Board, taking account of the strong result this year and the positive outlook, is recommending an increased final dividend of 4.50p per share, giving a total for the year of 7.00p (2015: 6.10p), an increase of 15% over 2015, and covered over three times by earnings.

Payment of the final dividend is subject to shareholder approval at the Annual General Meeting and will be paid on 30 May 2017 to shareholders on the register as at 28 April 2017.

### Our team

As highlighted in my previous report, 2016 saw the appointment of myself as Chairman, three new Non-executive Directors and promotions within our Executive team. This new senior team has worked productively together over the course of the year. As always, the annual financial results and the delivery of shareholder value over the longer term is down to the talent, commitment and hard work of all our people. We aim to empower and develop all our teams of talented people to identify profitable schemes and, on behalf of the Board and shareholders, we thank them and look forward to reporting on their further successes in 2017 and beyond.

### Outlook

Our key strategic aim is to deliver value to shareholders over the longer term. We are, therefore, continually looking to acquire new opportunities which create profit well into the future. 2016 saw us increase both the scale of our strategic land business and the value of commercial developments to be delivered over time.

2017 has started in line with our expectations and the year ahead will see us actively work on over ten commercial development schemes, some of which will take us through to 2019 and 2020. Our strategic land business has a record volume of sites and these sites are further forward in planning terms than ever before. Including sites with planning permission already granted, those in the planning process and sites where we anticipate making an application within the current year, we now have over 30,000 plots in the pipeline. We continue to focus on the profitable delivery of all these opportunities and remain confident in our ability to achieve this on behalf of our shareholders.

**Jamie Boot**
Chairman

## BUSINESS REVIEW

In my first business review since taking over as Chief Executive Officer on 1 January 2016, I am very pleased to report that Henry Boot PLC has delivered yet another strong operational performance, financial result and earnings per share growth of 23%. Our strategy and the Company organisation remains unchanged, as do the key metrics by which we manage and monitor our business segments. 2017 has started well in all our businesses and we confidently look forward to a year of further progress.

### Land Promotion Review

Hallam Land Management Limited, our strategic land promotion business, increased both the acres of land it held in its portfolio and the number of consented plots it had on that land.

| | **31 December 2016** | 31 December 2015 |
|---|---|---|
| **Land (acres)** | | |
| Consented | **2,405** | 1,982 |
| Planning process | **9,483** | 9,079 |
| **Total** | **11,888** | 11,061 |
| | | |
| **Plots** | | |
| Consented | **16,417** | 12,043 |
| Planning process | **10,452** | 14,768 |
| **Total** | **26,869** | 26,811 |

2016 started very positively. Ahead of the EU referendum, Hallam Land had exchanged or completed the bulk of its 2016 budgeted sales which ultimately resulted in a pre-tax profit of £17.7m (2015: £19.1m). Furthermore, we exchanged several sites for completion in 2017 and 2018. For the UK house builders, the uncertainty caused by the referendum vote initially created a slowdown in land acquisition, however, through the autumn, they re-entered the land buying market, albeit with increased hurdle rates in less attractive locations. In the early months of 2017, house builders continued to show strong interest in high quality sites and good market areas. The recent Housing White Paper is broadly supportive of increased delivery of housing, albeit with a focus on the affordable end of the market.

During the year, we sold 16 sites comprising 1,609 residential plots, coupled with land having consent for employment use at Lutterworth and Bridgwater and land consented for a public house at Cranbrook, Exeter. We secured new planning consents for some 5,800 plots during the year and at the end of 2016, we held a portfolio of 16,417 plots with planning consent, a 36% increase on 2015. Our total land interests at 31 December 2016 were 11,888 acres (2015: 11,061 acres), of which 2,405 acres (2015: 1,982 acres) had planning consent with a further 1,078 acres (2015: 1,160 acres) allocated for residential development; the remainder we are promoting through the planning permission and allocation process.

### Key Projects

The first six months of the year saw the disposal of two successful schemes at Kettering and Marston Moretaine. The East of Kettering scheme sits within the 5,500-unit strategic urban extension for the town and outline planning consent was granted in 2015. As is often the case with large, strategic sites, in order to successfully dispose of development land once outline consent has been achieved, a significant amount of time and resource needs to go into delivering the relevant service infrastructure to enable house builders to build houses. In early 2016, final collaboration agreements were secured with the service providers and owners of the wider site, allowing 174 plots to be sold to Barratt with provisions that require them to service our retained land, comprising 264 plots.

The second significant sale of 2016 was at Marston Moretaine, a site which we have owned since 2007 with a first tranche sold in 2013. In September 2016, we completed a second tranche for 180 plots, and a third tranche of 183 plots is contracted for sale in 2017.

Though no further residential land was sold at Cranbrook (the 3,500-unit new community outside Exeter), residential sales values remained strong and we expect to see a further land sale here in 2018. At Kingsdown, our urban extension at Bridgwater, the decision to build Hinckley Point nuclear power station brought with it increased interest in the site. A parcel of consented employment land was sold to the Homes and Communities Agency to progress a starter homes scheme, and a conditional contract was entered into with Persimmon for 130 plots, which we expect to complete in 2017.

During 2016, we obtained a significant planning consent, subject to Section 106 agreement, at Didcot for a 2,170-unit scheme which sits within a 4,200-unit housing site. We anticipate making significant progress on this scheme during 2017, with a first, part-disposal expected in 2018. The Didcot area has a strong housing market with good potential for family housing well within commuter distance of London.

2017 has started well with 850 plots exchanged for sale as we entered the year, and a further 290 plots exchanged with completion subject to detailed planning consent. A further two sites are close to exchange and we hope to complete these sales during 2017.

We expect the house builders to remain cautious about the implications of the EU referendum and, therefore, selective when purchasing land, however, we have entered the year in a strong position. We have a strong land portfolio with a substantial number of sites available for sale and, at this stage, we anticipate that 2017 will be another year of steady progress.

**Property Investment and Development Review**

Henry Boot Developments Limited, our commercial development business had one of its busiest ever years in 2016. Of particular significance was the finalisation of development, funding and contractor agreements for the new 800,000 sq ft exhibition and conference centre, 10,000 seat performance venue and a 200-bed, four-star hotel for Aberdeen City Council. The construction of this initial phase, costing £333m, began in mid-2016 and is currently progressing on programme.

During 2016, we developed over 875,000 sq ft of new, pre-let and pre-sold, largely industrial space and, furthermore, agreed terms on a further two million sq ft, most of which is expected to start or be completed in 2017, including a second 480,000 sq ft distribution warehouse for Great Bear at Markham Vale. We also completed at Markham Vale a 480,000 sq ft distribution unit, pre-let to Great Bear Distribution Limited, and a 225,000 sq ft unit for automotive parts distributor, Ferdinand Bilstein. Further smaller lettings and sales were concluded at our industrial parks at Thorne and Salford.

We continue to maintain a broadly based development pipeline, with over 80,000 sq ft of retail warehousing completed at Belper, Derbyshire, and in Livingston town centre, benefitting from pre-let agreements with Aldi, B&M Retail and Dunelm. We also commenced the construction of a 110,000 sq ft Head Office scheme for Atkins PLC in Epsom.

We significantly increased our residential activity in the year, starting four material projects. The conversion of the listed former Terry's chocolate factory in York into 165 apartments is progressing well. We concluded 89 sales in the second half of the year and anticipate completing that part of the scheme in 2017. In Manchester city centre, we secured planning permission for a 540-unit private rented sector (PRS) development, which triggered unconditional development and funding agreements and the site purchase. We expect the building phase of this scheme to begin mid-2017. In Bristol, in partnership with a local student housing operator, we completed the conversion of a former office building to create a fully let, 86-bed student residential scheme to complement the 100-unit scheme in which we already hold an interest. In Skipton, we obtained outline planning permission for a 30-acre mixed residential and commercial development and, by the year end, had agreed terms for the sale of the residential land element.

Though we saw a significant increase in development activity in the year, we were able to pre-fund projects including the warehouse schemes at Markham Vale, the PRS residential development in Manchester, the office HQ development in Epsom and the retail warehouse scheme in Belper, as well as the initial phase of development in Aberdeen, amounting to over £600m in total. Therefore, internal funding was only required for a number of our smaller projects, helping us maintain prudent gearing levels within the Group.

As well as delivering the major schemes noted above we also secured high quality, future development opportunities. By December 2016, we had obtained planning permission and commenced initial infrastructure works at the 50-acre Airport Business Park in Southend, developed jointly with Southend Borough Council. We entered into a joint venture agreement for a strategic site in Huyton, Merseyside, adjoining the M57/M62 motorway junction, and purchased a high yielding city centre office investment in Bath, which has potential as a future residential conversion opportunity.

Contractual terms are in discussion or have been agreed on a number of projects which we expect to bring into our portfolio during 2017, providing us with a range of future development opportunities.

**Stonebridge Projects Limited**

Stonebridge Projects, our jointly owned housebuilding company, completed 70 sales in the year, up from 42 in 2015, having begun to complete sales on both the Headingley and Stocksbridge sites. We continue to strengthen the future site portfolio and now have some 675 plots either secured or under option. We are targeting 100 sales in 2017 and, subject to obtaining the necessary permissions, anticipate further progress in 2018.

**Construction Review**

Henry Boot Construction Limited specialise in serving both public and private clients in all construction sectors, including civil engineering.

After a good start, Henry Boot Construction exceeded targeted profit levels for 2016. It is also pleasing that the business started 2017 with a contracted workload of almost 90% of its forecast activity, the healthiest order position seen in recent years.

Following completion of the £35m Fox Valley retail park at Stocksbridge, we commenced phase one of the £35m Barnsley town centre regeneration scheme. In addition, we are delivering Snowhill Retail Park for Kier Property and a new spa facility at Rudding Park Hotel, Harrogate, which will be completed in the first half of 2017.

Within the civil engineering sector, we commenced work on: the Olympic Legacy Park and the Advanced Manufacturing Park, both for the University of Sheffield; a multi-storey car park for B. Braun in Sheffield; and we continue to be a major supply chain partner on the 25-year, Amey PFI Sheffield Highway Scheme. Finally, we are working with Stonebridge Projects to deliver infrastructure works on schemes in Leeds and Stocksbridge and are refurbishing the former Leeds Girls High School for residential use.

We are carrying out structural works to six tower blocks for Leeds City Council through the YORbuild framework and were appointed in 2016 to the new YORbuild2 North of England local authority framework. We are also delivering work for Manchester City Council at Piccadilly Gardens, our first project through the North West Construction Hub framework.

In the health and social care sectors we delivered a 60-unit extra care housing scheme for Leeds City Council and a residential block for St Wilfrid's Charity in Sheffield. In 2017 we will deliver a further 60-unit extra care scheme for Newark & Sherwood Homes and have won a place on the Sheffield Teaching Hospitals NHS Trust framework.

In the education sector, we were awarded the Spine Remodelling project for Lancaster University, the Mappin Street Building refurbishment for the University of Sheffield and phase one of the University of Hull Sports Facility development. We have also completed an over-roof project for the University of Huddersfield, the refurbishment of the Management School for the University of Sheffield and the refurbishment of the Grade II listed St Helena's campus for the University of Derby.

We remain cautious regarding risks to construction activity due to the UK's decision to leave the EU, price pressures on imported materials caused by exchange rate volatility and EU related skilled labour pressures. However, the business has a good blend of both private and public sector clients across a wide range of building and civil engineering sectors, giving us a good base to weather this market uncertainty.

**Health and Safety**

Health, Safety and Environmental management remains of paramount importance and we are fully committed to actively finding ways of eliminating risks and incidents. We were, therefore, delighted that for the fifth consecutive year, our construction related accident frequency rate (AFR) for the directly employed workforce was zero. This strong commitment to our health and safety management culture resulted in us winning a prestigious RoSPA Gold Medal Award for seven continuous years of Gold Award achievements.

**Banner Plant Limited**

Banner Plant had a very successful year with turnover up 4.4%, net profit up 3.6%, and net margin remaining strong at 11.6%. Confidence in our markets saw capital investment increase, with a 7.8% growth in the hire fleet. Our power tool depot in Ossett, West Yorkshire, successfully completed its first year of trading and we are exploring the addition of another plant and tool hire depot.

All the individual departments contributed to what was a record profit for the business, however, we did see geographical variations in demand. Derby and North Derbyshire saw only modest activity growth, whilst West and South Yorkshire were more buoyant.

The key challenges within plant hire are the higher capital costs resulting from the weaker pound, recent clean engine technology requirements and the recovery, through increased hire rates, of these higher equipment costs.

**Road Link (A69) Limited**

The PFI contract to run the A69 trunk road between Carlisle and Newcastle has completed 21 years in operation and has nine years to run. Financially, the contract performed well in the year with traffic volumes slightly ahead of 2015. Weather conditions during 2016 proved to be relatively benign and the road operated normally throughout the year.

The constituents of the Construction segment continue to provide very stable returns from a low level of capital employed. We do not expect that this will change in 2017 and the year has started well. The contractual workload brought into the year is encouraging, the plant business contract count is currently running slightly ahead of 2016 and, at this stage, we expect another solid performance from this segment of the Group.

**John Sutcliffe**
Chief Executive Officer

## FINANCIAL REVIEW

### Key highlights of our financial performance in 2016

- Profit before tax increased by 22% to £39.5m
- Basic earnings per share increased by 23% to 21.5p
- Dividends per ordinary share for the year increased by 15% to a record 7.00p
- Return on capital employed increased by 18% to 14.4%

Our long-term strategic approach to land promotion and property development has again generated results ahead of management expectations, coupled with our construction activities, these excellent Group results are a real credit to the talented people within our business and those within the businesses with which we engage. Against the current backdrop of economic uncertainty, we have never had greater clarity of our future land transactions or the property development and construction order books we hold.

### Consolidated Statement of Comprehensive Income

Revenue increased 74% to £306.8m (2015: £176.2m) resulting from increased activity within the property development market from the commencement of the new conference and exhibition centre for Aberdeen City Council and sales of residential apartments at the former Terry's chocolate factory in York. Gross profit increased 17% to £62.3m (2015: £53.3m) and reflects a gross profit margin of 20% (2015: 30%), due primarily to: lower margins on larger development schemes and providing for a loss-making contract we commenced in the year. Administrative expenses saw an increase of £0.7m, resulting from expected increases in staff costs, we also anticipate further modest increases going forward as we continue to invest across all operating segments to support the higher levels of operational activity. Pension related costs increased £0.1m (2015: £0.5m) as we increased the lower auto-enrolment contributions offset by reductions in the defined benefit scheme service cost. Property revaluation losses of £1.8m (2015: £2.0m) arose from positive movements in the fair value of certain existing and newly completed investment properties of £3.9m, offset by the recognition of valuation deficits on certain other properties amounting to £5.7m; most notably, a small trade park site and a development site impacted by the closure of a large adjoining retail unit which continue to prove difficult to redevelop profitably. Overall, operating profits increased 25% to £39.5m (2015: £31.7m) and, after adjusting for net finance costs and our share of profits from joint ventures and associates, we delivered a profit before tax of £39.5m (2015: £32.4m), an increase of 22%.

The segmental result analysis shows that property investment and development produced a significantly improved operating profit of £15.1m (2015: £7.3m) arising from the Aberdeen and York schemes noted above. Land promotion operating profit decreased slightly to £18.6m (2015: £20.0m) as the prior year benefitted from higher returns on the disposal of land we owned. Construction segment operating profits increased to £10.3m (2015: £8.9m) after positive results from all three businesses within this segment. Our mix of business streams continues to demonstrate the benefits of this broad-based operating model working together to the benefit of our Group. Whilst we have greater foresight surrounding the future, deal-driven transactions from our land promotion and property development businesses, financial results can vary significantly from year to year, however, these fluctuations are mitigated by the relatively stable returns from the Construction segment.

### Tax

The tax charge for the year was £8.9m (effective rate of tax: 23%) (2015: £7.5m and effective rate: 23%), this again arises because the net investment property revaluation deficit is not tax deductible until realised. We currently have a £2.7m unrecognised deferred tax asset (2015: £2.3m) which can be utilised to offset future capital gains as they arise. Current taxation on profit for the year was £8.9m (2015: £5.6m), with the 2016 charge benefitting from joint venture profits which are included net of tax offset by the non-deductible property revaluation deficit. The deferred tax charge was £0.04m (2015: £1.87m), arising due to the elimination of any property revaluation deferred tax asset and no deferred tax asset arising on the increased pension scheme deficit due to contributions having exceeded cumulative charges to the income statement.

### Earnings per share and dividends

Basic earnings per share was 23% higher at 21.5p (2015: 17.5p). Dividends payable for the year increased by 15% to 7.00p (2015: 6.10p), with the proposed final dividend increasing 18% to 4.50p (2015: 3.80p), payable on 30 May 2017 to shareholders on the register as at 28 April 2017. The ex-dividend date is 27 April 2017.

### Return on capital employed (ROCE)

Increased pre-tax profits in the year helped ROCE(1) improve to 14.4% in 2016 (2015: 12.2%). We continue to review our strategic target rate of return and, given that we are currently able to forward fund and sell property development, a target return of 12%-15% is considered appropriate in the current operating environment. We will continually monitor this important performance measure over the business cycle, given the potential for market conditions to change quickly.

(1) ROCE is calculated as operating profit divided by, total assets less current liabilities.

### Finance and gearing

Net finance costs increased to £1.5m (2015: £0.2m) due to a specific property development financing arrangement concluded in the prior year, and 2016 saw a return to a position which reflects our net debt levels. Average borrowing rates were similar to those of the previous year although overall interest costs may increase slightly in 2017 as we utilise higher borrowings to support higher development activity. It is also possible that we will see a small rise in interest rates in 2017, although we do not believe this will result in a material change to borrowing costs. We expect to continue to invest in both our land and property development assets as we recycle capital into future opportunities and anticipated development activity.

Interest cover, expressed as the ratio of operating profit (excluding the valuation movement on investment properties and disposal profits) to net interest (excluding interest received on other loans and receivables), was 28 times (2015: 23 times). No interest incurred in either year has been capitalised into the cost of assets.

We continue to hold an investment property portfolio of around £100m against which we can secure bank funding to allow us to undertake property development and land promotion, neither of which are easy to fund using bank debt. Our investment property assets continue to provide the key covenant support for our £60m banking facilities, which we extended in February 2017 by a further year moving the renewal date to February 2020. In addition, we have a £5m revolving loan facility within Stonebridge Projects, our joint venture house builder. This loan is secured against house build work in progress and allows us to continue to grow activity in this business.

2016 year-end net debt fell by £6.0m to £32.9m (2015: £38.9m) helped by cash generated from operations. Gearing on net assets of £233.6m fell to a conservative 14% (2015: net assets £221.5m; gearing 18%). Total year-end net debt includes £7.6m (2015: £8.6m) of funding which is repayable from the future sale of residential units on certain land development sites. All bank borrowings continue to be from facilities linked to floating rates or short-term fixed commitments. Throughout the year we operated comfortably within the facility covenants and continue to do so.

**Statement of cash flows**

During 2016, we increased operating cash flows before movements in working capital by £9.2m to £40.6m (2015: £31.4m) and, after a net investment in working capital of £12.0m (2015: £26.2m), cash generated from operations was £28.5m (2015: £5.2m). Our investment in working capital shows a significant reduction during the year arising from the start of a number of large pre-sold and forward funded property developments, allowing us to recover our initial land and planning investment at an early stage in the build process. Cash outflows from investing activities of £2.4m (2015: inflow of £6.9m) arising from disposals of £9.9m (2015: £23.4m) of investment property and property, plant and equipment sales, offset by new investment of £13.4m (2015: £17.2m) in new property development, plant purchases and investments in joint ventures and associates. Dividends paid, including those to non-controlling interests, totalled £10.6m (2015: £9.7m), with dividends paid to equity shareholders increasing by 9%.

**Statement of financial position**

Investment property and assets classified as held for sale were valued at £124.7m (2015: £125.3m). The fair value of completed investment property, including assets held for sale, was £102.0m (2015: £103.7m) and the value of investment property under construction within investment property was £22.7m (2015: £21.6m) as we develop these assets into investment properties.

Intangible assets reflect the Group's investment in Road Link (A69) of £4.9m (2015: £5.8m). The treatment of this asset as an intangible asset is a requirement of IFRIC 12 and arises because the underlying road asset reverts to Highways England at the end of the concession period. Property, plant and equipment comprises Group occupied buildings valued at £6.5m (2015: £6.9m) and plant, equipment and vehicles with a net book value of £15.4m (2015: £14.1m); this increase arose from continued investment in new plant and plant delivery vehicles. Non-current trade and other receivables have reduced to £5.6m (2015: £10.5m) due to a net decrease in long-term housebuilder land sale payment plans. Investments in joint ventures and associates increased to £5.1m (2015: £3.8m) as we continued to invest in property development projects with other parties where we feel there is a mutual benefit to be gained. The non-current deferred tax asset increased because of the higher IAS 19 pension deficit. In total, non-current assets reduced to £166.5m (2015: £170.7m).

Within current assets, inventories were £137.9m (2015: £138.9m) and saw further investment in the land portfolio to £107.9m (2015: £106.8m) although, property development work in progress decreased to £30.0m (2015: £32.1m). Trade and other receivables increased to £66.9m (2015: £54.4m) resulting from land sales completions late in 2016. Cash and cash equivalents reduced to £7.4m (2015: £12.0m) but was again a result of cash received in December which could not be offset against short-term borrowing at that time. In total, current assets increased to £213.3m (2015: £205.4m).

Current liabilities decreased to £105.9m (2015: £116.6m) as the portion of debt classed as current decreased to £33.3m (2015: £42.8m), helped by recoveries made on property development inventories. Trade and other payables decreased to £61.1m (2015: £64.4m), resulting from lower payments on account relating to construction contracts. Provisions increased to £6.7m (2015: £5.7m) as previously classified non-current provisions moved to current and continue, in the main, to relate to infrastructure planning obligations on two land development schemes.

Net current assets increased to £107.4m (2015: £88.8m). This increase is predominantly due to increased debtors, reduced creditors and lower borrowings as we operate at a generally higher level of activity and profit throughout the Group. Non-current liabilities increased to £40.4m (2015: £37.9m) after IAS 19 pension liabilities increased to £26.4m (2015: £19.6m).

Net assets increased by 5% to £233.6m (2015: £221.5m) as the increase in retained profits was offset by the increase in the pension deficit and treasury share purchases. Net asset value per share increased 10% to 177p (2015: 168p).

**Pension scheme**

The IAS 19 deficit at 31 December 2016 was £26.4m compared to £19.6m at 31 December 2015 and was directly affected by a further fall in the discount rate applied to future liabilities to 2.8% (2015: 3.8%), despite the Company's contributions and an excellent performance from the pension scheme's assets. As we have noted in previous years, the application of a 4% discount rate would result in a negligible deficit and the 2016 scheme asset return was comfortably ahead.

The pension scheme's assets continue to be invested globally with high quality asset managers, using a broad range of assets and diversification. The pension scheme trustees regularly consider the merits of both the managers and asset allocations and, along with the Company, review the returns achieved by the asset portfolio against the manager benchmarks; they then make changes, as the trustees consider appropriate, in conjunction with investment advice from KPMG.

**Darren Littlewood**
Group Finance Director

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December 2016

| | 2016<br>£'000 | 2015<br>£'000 |
|---|---|---|
| Revenue | **306,806** | 176,186 |
| Cost of sales | **(244,496)** | (122,855) |
| **Gross profit** | **62,310** | 53,331 |
| Other income | **40** | 36 |
| Administrative expenses | **(17,958)** | (17,235) |
| Pension expenses | **(3,774)** | (3,689) |
| | **40,618** | 32,443 |
| Decrease in fair value of investment properties | **(1,783)** | (2,009) |
| Profit on sale of investment properties | **647** | 747 |
| Profit on sale of assets held for sale | **—** | 485 |
| **Operating profit** | **39,482** | 31,666 |
| Finance income | **156** | 1,438 |
| Finance costs | **(1,670)** | (1,617) |
| Share of profit of joint ventures and associates | **1,523** | 923 |
| **Profit before tax** | **39,491** | 32,410 |
| Tax | **(8,945)** | (7,460) |
| **Profit for the year from continuing operations** | **30,546** | 24,950 |
| | | |
| **Other comprehensive (expense)/income not being reclassified to profit or loss in subsequent years:** | | |
| Revaluation of Group occupied property | **30** | 100 |
| Deferred tax on property revaluations | **3** | 509 |
| Actuarial (loss)/gain on defined benefit pension scheme | **(8,959)** | 6,002 |
| Current tax on actuarial loss | **428** | — |
| Deferred tax on actuarial loss/(gain) | **964** | (1,439) |
| Movement in fair value of cash flow hedge | **—** | 16 |
| Deferred tax on cash flow hedge | **—** | (4) |
| **Total other comprehensive (expense)/income not being reclassified to profit or loss in subsequent years** | **(7,534)** | 5,184 |
| **Total comprehensive income for the year** | **23,012** | 30,134 |
| **Profit for the year attributable to:** | | |
| Owners of the Parent Company | **28,259** | 23,041 |
| Non-controlling interests | **2,287** | 1,909 |
| | **30,546** | 24,950 |
| **Total comprehensive income attributable to:** | | |
| Owners of the Parent Company | **20,725** | 28,219 |
| Non-controlling interests | **2,287** | 1,915 |
| | **23,012** | 30,134 |
| **Basic earnings per ordinary share for the profit attributable to owners of the Parent Company during the year** | **21.5p** | 17.5p |
| **Diluted earnings per ordinary share for the profit attributable to owners of the Parent Company during the year** | **21.3p** | 17.3p |

**UNAUDITED STATEMENT OF FINANCIAL POSITION**

as at 31 December 2016

| | **2016** **£'000** | 2015 £'000 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Intangible assets | **4,909** | 5,757 |
| Property, plant and equipment | **21,967** | 20,984 |
| Investment properties | **123,663** | 125,311 |
| Investment in joint ventures | **5,148** | 3,790 |
| Trade and other receivables | **5,592** | 10,507 |
| Deferred tax assets | **5,249** | 4,323 |
| | **166,528** | 170,672 |
| **Current assets** | | |
| Inventories | **137,915** | 138,941 |
| Trade and other receivables | **66,921** | 54,448 |
| Cash and cash equivalents | **7,389** | 12,041 |
| | **212,225** | 205,430 |
| Assets classified as held for sale | **1,050** | — |
| | **213,275** | 205,430 |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Trade and other payables | **61,149** | 64,384 |
| Current tax liabilities | **4,707** | 3,636 |
| Borrowings | **33,342** | 42,836 |
| Provisions | **6,669** | 5,749 |
| | **105,867** | 116,605 |
| **NET CURRENT ASSETS** | **107,408** | 88,825 |
| **Non-current liabilities** | | |
| Trade and other payables | **4,615** | 6,639 |
| Borrowings | **6,922** | 8,137 |
| Retirement benefit obligations | **26,396** | 19,577 |
| Provisions | **2,451** | 3,595 |
| | **40,384** | 37,948 |
| **NET ASSETS** | **233,552** | 221,549 |
| **EQUITY** | | |
| Share capital | **13,608** | 13,604 |
| Property revaluation reserve | **3,879** | 3,964 |
| Retained earnings | **210,664** | 197,895 |
| Other reserves | **4,611** | 4,548 |
| Cost of shares held by ESOP trust | **(1,071)** | (345) |
| **Equity attributable to owners of the Parent Company** | **231,691** | 219,666 |
| Non-controlling interests | **1,861** | 1,883 |
| **TOTAL EQUITY** | **233,552** | 221,549 |

**UNAUDITED STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2016

| | Attributable to owners of the Parent Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Group** | Share capital £'000 | Property revaluation reserve £'000 | Retained earnings £'000 | Other reserves £'000 | Cost of shares held by ESOP trust £'000 | Total £'000 | Non-controlling interests £'000 | Total equity £'000 |
| At 1 January 2015 | 13,592 | 3,355 | 177,664 | 4,425 | (550) | 198,486 | 1,988 | 200,474 |
| Profit for the year | — | — | 23,041 | — | — | 23,041 | 1,909 | 24,950 |
| Other comprehensive income | — | 609 | 4,563 | 6 | — | 5,178 | 6 | 5,184 |
| Total comprehensive income | — | 609 | 27,604 | 6 | — | 28,219 | 1,915 | 30,134 |
| Equity dividends | — | — | (7,664) | — | — | (7,664) | (2,020) | (9,684) |
| Proceeds from shares issued | 12 | — | — | 117 | — | 129 | — | 129 |
| Proceeds on disposal of treasury shares | — | — | — | — | 4 | 4 | — | 4 |
| Share-based payments | — | — | 291 | — | 201 | 492 | — | 492 |
| | 12 | — | (7,373) | 117 | 205 | (7,039) | (2,020) | (9,059) |
| At 31 December 2015 | 13,604 | 3,964 | 197,895 | 4,548 | (345) | 219,666 | 1,883 | 221,549 |
| Profit for the year | — | — | 28,259 | — | — | 28,259 | 2,287 | 30,546 |
| Other comprehensive income | — | 33 | (7,567) | — | — | (7,534) | — | (7,534) |
| Total comprehensive income | — | 33 | 20,692 | — | — | 20,725 | 2,287 | 23,012 |
| Equity dividends | — | — | (8,318) | — | — | (8,318) | (2,309) | (10,627) |
| Realised revaluation surplus | — | (118) | 118 | — | — | — | — | — |
| Proceeds from shares issued | 4 | — | — | 63 | — | 67 | — | 67 |
| Purchase of treasury shares | — | — | — | — | (959) | (959) | — | (959) |
| Share-based payments | — | — | 277 | — | 233 | 510 | — | 510 |
| | 4 | (118) | (7,923) | 63 | (726) | (8,700) | (2,309) | (11,009) |
| **At 31 December 2016** | **13,608** | **3,879** | **210,664** | **4,611** | **(1,071)** | **231,691** | **1,861** | **233,552** |

**UNAUDITED STATEMENT OF CASH FLOWS**

for the year ended 31 December 2016

| | **2016** **£'000** | 2015 £'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| Cash generated from operations | **28,545** | 5,208 |
| Interest paid | **(1,141)** | (1,074) |
| Tax paid | **(7,405)** | (3,934) |
| Net cash flows from operating activities | **19,999** | 200 |
| **Cash flows from investing activities** | | |
| Purchase of intangible assets | **(606)** | (420) |
| Purchase of property, plant and equipment | **(1,836)** | (1,731) |
| Purchase of investment property | **(10,181)** | (13,561) |
| Purchase of investments in joint ventures and associates | **(800)** | (1,500) |
| Proceeds on disposal of property, plant and equipment | **492** | 325 |
| Proceeds on disposal of investment properties | **9,430** | 7,791 |
| Proceeds on disposal of assets held for sale | **—** | 15,275 |
| Interest received | **113** | 701 |
| Dividends received from joint ventures | **965** | — |
| Net cash (outflows)/inflows from investing activities | **(2,423)** | 6,880 |
| **Cash flows from financing activities** | | |
| Proceeds from shares issued | **67** | 129 |
| Purchase of treasury shares | **(959)** | — |
| Proceeds on disposal of treasury shares | **—** | 4 |
| Decrease in borrowings | **(39,128)** | (65,408) |
| Increase in borrowings | **28,421** | 75,571 |
| Dividends paid – ordinary shares | **(8,297)** | (6,865) |
| – non-controlling interests | **(2,309)** | (1,674) |
| – preference shares | **(21)** | (21) |
| Net cash (outflows)/inflows from financing activities | **(22,226)** | 612 |
| **Net (decrease)/increase in cash and cash equivalents** | **(4,650)** | 7,692 |
| Net cash and cash equivalents at beginning of year | **12,039** | 4,347 |
| **Net cash and cash equivalents at end of year** | **7,389** | 12,039 |
| **Analysis of net debt:** | | |
| Cash and cash equivalents | **7,389** | 12,041 |
| Bank overdrafts | **—** | (2) |
| Net cash and cash equivalents | **7,389** | 12,039 |
| Bank loans | **(32,684)** | (42,389) |
| Government loans | **(7,580)** | (8,582) |
| **Net debt** | **(32,875)** | (38,932) |

**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 31 December 2016

**1. Basis of preparation**

This financial information has been prepared in accordance with IFRS adopted by the EU, IFRIC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS and therefore complies with Article 4 of the EU IAS regulations. It has been prepared on the historical cost basis, except for financial instruments, investment properties and Group occupied land and buildings, which are measured at fair value.

The same accounting policies and methods of computation are followed as in the latest published audited accounts for the year ended 31 December 2015, which are available on the Group's website at www.henryboot.co.uk, except for as described below.

The following standards, amendments and interpretations to existing standards are effective or mandatory for the first time for the accounting year ended 31 December 2016:

| | | Effective from |
|---|---|---|
| Annual improvements (issued 2013) | 'Annual Improvements to IFRSs 2010–2012 Cycle' | 1 July 2014# |
| Annual improvements (issued 2014) | 'Annual Improvements to IFRSs 2012–2014 Cycle' | 1 January 2016 |
| IAS 1 (amended 2014) | 'Disclosure Initiative' | 1 January 2016 |
| IAS 16 and IAS 38 (amended 2014) | 'Clarification of Acceptable Methods of Depreciation and Amortisation' | 1 January 2016 |
| IAS 16 and IAS 41 (amended 2014) | 'Bearer Plants' | 1 January 2016 |
| IAS 19 (amended 2014) | 'Defined Benefit Plans: Employee Contributions' | 1 July 2014# |
| IAS 27 (amended 2014) | 'Equity Method in Separate Financial Statements' | 1 January 2016 |
| IFRS 10, IFRS 12 and IAS 28 (amended 2014) | 'Investment Entities: Applying the Consolidation Exception' | 1 January 2016 |
| IFRS 11 (amended 2014) | 'Accounting for Acquisitions of Interests in Joint Operations' | 1 January 2016 |

# Mandatory for annual periods beginning on or after 1 February 2015.

The adoption of these standards and interpretations has not had a significant impact on the Group.

The Group did not early adopt any standard or interpretation not yet mandatory.

These results for the year ended 31 December 2016 are unaudited. The financial information set out in this announcement does not constitute the Group's IFRS statutory accounts for the years ended 31 December 2016 or 31 December 2015 as defined by Section 434 of the Companies Act 2006.

The financial information for the year ended 31 December 2015 is derived from the statutory accounts for that year which have been delivered to the Registrar of Companies. The auditors, PricewaterhouseCoopers LLP, reported on those accounts and their report was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 (2) or (3) of the Companies Act 2006.

The statutory accounts for the year ended 31 December 2016 will be finalised on the basis of the financial information presented by the Directors in these results and will be delivered to the Registrar of Companies following the Annual General Meeting of Henry Boot PLC.

**2. Segment information**

For the purpose of the Board making strategic decisions, the Group is currently organised into three operating segments: Property Investment and Development; Land Development; and Construction. Group overheads are not a reportable segment; however, information about them is considered by the Board in conjunction with the reportable segments.

Operations are carried out entirely within the United Kingdom.

Inter-segment sales are charged at prevailing market prices.

Revenue for the year, and the prior year, was derived from a large number of customers and no single customer or group under common control contributed more than 10% of the Group's revenues.

The accounting policies of the reportable segments are the same as the Group's Accounting Policies.

Segment profit represents the profit earned by each segment before tax and is consistent with the measure reported to the Group's Board for the purpose of resource allocation and assessment of segment performance.

| | **2016** | | | | | |
|---|---|---|---|---|---|---|
| Revenue | **Property Investment and Development £'000** | **Land Promotion £'000** | **Construction £'000** | **Group overheads £'000** | **Eliminations £'000** | **Total £'000** |
| External sales | **176,232** | **51,190** | **79,384** | **—** | **—** | **306,806** |
| Inter-segment sales | **314** | **—** | **5,044** | **639** | **(5,997)** | **—** |
| Total revenue | **176,546** | **51,190** | **84,428** | **639** | **(5,997)** | **306,806** |
| **Operating profit/(loss)** | **15,105** | **18,608** | **10,288** | **(4,519)** | **—** | **39,482** |
| Finance income | **936** | **1,079** | **1,172** | **22,649** | **(25,680)** | **156** |
| Finance costs | **(6,390)** | **(1,955)** | **(484)** | **(3,145)** | **10,304** | **(1,670)** |
| Share of profit of joint ventures and associates | **1,523** | **—** | **—** | **—** | **—** | **1,523** |
| **Profit/(loss) before tax** | **11,174** | **17,732** | **10,976** | **14,985** | **(15,376)** | **39,491** |
| Tax | **(1,969)** | **(3,532)** | **(2,244)** | **(1,177)** | **(23)** | **(8,945)** |
| **Profit/(loss) for the year** | **9,205** | **14,200** | **8,732** | **13,808** | **(15,399)** | **30,546** |

| | 2015 | | | | | |
|---|---|---|---|---|---|---|
| Revenue | Property Investment and Development £'000 | Land Promotion £'000 | Construction £'000 | Group overheads £'000 | Eliminations £'000 | Total £'000 |
| External sales | 49,939 | 46,706 | 79,541 | — | — | 176,186 |
| Inter-segment sales | 320 | — | 11,076 | 643 | (12,039) | — |
| Total revenue | 50,259 | 46,706 | 90,617 | 643 | (12,039) | 176,186 |
| **Operating profit/(loss)** | 7,346 | 20,039 | 8,930 | (4,649) | — | 31,666 |
| Finance income | 2,135 | 666 | 1,394 | 18,168 | (20,925) | 1,438 |
| Finance costs | (6,916) | (1,637) | (422) | (3,391) | 10,749 | (1,617) |
| Share of profit of joint ventures | 923 | — | — | — | — | 923 |
| **Profit/(loss) before tax** | 3,488 | 19,068 | 9,902 | 10,128 | (10,176) | 32,410 |
| Tax | (1,583) | (3,864) | (2,108) | 98 | (3) | (7,460) |
| **Profit/(loss) for the year** | 1,905 | 15,204 | 7,794 | 10,226 | (10,179) | 24,950 |

| | **2016 £'000** | 2015 £'000 |
|---|---|---|
| **Segment assets** | | |
| Property Investment and Development | **195,830** | 193,445 |
| Land Promotion | **136,378** | 136,491 |
| Construction | **32,104** | 27,013 |
| Group overheads | **2,853** | 2,789 |
| | **367,165** | 359,738 |
| **Unallocated assets** | | |
| Deferred tax assets | **5,249** | 4,323 |
| Cash and cash equivalents | **7,389** | 12,041 |
| **Total assets** | **379,803** | 376,102 |
| **Segment liabilities** | | |
| Property Investment and Development | **17,646** | 19,334 |
| Land Promotion | **20,893** | 20,865 |
| Construction | **33,888** | 37,217 |
| Group overheads | **2,457** | 2,951 |
| | **74,884** | 80,367 |
| **Unallocated liabilities** | | |
| Current tax liabilities | **4,707** | 3,636 |
| Current borrowings | **33,342** | 42,836 |
| Non-current borrowings | **6,922** | 8,137 |
| Retirement benefit obligations | **26,396** | 19,577 |
| **Total liabilities** | **145,251** | 154,553 |
| **Total net assets** | **233,552** | 221,549 |

## 3. Dividends

| | 2016 £'000 | 2015 £'000 |
|---|---|---|
| Amounts recognised as distributions to equity holders in the year: | | |
| Preference dividend on cumulative preference shares | **21** | 21 |
| Final dividend for the year ended 31 December 2015 of 3.80p per share (2014: 3.50p) | **5,006** | 4,610 |
| Interim dividend for the year ended 31 December 2016 of 2.50p per share (2015: 2.30p) | **3,291** | 3,033 |
| | **8,318** | 7,664 |

The proposed final dividend for the year ended 31 December 2016 of 4.50p per share (2015: 3.80p) makes a total dividend for the year of 7.00p (2015: 6.10p).

The proposed final dividend is subject to approval by shareholders at the AGM and has not been included as a liability in these Financial Statements. The total estimated dividend to be paid is £5,920,000.

Notice has been received from Moore Street Securities Limited waiving its right as corporate trustee for the Employee Share Ownership Plan (ESOP) to receive all dividends in respect of this and the previous financial year.

## 4. Investment properties

### Fair value measurements recognised in the Statement of Financial Position

The following table provides an analysis of the fair values of investment properties recognised in the Statement of Financial Position by the degree to which the fair value is observable:

| | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | 2016 £'000 | 2015 £'000 | Increase/ (decrease) in fair value in year |
|---|---|---|---|---|---|---|
| **Completed investment property** | | | | | | |
| Industrial | — | — | 14,700 | **14,700** | 12,770 | 1,930 |
| Leisure | — | — | 12,475 | **12,475** | 7,704 | 276 |
| Mixed-use | — | — | 53,564 | **53,564** | 58,993 | (519) |
| Residential | — | — | 3,720 | **3,720** | 4,313 | (71) |
| Office | — | — | 2,830 | **2,830** | — | (140) |
| Retail | — | — | 13,619 | **13,619** | 19,914 | (395) |
| | — | — | 100,908 | **100,908** | 103,694 | 1,081 |
| **Investment property under construction** | | | | | | |
| Industrial | — | — | 525 | **525** | 518 | — |
| Land | — | — | 1,214 | **1,214** | 2,112 | (899) |
| Office | — | — | 7,556 | **7,556** | 4,500 | 742 |
| Retail | — | — | 13,460 | **13,460** | 14,487 | (2,707) |
| | — | — | 22,755 | **22,755** | 21,617 | (2,864) |
| **Total fair value** | — | — | 123,663 | **123,663** | 125,311 | (1,783) |

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that causes the transfer. The Directors determine the applicable hierarchy that a property falls into by assessing the level of comparable evidence in the market which that asset falls into and the inherent level of activity. As at the reporting date and throughout the year, all property was determined to fall into Level 3 and so there were no transfers between hierarchies.

Explanation of the fair value hierarchy:

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 – fair value measurements are those derived from the use of a model with inputs (other than quoted prices included in Level 1) that are observable from directly or indirectly observable market data; and
- Level 3 – fair value measurements are those derived from use of a model with inputs that are not based on observable market data.

Investment properties have been split into different classes to show the composition of the investment property portfolio of the Group as at the reporting date. Management has determined that aggregation of the results would be most appropriate based on the type of use that each property falls into, which is described below:

| **Class** | |
|---|---|
| Industrial | Includes manufacturing and warehousing, which are usually similar in dimensions and construction method. |
| Leisure | Includes restaurants and gymnasiums or properties in which the main activity is the provision of entertainment and leisure facilities to the public. |
| Mixed-use | Includes schemes where there are different types of uses contained within one physical asset, the most usual combination being office and leisure. |
| Residential | Includes dwellings under assured tenancies. |
| Retail | Includes any property involved in the sale of goods. |
| Land | Includes land held for future capital appreciation as an investment. |
| Office | Includes buildings occupied for business activities not involving storage or processing of physical goods. |

Investment properties under construction are categorised based on the future anticipated highest and best use of the property.

**5. Share capital**

| | **2016 £'000** | 2015 £'000 |
|---|---|---|
| 400,000 5.25% cumulative preference shares of £1 each (2015: 400,000) | **400** | 400 |
| 132,080,138 ordinary shares of 10p each (2015: 132,041,358) | **13,208** | 13,204 |
| | **13,608** | 13,604 |

**6. Cash generated from operations**

| | **2016 £'000** | 2015 £'000 |
|---|---|---|
| Profit before tax | **39,491** | 32,410 |
| Adjustments for: | | |
| Amortisation of PFI asset | **1,251** | 1,193 |
| Goodwill impairment | **203** | 203 |
| Depreciation of property, plant and equipment | **4,022** | 3,637 |
| Impairment gain on land and buildings | **—** | (10) |
| Revaluation decrease in investment properties | **1,783** | 2,009 |
| Amortisation of capitalised letting fees | **36** | 52 |
| Share-based payment expense | **510** | 492 |
| Pension scheme credit | **(2,140)** | (2,579) |
| Profit on disposal of assets held for sale | **—** | (485) |
| Gain on disposal of property, plant and equipment | **(506)** | (296) |
| Gain on disposal of investment properties | **(647)** | (747) |
| Finance income | **(156)** | (1,438) |
| Finance costs | **1,670** | 1,617 |
| Share of profit of joint ventures and associates | **(1,523)** | (923) |
| Operating cash flows before movements in equipment held for hire | **43,994** | 35,135 |
| Purchase of equipment held for hire | **(4,048)** | (4,057) |
| Proceeds on disposal of equipment held for hire | **648** | 334 |
| Operating cash flows before movements in working capital | **40,594** | 31,412 |
| Decrease/(increase) in inventories | **1,478** | (13,706) |
| Increase in receivables | **(7,515)** | (9,381) |
| Decrease in payables | **(6,012)** | (3,117) |
| **Cash generated from operations** | **28,545** | 5,208 |

**7.** These results were approved by the Board of Directors and authorised for issue on 23 March 2017.

**8.** The 2016 Annual Report and Financial Statements is to be published on the Company's website at www.henryboot.co.uk and sent out to those shareholders who have elected to continue to receive paper communications by no later than 21 April 2017. Copies will be available from The Company Secretary, Henry Boot PLC, Banner Cross Hall, Ecclesall Road South, Sheffield S11 9PD.

**9.** The Annual General Meeting of the Company is to be held at Baldwins Omega, Brincliffe Hill, Off Psalter Lane, Sheffield S11 9DF on Thursday 25 May 2017, commencing at 12.30pm.