

JAMES CROPPER PLC

ESTABLISHED 1845

The advanced materials and paper products group, is pleased to announce its

Half year results to 26 September 2020

	Half year to 26 September 2020	Half year to 28 September 2019	Full year to 28 March 2020
	£m	£m	£m
Revenue	34.0	52.8	104.7
Adjusted operating (loss) / profit *	(1.2)	2.8	7.2
Operating profit	0.4	2.6	6.6
Adjusted (loss) / profit before tax *	(1.4)	2.6	6.7
Impact of IAS 19	(0.3)	(0.6)	(1.2)
Impact of exceptional items	1.7	-	-
Profit before tax	0.0	2.0	5.5
Earnings per share – basic and diluted	(0.2p)	17.0p	50.6p
Dividend per share declared	nil	2.5p	2.5p
Net borrowings	(5.2)	(15.3)	(11.1)
Equity shareholders' funds	27.3	21.9	34.4
Gearing % - before IAS 19 deficit	12%	38%	26%
Gearing % - after IAS 19 deficit	19%	70%	32%
Capital expenditure	1.4	3.3	9.2

* excludes the impact of IAS 19 and exceptional items (per note 9)

Highlights

- The key priority remains the safety and wellbeing of employees
- Rapid response to Covid 19 to reduce costs, optimise cash flow and protect liquidity
- Group revenues down 36% on prior year mainly within the Paper division
- Colourform revenues up 17% on prior year
- The downturn in TFP sales, particularly in the aerospace sector mitigated by growth in medical and renewable energy sectors
- Restructuring costs nearing completion with a net cost of £0.2m projected for the year and £2m savings pa thereafter.
- Company has liquidity of over £14m including cash and available overdraft facilities.
- Capital investments for future growth to restart in the second half
- To protect liquidity, no interim dividend declared.

Mark Cropper, Chairman, commented:

“Our immediate key priority is to maintain the safety and wellbeing of our employees and customers. Each division is seeing signs of recovery with most markets trending back to normality. The restructuring plans are nearing completion with a small net cost anticipated for the year but anticipated savings of £2m p.a. in future years. The restructuring has affected less than 10% of the workforce but will result in a leaner, stronger Group. Capital investment was suspended during the first half of the year and is planned to resume in the second half.”

“The Group has weathered a major challenge during the period. The actions of our employees to meet and overcome the challenge has been exceptional across the Group. I am proud of their actions and commitment as ever and would like to thank them all for their continued efforts to protect themselves, their fellow employees and the business as we plan to come out of this pandemic a stronger, fitter Group and continue our plans for growth.”

Enquiries:

Isabelle Maddock, Chief Financial Officer
James Cropper PLC (AIM:CRPR.L)
Telephone: +44 (0) 1539 722002
www.jamescropper.com

Robert Finlay, Henry Willcocks, John More
Shore Capital
Telephone: +44 (0) 20 7408 4090

JAMES CROPPER PLC

ESTABLISHED 1845

	Half year to 26 September 2020 £'000	Half year to 28 September 2019 £'000	Full year to 28 March 2020 £'000
Summary of results			
Revenue	34,004	52,792	104,667
Adjusted operating loss / (profit)*	(1,196)	2,826	7,240
Operating profit	352	2,554	6,569
Adjusted (loss) / profit before tax *	(1,445)	2,557	6,674
Impact of IAS19	(293)	(548)	(1,215)
Exceptional items (note 8)	1,722	-	-
Loss / profit before tax	(16)	2,009	5,459

* excludes the impact of IAS 19 and exceptional items (per note 9)

	Half year to 26 September 2020 £'000	Half year to 28 September 2019 £'000	Full year to 28 March 2020 £'000
Revenue			
Paper division	20,856	37,992	75,545
Colourform division	1,414	1,211	2,586
Technical Fibre Products division	11,734	13,589	26,536
	34,004	52,792	104,667
Adjusted operating (loss) / profit *	(1,196)	2,826	7,240
Adjusted net interest	(249)	(269)	(566)
Adjusted (loss) / profit before tax *	(1,445)	2,557	6,674
IAS19 pension adjustments			
Net current service charge against operating profits	(174)	(273)	(671)
Finance costs charged against interest	(119)	(275)	(544)
	(293)	(548)	(1,215)
Exceptional items (note 8)	1,722	-	-
Loss / profit before tax	(16)	2,009	5,459

* excludes the impact of IAS 19 and exceptional items (per note 9)

Balance sheet summary	Half year to 26 September 2020 £'000	Half year to 28 September 2019 £'000	Full year to 28 March 2020 £'000
Non-pension assets – excluding cash	69,854	71,320	72,084
Non-pension liabilities – excluding borrowings	(22,517)	(15,704)	(19,032)
	47,337	55,616	53,052
Net IAS19 pension deficit (after deferred tax)	(14,791)	(18,351)	(7,600)
	32,546	37,265	45,452
Net borrowings	(5,220)	(15,323)	(11,055)
Equity shareholders' funds	27,326	21,942	34,397
Gearing % - before IAS19 deficit	12%	38%	26%
Gearing % - after IAS19 deficit	19%	70%	32%
Capital expenditure	1,367	3,284	9,195

JAMES CROPPER PLC

ESTABLISHED 1845

Dear Shareholders

The last six months have been a challenging period for the Group, particularly for our employees, customers, suppliers, local communities and shareholders. The impact of the pandemic has been significant, but due to the actions taken at the onset, the Group remains in a strong position.

The Group responded quickly to the challenges. Throughout the crisis we have managed our response under three headings: the health and wellbeing of our employees, supporting customers and reducing costs. The overall objective has been to emerge from the pandemic a stronger Group. The commitment, support and engagement of our employees in such an adverse time has been truly remarkable: everyone has excelled in protecting the business and each other. Immediate actions included working from home where possible whilst continuing to support our customer needs and cutting non-essential expenditure to reduce costs. Employee safety was a primary focus with enhanced safety measures introduced to provide a Covid-19 secure environment in line with government and NHS guidelines.

The Group took swift action to reduce costs and protect liquidity. This included the deferral of all discretionary spending, suspension of major capital expenditure, suspension of dividend payments, and seeking support from local authorities, government agencies and the banks. During the period, our customers, particularly in the Paper division were globally impacted by Covid-19, leading to reduced demand and periods of inefficient or no production. This resulted in many employees being placed on furlough. In addition, payment of the bonuses earned from our record results last year have been deferred until the second half of the year. No bonuses or annual incremental pay increases will be implemented in the current year.

The Group has weathered the initial impact of the pandemic. All divisions in the business have been impacted to varying degrees with Paper affected the most, TFP more resilient and Colourform continuing to grow. Markets are improving but it is too early to say whether the Group may be affected by further lockdowns. With this in mind, the Group has prepared projections and continues to protect liquidity. With this backdrop the Board has decided not to declare an interim dividend.

As reported in our trading update at the AGM, the Group has been developing restructuring plans for some time in order to drive growth and competitiveness. The impact of the pandemic has required us to accelerate the implementation of these plans, which affect our Paper and Group operations divisions. Most of the restructuring has now been completed and has impacted less than 10% of our employees.

Financial Performance

Revenue in the period was 36% lower than the prior comparative period at £34.0m (2019: £52.8m). Operating profit in the period was 86% lower than the prior period at £0.4m (2019: £2.6m). Provisions for exceptional costs relating to the restructuring plans are expected to be £1m. The net impact to the Group for the year is expected to be (£0.2m) with savings in future years of £2m p.a.

Statutory operating profit for the period was £0.4m after exceptional items for the restructuring costs and grant income from governmental authorities in the UK and USA. This compares to the prior year comparative of £2.6m. The Group had a loss before taxation of £16,000 compared to a profit of £2.0m in the prior year comparative period.

The business is in an 18-24 month recovery period. The Company has experienced a trading hit in the first half of 2020-2021 and expects cash generated to be down during the period of the pandemic until we return to more normal trading conditions. We have acted promptly to conserve cash and to implement immediate savings to shore up reserves, in order to continue to protect cash flows and liquidity, the Board has not declared an interim dividend. The Company presently has liquidity of over £14 million including cash and available overdraft facilities thanks to the cash management actions implemented. This is expected to be sufficient to weather further lockdowns, the return to more normal trading conditions and a re-instatement of investment plans to support future growth. Since the period

JAMES CROPPER PLC

ESTABLISHED 1845

end a £4m CLBIL has been secured which brings additional cash security should it be required as we face continued uncertainty due to Covid-19.

James Cropper Paper (“Paper”)

The Paper division has been adversely impacted by Covid-19 with revenues down by 45% compared to the comparable period last year, as a result of global lockdowns affecting demand for luxury packaging, education and event collateral. Whilst the division did not have to close completely at any time, a large number of employees were placed on furlough for some time over the period. The Group decided to accelerate restructuring plans during the period, the implementation of which is nearing completion. Whilst there is expected to be a small net cost during the current year, the restructuring will generate significant annual savings. Towards the end of the period positive signs of normality were experienced as markets opened up following the easing of lockdown rules globally.

Colourform™ (“Colourform”)

Revenues in the Colourform division grew by 17% in the period; however the rate of growth was impacted by Covid-19. In the period, the division’s leadership and growth plans were boosted by the appointment of Patrick Willink as Managing Director. Colourform has reduced production for short periods and placed some employees on furlough during the period.

Technical Fibre Products (“TFP”)

Revenues in the TFP division were down by 14% mainly from reduced demand within the aerospace market as a direct result of Covid-19. The drop in the aerospace sector was mitigated by good growth in the medical and green energy sectors, such as hydrogen fuel cells and wind. The division has utilised the furlough scheme for short periods.

Pension

The IAS19 valuations, for the two defined benefit schemes as at 26 September 2020, revealed a combined deficit of £18.3m, compared with £9.4m as at 28 March 2020. This change was driven primarily by a large fall in corporate bond yields and a rise in inflation expectations. After deferred taxation the net deficit stands at £14.8m.

Earnings per share and dividend

Basic and fully diluted earnings per share decreased to (0.2) pence, compared to 17.0 pence in the prior year comparative period.

In order to continue to protect cash flows and liquidity, the Board has not declared an interim dividend.

Outlook

Our immediate key priority is to maintain the safety and wellbeing of our employees and customers. Each division is seeing signs of recovery with sectors moving towards normality. The restructuring plans are nearing completion with a small net cost anticipated for the year but anticipated savings of £2m pa in future years. The restructuring has affected less than 10% of the workforce but will result in a leaner, stronger Group. Capital investment was suspended during the first half of the year and is planned to resume in the second half.

The Group has weathered a major challenge during the period. The actions of our employees to meet and overcome the challenge has been exceptional across the Group. I am proud of their actions and commitment as ever and would like to thank them all for their continued efforts to protect themselves, their fellow employees and the business as we plan to come out of this pandemic a stronger, fitter Group and continue our plans for growth.

Mark Cropper
Chairman

JAMES CROPPER PLC

ESTABLISHED 1845

UN-AUDITED CONSOLIDATED INCOME STATEMENT

	26 week period to 26 September 2020	26 week period to 28 September 2019	52 week period to 28 March 2020
	£'000	£'000	£'000
Revenue	34,004	52,782	104,667
Provision for impairment	-	-	(308)
Other income	25	32	486
Changes in inventories	(1,383)	205	(1,330)
Raw materials and consumables used	(10,416)	(20,391)	(38,200)
Energy costs	(1,034)	(2,152)	(4,539)
Employee benefit costs	(11,934)	(15,483)	(30,388)
Depreciation and amortisation	(2,158)	(1,911)	(3,950)
Other expenses	(6,752)	(10,538)	(19,869)
Operating profit	352	2,554	6,569
Interest payable and similar charges	(370)	(567)	(1,136)
Interest receivable and similar income	2	22	26
(Loss)/profit before taxation	(16)	2,009	5,459
Taxation	3	(382)	(630)
(Loss)/profit for the period	(13)	1,627	4,829
Earnings per share - basic and diluted	(0.2p)	17.0p	50.6p
UN-AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
(Loss)/profit for the period	(13)	1,627	4,829
<i>Items that are or may be reclassified to profit or loss</i>			
Foreign currency translation	(80)	96	181
Cash flow hedges – effective portion of changes in fair value	53	(32)	(295)
<i>Items that will never be reclassified to profit or loss</i>			
Retirement benefit liabilities – actuarial (loss)/ gain	(8,788)	352	13,057
Deferred tax on actuarial loss / (gain) on retirement benefit liabilities	1,670	(60)	(2,481)
Other comprehensive (expense) / income for the period	(7,145)	356	10,462
Total comprehensive (expense) / income for the period attributable to equity holders of the Company	(7,158)	1,983	15,291

JAMES CROPPER PLC

ESTABLISHED 1845

UN-AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	26 September 2020	28 September 2019	28 March 2020
	£'000	£'000	£'000
Assets			
Intangible assets	421	320	495
Property, plant and equipment	32,438	29,521	31,882
Right of use assets	3,468	4,016	4,907
Deferred tax assets	3,471	3,759	1,921
Total non-current assets	39,798	37,616	39,205
Inventories	13,550	16,875	13,956
Trade and other receivables	18,656	19,337	19,363
Provision for impairment	(536)	-	(530)
Cash and cash equivalents	11,064	435	8,964
Current tax assets	1,857	1,251	1,872
Total current assets	44,591	37,898	43,625
Total assets	84,389	75,514	82,830
Liabilities			
Trade and other payables	20,219	14,075	16,544
Other financial liabilities	222	12	275
Loans and borrowings	4,774	1,912	3,756
Total current liabilities	25,215	15,999	20,575
Long-term borrowings	11,510	13,846	16,263
Retirement benefit liabilities	18,262	22,110	9,382
Deferred tax liabilities	2,076	1,617	2,213
Total non-current liabilities	31,848	37,573	27,858
Total liabilities	57,063	53,572	48,433
Equity			
Share capital	2,389	2,389	2,389
Share premium	1,588	1,588	1,588
Translation reserve	504	499	584
Reserve for own shares	(1,251)	(1,251)	(1,251)
Retained earnings	24,096	18,717	31,087
Total shareholders' equity	27,326	21,942	34,397
Total equity and liabilities	84,389	75,514	82,830

JAMES CROPPER PLC

ESTABLISHED 1845

UN-AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	26 week period to 26 September 2020	26 week period to 28 September 2019	52 week period to 28 March 2020
	£'000	£'000	£'000
Cash flows from operating activities			
Net (loss) / profit	(13)	1,627	4,829
Adjustments for:			
Tax	(3)	382	630
Depreciation and amortisation	2,158	1,911	3,950
Net IAS 19 pension adjustments within Statement of comprehensive income	293	548	1,215
Past service pension deficit payments	(201)	(734)	(1,424)
Foreign exchange differences	112	(77)	(74)
Loss on disposal of property, plant and equipment	2	-	23
Net bank interest expense	249	269	566
Share based payments	87	188	(252)
Changes in working capital:			
Decrease / (increase) in inventories	386	(454)	2,475
Decrease in trade and other receivables	537	1,644	149
Increase / (decrease) in trade and other payables	3,663	(2,331)	1,719
Tax paid	-	(177)	(741)
Net cash generated from operating activities	7,270	2,796	13,065
Cash flows from investing activities			
Purchase of intangible assets	(29)	(34)	(190)
Purchases of property, plant and equipment	(1,338)	(3,250)	(9,005)
Net cash used in investing activities	(1,367)	(3,284)	(9,195)
Cash flows from financing activities			
Proceeds from issue of new loans	5,402	913	9,121
Repayment of borrowings	(9,066)	(1,222)	(4,789)
Interest received	2	22	26
Interest paid	(160)	(212)	(434)
Dividends paid to shareholders	-	(1,038)	(1,275)
Net cash (used) / generated in financing activities	(3,822)	(1,537)	2,649
Net increase / (decrease) in cash and cash equivalents	2,081	(2,025)	6,519
Effect of exchange rate fluctuations on cash held	19	108	93
Net increase / (decrease) in cash and cash equivalents	2,100	(1,917)	6,612
Cash and cash equivalents at the start of the period	8,964	2,352	2,352
Cash and cash equivalents at the end of the period	11,064	435	8,964
Cash and cash equivalents consists of:			
Cash at bank and in hand	11,064	435	8,964

JAMES CROPPER PLC

ESTABLISHED 1845

UN-AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Translation reserve	Own shares	Retained earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
At 28 March 2020	2,389	1,588	584	(1,251)	31,087	34,397
Comprehensive (expense) for the period	-	-	-	-	(13)	(13)
Total other comprehensive expense	-	-	(80)	-	(7,065)	(7,145)
Share based payment charge	-	-	-	-	87	87
Total contributions by and distributions to owners of the Group	-	-	-	-	87	87
At 26 September 2020	2,389	1,588	504	(1,251)	24,096	27,326
At 30 March 2019	2,389	1,588	403	(1,251)	18,147	21,276
Adjustment on initial application of IFRS 16	-	-	-	-	(467)	(467)
At 31 March 2019	2,389	1,588	403	(1,251)	17,680	20,809
Comprehensive income for the period	-	-	-	-	1,627	1,627
Total other comprehensive income	-	-	96	-	260	356
Dividends paid	-	-	-	-	(1,038)	(1,038)
Share based payment charge	-	-	-	-	188	188
Total contributions by and distributions to owners of the Group	-	-	-	-	(850)	(850)
At 28 September 2019	2,389	1,588	499	(1,251)	18,717	21,942

JAMES CROPPER PLC

ESTABLISHED 1845

NOTES TO THE CONDENSED CONSOLIDATED HALF YEAR STATEMENTS

1 BASIS OF PREPARATION

James Cropper Plc (the Company) is a public limited company incorporated and domiciled in the United Kingdom and listed on the Alternative Investment Market (AIM). The condensed consolidated half year financial statements of the Company for the twenty six weeks ended 26 September 2020, which have not been audited or reviewed, comprise the Company and its subsidiaries (together referred to as the Group).

Basis of preparation

The condensed consolidated financial statements for the 26 week periods ending 26 September 2020 and 28 September 2019 are unaudited and were approved by the Directors on 9 November 2020. They do not constitute statutory accounts as defined in s434 of the Companies Act 2006. The financial statements for the year ended 28 March 2020 were prepared in accordance with International Financial Reporting Standards (IFRS) and have been delivered to the Registrar of Companies. The report of the auditor on those financial statements was unqualified and did not draw attention to any matters by way of emphasis of matter. The Group's financial statements consolidate the financial statements of James cropper Plc and its subsidiaries.

Applicable standards

These unaudited consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union, under the historical cost convention. They have not been prepared in accordance with IAS 34, the application of which is not required to the interim financial statements of companies trading on the Alternative Investment Market (AIM companies). The interim financial statements have been prepared in accordance with the accounting policies applied in the preparation of the Group's published consolidated financial statements for the 52 week period ended 28 March 2020.

The consolidated financial statements of the Group for the 52 week period ended 28 March 2020 are available upon request from the Company's registered office Burneside Mills, Kendal, Cumbria, LA9 6PZ or at www.jamescropper.com.

The half year financial information is presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Going concern

The Directors, at the time of approving these interim statements, have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from this reporting date.

In light of the Covid-19 pandemic and subsequent uncertainty, the Group has undertaken a detailed review and taken appropriate mitigating actions to protect the business and liquidity.

A robust assessment modelling the most severe impact of the Covid-19 pandemic was carried out in April 2020 and the Company is trading significantly ahead of the most severe forecasts at both sales and profit level. The Group's quick response to Covid-19 has provided financial resilience during this particularly challenging period. Nonetheless the potential of demand decline resulting from Covid-19 establishes an ongoing risk to future financial performance. For the interim going concern review the Group has a base case forecast for the next 30 months to assess the latest position and potential associated ongoing impacts of Covid-19. A number of scenarios assess headroom against facilities and impacts on bank covenants, which showed adequate headroom and no covenant breaches. No revolving credit facilities are due for renewal within the next 12 months. On 27 October 2020, the Company secured a Coronavirus Large Business Interruption Loan ("CLBIL") for a three year duration under which the Group can draw up to £4m. The interim going concern review assumes that this facility remains undrawn.

JAMES CROPPER PLC

ESTABLISHED 1845

Following this review the Directors are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the condensed consolidated financial statements.

Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the 52 week period ended 28 March 2020.

During the period, some employees across the Group were placed on furlough under the Coronavirus Job Retention Scheme (“JRS”). In addition, in the USA, the subsidiaries of Technical Fibre Products took part in the Paycheck Protection Program (“PPP”). Income from the JRS Scheme and the PPP program of £2.8m has been recognised in the six months ended 26 September 2020. The grants have been recognised as income and matched with associated payroll costs over the same period. These grants have been treated as exceptional in the financial statements for the period ended 28 September 2020. This income has been treated as exceptional in the exceptional items note 8.

2 Accounting estimates and judgements

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the 52 week period ended 28 March 2020.

As mentioned in the trading update announcement at the AGM, the Group has accelerated the implementation of a restructuring plan. The plan is still ongoing with costs to date of £495,000. Included in the financial statements for the period ended 26 September 2020 are additional provisions for completion of the plan amounting to a further £562,000. The net impact at the year ended 26 March 2020 is expected to be around £183,000 and generate an annual saving of circa £2m per year. The costs to date and provisions to completion have been recognised in the employee benefits figure of the income statement. The costs have been treated as exceptional and included in the exceptional items note 8.

3 Risks and uncertainties

The principal risks and uncertainties which may have the largest impact on performance in the second half of the year are the same as disclosed in the 2020 Annual Report on pages 21-25. The principal risks set out in the 2020 Annual Report were:

Covid-19 pandemic risk; employee health & safety; energy price volatility; pulp price volatility and sustainability; exchange rate volatility; Brexit; pension and information security and cyber risk.

The Board considers that the principal risks and uncertainties set out in the 2020 annual report have not changed and remain relevant for the second half of the financial year.

4 Alternative performance measures

The Company uses alternative performance measures to allow users of the financial statements to gain a clearer understanding of the underlying performance of the business.

Profit before tax represents the Group’s overall performance and financial position, however it contains significant non-operational items relating to IAS 19 that the directors believe obscure an understanding of the key performance trend.

JAMES CROPPER PLC

ESTABLISHED 1845

Measures used to evaluate business performance are 'Adjusted operating profit' (operating profit excluding the impact of IAS 19 and exceptional items), and 'Adjusted profit before tax' (profit before tax excluding the impact of IAS 19 and exceptional items). The alternative performance measures are reconciled in note 9.

The adjustment, which we refer to in these accounts as the "IAS 19 impact" represents the difference between the pension charge as calculated under IAS 19 and the cash contributions for the current service cost only as determined by the latest triennial valuation. The Directors consider that the adjusted pension charge better reflects the actual pension costs for ongoing service compared to the IAS 19 charge. This adjustment is made internally when we assess performance and is also used in the EBITDA and EPS targets used in management incentive schemes.

5 Earnings per share

	Six months ended 26 September 2020	Six months ended 28 September 2019	Year ended 28 March 2020
Earnings per share - basic and diluted	(0.2p)	17.0p	50.6p
(Loss) / Profit for the financial period (£'000)	(16)	1,627	4,829
Weighted average number of shares – basic and diluted	9,554,803	9,554,803	9,554,803

6 Dividends

The group has weathered the initial storm of Covid-19. The Group operates in diverse sectors and in wide geographical markets, so whilst certain parts of the business have been impacted by Covid-19, other parts of the business have demonstrated greater resilience.

With this balance, and the likelihood of a slower recovery, the Board has not declared an interim dividend as it continues to protect the liquidity of the Group.

7 Retirement benefit obligations

Movements during the period in the Group's defined benefit pension schemes are set out below:

	26 week period ended 26 September 2020	26 week period ended 28 September 2019	52 week period ended 28 March 2020
	£'000	£'000	£'000
Obligation brought forward	(9,382)	(22,648)	(22,648)
Expense recognised in the income statement	(528)	(806)	(1,732)
Contributions paid to the schemes	437	992	1,941
Actuarial (losses) and gains recognised in Other Comprehensive Income	(8,788)	352	13,057
Obligation carried forward	(18,261)	(22,110)	(9,382)

JAMES CROPPER PLC

ESTABLISHED 1845

8 Exceptional items

	26 week period ended 26 September 2020	26 week period ended 28 September 2019	52 week period ended 28 March 2020
	£'000	£'000	£'000
Income from the JRS scheme	2,521	-	-
Income from the PPP program (USA)	258	-	-
Restructuring costs	(1,057)	-	-
Exceptional items	1,722	-	-

9 Alternative performance measures

	26 week period ended 26 September 2020	26 week period ended 28 September 2019	52 week period ended 28 March 2020
	£'000	£'000	£'000
Adjusted operating (loss) / profit	(1,196)	2,826	7,240
Net IAS 19 pension adjustments – current service costs	(174)	(272)	(671)
Grants received JRS scheme	2,521	-	-
PPP program (USA)	258	-	-
Restructuring costs	(1,057)	-	-
Operating profit	352	2,554	6,569

	26 week period ended 26 September 2020	26 week period ended 28 September 2019	52 week period ended 28 March 2020
	£'000	£'000	£'000
Adjusted (loss) / profit before tax	(1,445)	2,557	6,674
Net IAS 19 pension adjustments			
- current service costs	(409)	(531)	(1,188)
- future service contributions paid	235	258	517
- finance costs	(119)	(275)	(544)
Grants received – JRS scheme	2,521	-	-
PPP program (USA)	258	-	-
Restructuring costs	(1,057)	-	-
(Loss) / profit before tax	(16)	2,009	5,459

JAMES CROPPER PLC

ESTABLISHED 1845

10 Related parties

There have been no significant changes in the nature of related party transactions in the period ended 26 September 2020 from that disclosed in the 2020 annual report.

Statement of Directors' responsibilities

The Directors confirm that these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- (i) An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- (ii) Material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual report.

During the period since approval of the annual report for the 52 weeks ended 28 March 2020, Dave Watson resigned as a director on 1 August 2020.

The Directors of James Cropper Plc are detailed on our Group website www.jamescropper.com

Forward-looking statements

Sections of this half-yearly financial report may contain forward-looking statements with respect to the Group's plans and expectations relating to its future performance, results, strategic initiatives, objectives and financial position, including liquidity and capital resources. These forward-looking statements are not guarantees of future performance. By their very nature, all forward-looking statements involve risks and uncertainties because they relate to events that may or may not occur in the future and are or may be beyond the Group's control. Accordingly, the Group's actual results and financial condition may differ materially from those expressed or implied in any forward-looking statements. Forward-looking statements in this half-yearly financial report are current only as of the date on which such statements are made. The Group undertakes no obligation to update any forward-looking statements, save in respect of any requirement under applicable law or regulation. Nothing in this announcement shall be construed as a profit forecast.