# JAMES CROPPER PLC

ESTABLISHED 1845

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

**Half-year results to 25 September 2021**

| | Half-year to 25 September 2021 | **Half-year to 26 September 2020 | Full-year to 27 March 2021 |
|---|---|---|---|
| | £m | £m | £m |
| Revenue | 49.8 | 34.0 | 78.7 |
| Adjusted operating profit * | 2.5 | 1.6 | 4.5 |
| Operating profit | 2.3 | 0.4 | 2.4 |
| Adjusted profit before tax * | 2.3 | 1.3 | 4.0 |
| Impact of IAS 19 | (0.4) | (0.3) | (0.8) |
| Impact of exceptional items | 0.0 | (1.1) | (1.5) |
| Profit before tax | 1.9 | 0.0 | 1.7 |
| Earnings per share – basic and diluted | 16.2p | (0.2)p | 16.4p |
| Dividend per share declared | 2.5p | Nil | Nil |
| | | | |
| Net borrowings | (9.6) | (5.2) | (7.5) |
| Equity shareholders' funds | 32.3 | 27.3 | 29.9 |
| Gearing % - before IAS 19 deficit | 21% | 12% | 17% |
| Gearing % - after IAS 19 deficit | 30% | 19% | 25% |
| Capital expenditure | 2.9 | 1.4 | 3.1 |

* excludes the impact of IAS 19 and exceptional items (per note 8)
** Prior year to 26 Sept 20 restated to reflect £2.8m of grant income reclassified from exceptional items to other income

Highlights

- Group revenues up 47% on prior period comparative
- Growth above pre-pandemic levels in TFP and Colourform
- Adjusted PBT (excluding IAS 19 impact) at £2.3m, up 70% on prior period comparative
- EPS (diluted) at 16.2p compared to 16.4p for the year ended March 2021
- Reinstatement of interim dividend
- As at 25 Sept 2021, the Company has liquidity of over £15m including cash and overdraft facilities
- TFP new non-woven line adding 50% capacity now operational
- Capital investments for future growth have re-started and ramp-up in the second half
- New talent to join the Group Board during H2

Mark Cropper, Chairman, commented:
"The Group has experienced a 47% increase in revenues in the first half, returning to pre-pandemic levels, with both TFP and Colourform performing above this level, and Paper demonstrating a strong recovery. Plans are in place to establish an additional electrolyser line in the US as the hydrogen market surges and the 50% increase in TFP's non-woven lines is now operational. Paper sales are projected to be ahead of pre-pandemic levels by the start of 2022, with a strong demand for recycled fibre content and responsible sourcing. The Colourform™ business attracts brands seeking plastic-free sustainable packaging across the wines, spirits, beauty, and fragrance sectors."

"We are committed to being operationally carbon neutral by 2030 and to significantly reducing carbon through our entire supply chain by 2035. Building on strong foundations, the newly defined ESG committee is developing targets against all our ESG strategic intents. We invest significantly in people, innovation and capability will ensure that over the long term, the Group has the potential to sustain growth across all its businesses. In the nearer term, the full-year results are anticipated to show strong growth from the pandemic."


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

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| Summary of results | Half-year to 25 September 2021 £'000 | ** Half-year to 26 September 2020 £'000 | Full-year to 27 March 2021 £'000 |
|---|---|---|---|
| Revenue | 49,828 | 34,004 | 78,768 |
| Adjusted operating profit* | 2,474 | 1,583 | 4,510 |
| Operating profit | 2,310 | 352 | 2,445 |
| Adjusted profit before tax * | 2,263 | 1,334 | 4,023 |
| Impact of IAS19 | (350) | (293) | (802) |
| Exceptional items (note 8) | - | (1,057) | (1,502) |
| Profit / (loss) before tax | 1,913 | (16) | 1,719 |

* excludes the impact of IAS 19 and exceptional items (per note 8)
** prior-year reclassification of grant income from exceptional items to other income

| | Half-year to 25 September 2021 £'000 | ** Half-year to 26 September 2020 £'000 | Full-year to 27 March 2021 £'000 |
|---|---|---|---|
| **Revenue** | | | |
| Paper division | 34,143 | 20,856 | 51,376 |
| Colourform division | 1,731 | 1,414 | 2,822 |
| Technical Fibre Products division | 13,954 | 11,734 | 24,570 |
| | **49,828** | **34,004** | **78,768** |
| **Adjusted operating profit *** | **2,474** | **1,583** | **4,510** |
| Adjusted net interest | (211) | (249) | (487) |
| **Adjusted profit before tax *** | **2,263** | **1,334** | **4,023** |
| **IAS19 pension adjustments** | | | |
| Net current service charge against operating profits | (164) | (174) | (563) |
| Finance costs charged against interest | (186) | (119) | (239) |
| | **(350)** | **(293)** | **(802)** |
| Exceptional items (note 8) | **-** | **(1,057)** | **(1,502)** |
| **Profit / (loss) before tax** | **1,913** | **(16)** | **1,719** |

* excludes the impact of IAS 19 and exceptional items (per note 8)

| Balance sheet summary | Half-year to 25 September 2021 £'000 | Half-year to 26 September 2020 £'000 | Full-year to 27 March 2021 £'000 |
|---|---|---|---|
| Non-pension assets – excluding cash | 74,213 | 69,854 | 70,780 |
| Non-pension liabilities – excluding borrowings | (19,482) | (22,517) | (18,444) |
| | 54,731 | 47,337 | 52,336 |
| Net IAS19 pension deficit (after deferred tax) | (12,835) | (14,791) | (14.933) |
| | 41,896 | 32,546 | 37,403 |
| Net borrowings | (9,637) | (5,220) | (7,502) |
| Equity shareholders' funds | 32,259 | 27,326 | 29,901 |
| Gearing % - before IAS19 deficit | 21% | 12% | 17% |
| Gearing % - after IAS19 deficit | 30% | 19% | 25% |
| Capital expenditure | 2,877 | 1,367 | 3,127 |

Dear Shareholders

I am pleased to report that James Cropper PLC recorded a 47% increase in revenue for the first half, at £49.8m (2020: £34m) compared to the prior year comparative, with growth in all divisions. Adjusted profit before tax (excluding the impact of IAS 19) was £2.3m for the first half of the current financial year, compared to £1.3m in the prior comparative period. In the first half of the previous year £2.8m of government support from UK and US schemes for employment helped the Group to retain trained employees and protect liquidity during the demand shock from the pandemic; in the first half of this year, demand returns to pre-pandemic levels, and the Group is operating without such support. After the impact of IAS19, profit before tax is £1.9m, up from £nil in the prior comparative period.

In TFP, sales grew 19%, including recovery in the aerospace sector and strong growth continuing in renewable energy. Paper experienced 64% growth on prior-year sales, with luxury packaging, publishing, art and photography sectors returning to strength. Meanwhile, Colourform continues to win new contracts and experienced 22% growth in all markets.

**Technical Fibre Products ("TFP")**
Revenues in the TFP division were up by 19% across all market segments. Strong growth continues in the renewable energy sector, and demand in the aerospace sector is returning as aircraft build rates increase. Proton Exchange Membrane (PEM) water electrolyser sectors are growing, and TFP is investing in additional USA capacity to meet forthcoming demand.

**James Cropper Paper ("Paper")**
The Paper division, which Covid-19 adversely impacted, is seeing revenues up by 64% compared to last year's comparable period. Whilst the division does face a challenging inflationary environment, significant contracts gained in luxury packaging and price increases are strengthening the mix. Investment is underway to deliver additional capability to meet these contract wins and the increased demand coming on stream for materials with sustainable and recycled fibres delivered via circular economy projects.

**Colourform™ ("Colourform")**
Revenues in the Colourform division grew by 22% in the period, with contracts being fulfilled for the wines, spirits, and beauty and fragrance sectors. Significant international recognition was gained across the packaging industry with multiple sustainability awards won. As a result, Colourform's pipeline continues to grow with unique, pioneering projects for sustainable coloured packaging solutions.

**Pension**
Overall, the combined funding position on an IAS19 measure for the combined schemes has improved over the 6 month period from a deficit of £18.4 million to a deficit of £17.1 million. This improvement largely came about as a result of stronger asset performance relative to the discount rate at the end of the year, which was partially offset by a rise in inflation expectations.

**Earnings per share and dividend**
Basic and fully diluted earnings per share increased to 16.2 pence, compared to (0.2) pence in the prior year comparative period.

The Board has declared an interim dividend as trading conditions have improved and the outlook continues to be favourable. The Board declared an interim dividend of 2.5p per share (2020: nil).

**Group Board changes**
As per the announcement on 4 November, James Gravestock will join the Board on 15 November 2021 as an Executive Director and the Managing Director for TFP. As Group Managing Director with Hamla plc, James has demonstrated a career with strong results-driven business leadership roles. The appointment of James follows a prior announcement sharing that Martin Thompson, TFP MD, will be leaving the company after 18 years, following a handover period.

As per the announcement on 9 November 2021, the Group Board welcomes two additional Non-Executive Directors (NED), Martin Court and Sarah Miles. Whilst bringing further independence to the Group Board, both Martin and Sarah bring strong commercial experience, helping to support the group's growth plans. The Group Board also wishes to thank Andrew Hosty for his role as a NED during the last three years and his contribution. Andrew stepped down from the Board in November.

**Outlook**

The Group has experienced a 47% increase in revenues in the first half, returning to pre-pandemic levels, with both TFP and Colourform performing above this level and Paper demonstrating a strong recovery.

Adjusted PBT for the Group increased by 70%, with strong growth across all businesses. It is expected that the Group will continue to grow in the second half.

Plans are in place to establish an additional electrolyser line in the US as the hydrogen market expands and the 50% increase in TFP's non-woven lines is now operational. Paper sales are projected to be ahead of pre-pandemic levels by the start of 2022, with a strong demand for recycled fibre content and responsible sourcing. The Colourform™ business is attracting brands seeking plastic-free sustainable packaging across the wines, spirits, beauty, and fragrance sectors.

Through the second half, new talent will be joining the Group Board, including a successor for the TFP MD role and two additional Non-Executive Directors. These changes will continue to strengthen the capabilities of the Group Board.

We are committed to being operationally carbon neutral by 2030 and to significantly reducing carbon through our entire supply chain by 2035. Building on strong foundations, the newly defined ESG committee is developing targets against all our ESG strategic intents. We invest significantly in people, innovation and capability, and this will ensure that over the long term the Group has the potential to sustain growth across all its businesses. In the nearer term, the full-year results are anticipated to show strong growth from the pandemic.

Mark Cropper

Chairman

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## UN-AUDITED CONSOLIDATED INCOME STATEMENT

| | 26 week period to 25 September 2021 | 26 week period to 26 September 2020 | 52 week period to 27 March 2021 |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| Revenue | 49,828 | 34,004 | 78,768 |
| Provision for impairment | - | - | (431) |
| Other income | 590 | 2,804 | 3,036 |
| Changes in inventories | 1,772 | (1,383) | 598 |
| Raw materials and consumables used | (19,438) | (10,416) | (28,290) |
| Energy costs | (3,231) | (1,034) | (3,078) |
| Employee benefit costs | (15,088) | (14,713) | (28,417) |
| Depreciation and amortisation | (1,975) | (2,158) | (4,489) |
| Other expenses | (10,148) | (6,752) | (15,252) |
| Operating profit | 2,310 | 352 | 2,445 |
| Interest payable and similar charges | (415) | (370) | (730) |
| Interest receivable and similar income | 18 | 2 | 4 |
| **Profit /(loss) before taxation** | **1,913** | **(16)** | **1,719** |
| Taxation | (363) | 3 | (153) |
| **Profit / (loss) for the period** | **1,550** | **(13)** | **1,566** |
| Earnings per share - basic and diluted | 16.2p | (0.2)p | 16.4p |

## UN-AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME COMPREHENSIVE INCOME

| | | | |
|---|---|---|---|
| Profit / (loss) for the period | 1,550 | (13) | 1,566 |
| *Items that are or may be reclassified to profit or loss* | | | |
| Foreign currency translation | 1 | (80) | (80) |
| Cash flow hedges – effective portion of changes in fair value | 33 | 53 | 258 |
| Pulp hedge fair value adjustment | 154 | - | 501 |
| *Items that will never be reclassified to profit or loss* | | | |
| Retirement benefit liabilities – actuarial gain / (loss) | 955 | (8,788) | (8,750) |
| Deferred tax on actuarial (gain) / loss on retirement benefit liabilities | (239) | 1,670 | 1,663 |
| Other comprehensive income / (expense) for the period | 904 | (7,145) | (6,408) |
| **Total comprehensive income / (expense) for the period attributable to equity holders of the Company** | **2,454** | **(7,158)** | **(4,842)** |

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## UN-AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | 25 September 2021 | 26 September 2020 | 27 March 2021 |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| **Assets** | | | |
| Intangible assets | 1,935 | 421 | 1,946 |
| Goodwill | 1,264 | - | 1,264 |
| Property, plant and equipment | 31,584 | 32,438 | 30,696 |
| Right of use assets | 4,219 | 3,468 | 4,160 |
| Deferred tax assets | 4,279 | 3,471 | 3,729 |
| **Total non-current assets** | **43,281** | **39,798** | **41,795** |
| Inventories | 17,807 | 13,550 | 15,469 |
| Trade and other receivables | 17,536 | 18,656 | 16,053 |
| Provision for impairment | (901) | (536) | (961) |
| Other financial assets | 672 | - | 501 |
| Cash and cash equivalents | 7,357 | 11,064 | 6,765 |
| Current tax assets | 97 | 1,857 | 1,425 |
| **Total current assets** | **42,568** | **44,591** | **39,252** |
| **Total assets** | **85,849** | **84,389** | **81,047** |
| **Liabilities** | | | |
| Trade and other payables | 17,061 | 20,219 | 15,780 |
| Other financial liabilities | - | 222 | 16 |
| Loans and borrowings | 8,548 | 4,774 | 8,301 |
| **Total current liabilities** | **25,609** | **25,215** | **24,097** |
| Long-term borrowings | 8,446 | 11,510 | 5,966 |
| Retirement benefit liabilities | 17,114 | 18,262 | 18,436 |
| Contingent consideration on business acquisition | 401 | - | 401 |
| Deferred tax liabilities | 2,020 | 2,076 | 2,246 |
| **Total non-current liabilities** | **27,981** | **31,848** | **27,049** |
| **Total liabilities** | **53,590** | **57,063** | **51,146** |
| **Equity** | | | |
| Share capital | 2,389 | 2,389 | 2,389 |
| Share premium | 1,588 | 1,588 | 1,588 |
| Translation reserve | 505 | 504 | 504 |
| Hedging reserve | 655 | - | 501 |
| Reserve for own shares | (1,151) | (1,251) | (1,151) |
| Retained earnings | 28,273 | 24,096 | 26,070 |
| **Total shareholders' equity** | **32,259** | **27,326** | **29,901** |
| **Total equity and liabilities** | **85,849** | **84,389** | **81,047** |

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## UN-AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

| | 26 week period to 25 September 2021 | 26 week period to 26 September 2020 | 52 week period to 27 March 2021 |
|---|---|---|---|
| | £'000 | £'000 | £'000 |
| **Cash flows from operating activities** | | | |
| **Net profit / (loss)** | 1,550 | (13) | 1,566 |
| **Adjustments for:** | | | |
| Tax | 363 | (3) | 153 |
| Depreciation and amortisation | 1,975 | 2,158 | 4,489 |
| Transaction costs | - | - | 384 |
| Net IAS 19 pension adjustments within Statement of comprehensive income | 350 | 293 | 802 |
| Past service pension deficit payments | (717) | (201) | (498) |
| Foreign exchange differences | (1) | 112 | 783 |
| Loss on disposal of property, plant and equipment | - | 2 | - |
| Gains on early termination of rights of use assets | - | - | (19) |
| Net bank interest expense | 220 | 249 | 487 |
| Share based payments | (96) | 87 | 245 |
| **Changes in working capital:** | | | |
| (Increase) / decrease in inventories | (2,326) | 386 | (1,448) |
| (Increase) / decrease in trade and other receivables | (1,571) | 537 | 3,401 |
| Increase / (decrease) in trade and other payables | 1,274 | 3,663 | (2,406) |
| **Net cash generated from operating activities** | 1,021 | 7,270 | 7,939 |
| **Cash flows from investing activities** | | | |
| Purchase of intangible assets | (21) | (29) | (42) |
| Purchases of property, plant and equipment | (2,856) | (1,338) | (3,085) |
| Acquisition of business net of cash and cash equivalents | - | - | (1,359) |
| **Net cash used in investing activities** | (2,877) | (1,367) | (4,486) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of new loans | 3,321 | 5,402 | 6,390 |
| Repayment of borrowings | (324) | (9,066) | (10,313) |
| Repayment of lease liabilities | (419) | - | (818) |
| Interest received | 18 | 2 | 4 |
| Interest paid | (156) | (160) | (353) |
| Distribution of own shares | - | - | 100 |
| **Net cash generated / used in financing activities** | 2,440 | (3,822) | (4,990) |
| **Net increase / (decrease) in cash and cash equivalents** | 584 | 2,081 | (1,537) |
| Effect of exchange rate fluctuations on cash held | 8 | 19 | (662) |
| **Net increase / (decrease) in cash and cash equivalents** | 592 | 2,100 | (2,199) |
| Cash and cash equivalents at the start of the period | 6,765 | 8,964 | 8,964 |
| **Cash and cash equivalents at the end of the period** | 7,357 | 11,064 | 6,765 |
| **Cash and cash equivalents consists of:** | | | |
| Cash at bank and in hand | 7,357 | 11,064 | 6,765 |

## UN-AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Share capital | Share premium | Translation reserve | Own shares | Hedging Reserve | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| **At 27 March 2021** | **2,389** | **1,588** | **504** | **(1,151)** | **501** | **26,070** | **29,901** |
| Comprehensive income for the period | - | - | - | - | - | 1,550 | 1,550 |
| Total other comprehensive income | - | - | 1 | - | 154 | 749 | 904 |
| Share based payment charge | - | - | - | - | - | (96) | (96) |
| Total contributions by and distributions to owners of the Group | - | - | - | - | - | (96) | (96) |
| **At 25 September 2021** | **2,389** | **1,588** | **505** | **(1,151)** | **655** | **28,273** | **32,259** |
| **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** |

# 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 25 September 2021, 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 25 September 2021 and 26 September 2020 are unaudited and were approved by the Directors on 8 November 2021. They do not constitute statutory accounts as defined in s434 of the Companies Act 2006. The financial statements for the year ended 27 March 2021 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 27 March 2021.

The consolidated financial statements of the Group for the 52 week period ended 27 March 2021 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.

For the interim going concern review the Group has a 3 year plan against which a number of scenarios assess headroom against facilities and impacts on bank covenants, which showed adequate headroom and no covenant breaches. £7.8m of debt is due for renewal within the next 12 months, current availability of finance is good and the Group expects to be able to renew funding on favourable terms.

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 27 March 2021.

## 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 27 March 2021.

## 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 2021 Annual Report on pages 21-25. The principal risks set out in the 2021 Annual Report were:

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

The Board considers that all principal risks and uncertainties set out in the 2021 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.

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 25 September 2021 | Six months ended 26 September 2020 | Year ended 27 March 2021 |
|---|---|---|---|
| **Earnings per share** - basic and diluted | 16.2p | (0.2)p | 16.4p |
| **Profit / (loss) for the financial period (£'000)** | 1,550 | (16) | 1,566 |
| **Weighted average number of shares** – basic and diluted | 9,554,803 | 9,554,803 | 9,554,803 |

## 6 Dividends

The proposed interim dividend of 2.5p (2020: nil) per 25p ordinary share is payable on 14 January 2022 to those shareholders on the register of the Company at the close of business on 9 December 2021, with the last day for DRIP elections being 21 December 2021.

## 7 Retirement benefit obligations

| | 26 week period ended 25 September 2021 | 26 week period ended 26 September 2020 | 52 week period ended 27 March 2021 |
|---|---|---|---|
| | **£'000** | **£'000** | **£'000** |
| Obligation brought forward | (18,436) | (9,382) | (9,382) |
| Expense recognised in the income statement | (718) | (528) | (1,273) |
| Contributions paid to the schemes | 1,085 | 437 | 969 |
| Actuarial gains and (losses) recognised in Other Comprehensive Income | 955 | (8,789) | (8,750) |
| Obligation carried forward | (17,114) | (18,262) | (18,436) |

## 8 Exceptional items

| | 26 week period ended 25 September 2021 | 26 week period ended 26 September 2020 | 52 week period ended 27 March 2021 |
|---|---|---|---|
| | **£'000** | **£'000** | **£'000** |
| Restructuring costs | - | (1,057) | (1,118) |
| Transaction costs | - | - | (384) |
| **Exceptional items** | **-** | **(1,057)** | **(1,502)** |

## 9 Alternative performance measures

| | 26 week period ended 25 September 2021 | 26 week period ended 26 September 2020 | 52 week period ended 27 March 2021 |
|---|---|---|---|
| | **£'000** | **£'000** | **£'000** |
| Adjusted operating profit | 2,474 | 1,583 | 4,510 |
| Net IAS 19 pension adjustments – current service costs | (164) | (174) | (563) |
| Restructuring costs | - | (1,057) | (1,118) |
| Transaction costs | - | - | (384) |
| **Operating profit** | **2,310** | **352** | **2,445** |

| | 26 week period ended 25 September 2021 | 26 week period ended 26 September 2020 | 52 week period ended 27 March 2021 |
|---|---|---|---|
| | **£'000** | **£'000** | **£'000** |
| Adjusted profit before tax | 2,263 | 1,334 | 4,023 |
| Net IAS 19 pension adjustments | | | |
| - current service costs | (532) | (409) | (1,034) |
| - future service contributions paid | 368 | 235 | 471 |
| - finance costs | (186) | (119) | (239) |
| Restructuring costs | - | (1,057) | (1,118) |
| Transaction costs | - | - | (384) |
| **Profit / (loss) before tax** | **1,913** | **(16)** | **1,719** |

## 10 Related parties

There have been no significant changes in the nature of related party transactions in the period ended 25 September 2021 from that disclosed in the 2021 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.

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.