

JAMES CROPPER PLC

ESTABLISHED 1845

James Cropper plc ('CRPR', the 'Company' or the 'Group'), the leading advanced materials and paper products group is pleased to announce its

Half Year Results to 24 September 2022

"Decisive actions taken combined with the ongoing investments...has strengthened our long term growth prospects"

	Half-year to 24 September 2022	Half-year to 25 September 2021	Full-year to 26 March 2022
	£m	£m	£m
Revenue	61.6	50.0	104.9
Adjusted operating profit *	0.5	2.5	4.6
Operating (loss) / profit	(0.2)	2.3	3.7
Adjusted profit before tax *	(0.0)	2.3	4.0
Impact of IAS 19	(0.3)	(0.4)	(0.9)
Impact of exceptional items	(0.5)	0.0	(0.3)
(Loss) / profit before tax	(0.8)	1.9	2.8
(Loss) / earnings per share – basic and diluted	(9.2)p	16.2p	14.2p
Dividend per share declared	2.0p	2.5p	10.0p
Net borrowings	(12.2)	(9.6)	(12.6)
Equity shareholders' funds	34.3	32.3	34.8
Gearing % - before IAS 19 deficit	28%	21%	28%
Gearing % - after IAS 19 deficit	35%	30%	36%
Capital expenditure	2.4	2.9	6.8

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

Headlines

- Group revenues for the half year were up on the prior year (H1 2021) by 23%, driven by new customer wins and existing client growth
- Demand remains strong, with revenue growth across each of the three divisions
- Adjusted PBT (excluding IAS 19 impact and exceptional items) at £nil due to energy inflation and raw material price increases
- Exceptional cost provision of £0.5m for contingent consideration as TFP Hydrogen projections increase
- Cost of living payments totalling £0.7m paid to support employee health and wellbeing
- Interim Dividend declared at 2.0p per share (H1 2021: 2.5p)
- Expectations for FY23 have been reduced with an adjusted PBT of £2.0m against previous market expectations of £5.4m, as announced on 31 October 2022
- Capital investments in energy saving improvements to paper machines delivering 5-7% annualised reduction in site energy consumption
- Decarbonisation project investment moving to planning application phase
- Steve Adams appointed as Chief Executive Officer on 10 August 2022

JAMES CROPPER PLC

ESTABLISHED 1845

Summary of results	Half-year to 24 September 2022 £'000	Half-year to 25 September 2021 £'000	Full-year to 26 March 2022 £'000
Revenue	61,583	50,039	104,922
Adjusted operating profit*	453	2,474	4,585
Operating (loss) / profit	(213)	2,310	3,684
Adjusted (loss) / profit before tax *	(13)	2,263	4,045
Impact of IAS19	(304)	(350)	(914)
Exceptional items (note 8)	(540)	-	(354)
(Loss) / profit before tax	(857)	1,913	2,777

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

	Half-year to 24 September 2022 £'000	Half-year to 25 September 2021 £'000	Full-year to 26 March 2022 £'000
Revenue			
Paper division	42,046	34,143	70,350
Colourform division	2,105	1,942	3,363
Technical Fibre Products division	17,432	13,954	31,209
	61,583	50,039	104,922
Adjusted operating profit *	453	2,474	4,585
Adjusted net interest	(466)	(211)	(540)
Adjusted (loss) / profit before tax *	(13)	2,263	4,045
IAS19 pension adjustments			
Net current service charge against operating profits	(126)	(164)	(547)
Finance costs charged against interest	(178)	(186)	(367)
	(304)	(350)	(914)
Exceptional items (note 8)	(540)	-	(354)
(Loss) / profit before tax	(857)	1,913	2,777

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

Balance sheet summary	Half-year to 24 September 2022 £'000	Half-year to 25 September 2021 £'000	Full-year to 26 March 2022 £'000
Non-pension assets – excluding cash	85,113	74,213	81,846
Non-pension liabilities – excluding borrowings	(28,986)	(19,482)	(24,613)
	56,127	54,731	57,233
Net IAS19 pension deficit (after deferred tax)	(9,677)	(12,835)	(9,847)
	46,450	41,896	47,386
Net borrowings	(12,156)	(9,637)	(12,572)
Equity shareholders' funds	34,294	32,259	34,814

JAMES CROPPER PLC

ESTABLISHED 1845

Gearing % - before IAS19 deficit	28%	21%	28%
Gearing % - after IAS19 deficit	35%	30%	36%
Capital expenditure	2,360	2,877	6,761

Mark Cropper, Chairman, commented: "While short term profitability has been impacted, the decisive actions taken combined with the ongoing investments across the Group has strengthened our long term growth prospects and we fully expect to return to profitability in the next six months."

"This Company is built on a strong heritage of innovation and a relentless focus on quality, which places us in a very strong position as we evolve and create a sustainable future."

James Cropper Group - **Purpose:** *Pioneering Materials to Safeguard our Future* and **Values:** *Forward Thinking, Responsible and Caring.*

Enquiries:

Steve Adams, Chief Executive Officer
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 7601 6100

Media Enquires:

Anna Geffert, MD

HERA Communication Strategies

anna.geffert@heracomms.com / +44 (0) 7773 046 337

Dear Shareholders

The last six months have presented challenges, but I am pleased to report that we have responded well and Group revenues for the half year to 24 September 2022 have increased 23% on the prior year (H1 2021), with all three divisions seeing a rise in demand. The growing cost of energy (increasing 148% on the comparative period) and raw material inflationary headwinds (rising 20% on the comparative period) have resulted in sudden £multi-million cost increases across the Company, which have negatively impacted profits. As a result, the adjusted profit before tax (excluding exceptional costs and the impact of IAS 19) is £nil for the first half of the current financial year, compared to £2.3m in the prior comparative period.

The Group responded to the impact of these sudden rises with a combination of energy surcharges and price increases but energy prices again spiked, from late July and again in August, with the surcharges unable to keep pace. In the second half of the year, the Group has implemented aggressive pricing actions and, eased by the recently announced Government support on energy prices, the surcharges will remain in place until no longer necessary. Each operating division is projecting volume growth, order books are full and the Company is focused on a range of enabling actions to build a solid foundation for continued future growth and a return to profitability.

JAMES CROPPER PLC

ESTABLISHED 1845

Taking into consideration the current unprecedented macro-economic environment and the cost mitigation actions put in place, management expectations for the FY23 have been reduced with a year-end adjusted PBT of £2.0m against previous market expectations of adjusted PBT of £5.4m.

James Cropper Paper ("Paper")

The Paper division saw a 23% increase in revenue growth on the previous half year, with new contract wins in luxury packaging and strong customer advocacy with existing brands. As the Group's most energy intensive division, it has been hit the hardest by the current economic climate and in response the division is accelerating realignment of its customer and product portfolio, driving revenue to the more profitable core luxury packaging business. The embossing and varnishing capacity in the Paper division, which provides much needed additional capacity and capability to meet demand in the luxury packaging market, is now installed and commissioned. The swift implementation of customer price rises and increased energy and freight surcharges will mitigate the rising costs seen in the first half of the financial year.

Colourform™ ("Colourform")

Colourform continues to grow, with an 8% half year revenue increase on the comparative period. The business is 100% powered by green electricity and is continuing to disrupt the luxury Packaging sector with award winning innovative and sustainable outer packaging. The design credentials earn the highest recognition - Winners of The Dieline Awards and two D & AD awards - and as part of the strategy to deliver aesthetic beauty alongside functionality, the business is currently exploring significant improvements in design and product quality, as well as exploiting the existing synergies with the luxury packaging focus in the Paper division.

Technical Fibre Products ("TFP")

TFP continues to perform well, with record sales and revenue growth up 25% on the prior half year. TFP Hydrogen is performing ahead of expectations, with applications continuing to drive the highest growth rates. The US electrolyser coating capability is now operational, while the new non-woven coating line is already supplying Global customers.

The sector has not been immune to raw material and energy inflation, which continues to be a challenge, but this has been managed through passing price increases directly to customers. The implementation of a dual sourcing programme, which will increase supply chain resilience, is also progressing well with the majority of critical raw materials identified and tested.

ESG

The rising cost of energy has placed renewed importance on our net zero and decarbonisation programmes. I am pleased to report that energy saving investments on paper machines are already delivering between 5-7% annualised reduction in site energy consumption. The Company is also moving the decarbonisation project investment to planning application and grant funding is being sought to help accelerate implementation. We remain committed to being operationally carbon neutral by 2030.

Pension

Overall, the combined funding position on an IAS19 measure for the combined schemes has decreased over the six month period from a deficit of £13.1million to a deficit of £12.9 million. The decrease has been driven by significant increase in corporate bond yields offset by high inflation and an increase in commutation factors on the works scheme.

JAMES CROPPER PLC

ESTABLISHED 1845

Earnings per share and dividend

Basic and fully diluted (loss) / earnings per share decreased to (9.2) pence, compared to 16.2 pence in the prior year comparative period.

The Board has declared an interim dividend of 2.0p per share (2021: 2.5p).

Directorship Change

The appointment of Steve Adams as CEO, as announced on 10 August 2022, creates an opportunity for a division portfolio review, to ensure we deliver on our short and long term goals as we enter a new phase of growth. As an existing Executive Director of the Company and Managing Director of the James Cropper Paper Division, Steve joined the Company in 2017 and is perfectly positioned to oversee this work, which is already underway.

Change of Auditor

The Company is pleased to announce that, following a competitive tender process, it has appointed Grant Thornton UK LLP ("Grant Thornton") as auditor to the Company with immediate effect.

Grant Thornton replaces BDO LLP which has formally resigned as the Company's auditor and has confirmed to the Company that, in accordance with Section 519 of the Companies Act 2006, there are no circumstances in connection with its resignation which it considers need to be brought to the attention of the Company's members or creditors.

Grant Thornton will conduct the audit of the Company's financial statements for the 53 week period ending 1 April 2023 and a proposal to re-appoint Grant Thornton as auditors of the Company will be subject to the approval of shareholders at the next Annual General Meeting of the Company to be held in 2023.

Outlook

With the new electrolyser coating line in the US operational and the new non-woven coating line already servicing clients, TFP is poised for continued growth, as the energy crisis continues to fuel the hydrogen market expansion.

Paper sales remain strong and the outlook is positive, with the customer price increases and energy and freight surcharges mitigating the external cost environment. The embossing and varnishing capacity has been commissioned, supporting a portfolio realignment and driving revenues to the profitable core business of luxury, sustainable packaging. This focus provides a clear and natural synergy with Colourform and we are exploring how we can exploit and capitalise on those synergies, to promote continued future growth and resilience across the Group.

While short term profitability has been impacted, the decisive actions taken, combined with the ongoing investments across the Group, has strengthened our long term growth prospects and we fully expect to return to profitability in the next six months. This Company is built on a strong heritage of innovation and a relentless focus on quality, which places us in a very strong position as we evolve and create a sustainable future.

Mark Cropper
Chairman

Chief Executive's Review

JAMES CROPPER PLC

ESTABLISHED 1845

Our financial results for the period underline the strong customer demand and loyalty across each of the Company divisions, as we continue to navigate a challenging economic climate. The unprecedented inflation and energy costs have impacted overall profits in the short term, and while our long term growth and profitability remains very strong, this presents a natural opportunity to review each of the divisions and their operations.

Within the Paper division, as well as the significant price increases implemented to counter the impact of energy and raw materials costs increases, the division is right-sizing its product portfolio around a smaller, more profitable core, with luxury packaging at its centre. The division is also looking at a more productive operating model and a re-alignment of its supply chain organisation to drive end to end customer focus.

In Colourform there is now a concentrated effort on project pipeline acceleration in target segments and continued research and development into added-value capabilities such as novel embellishment techniques being scaled up.

TFP is building the organisational capability for future growth, with a continued strong focus on commercial and operational excellence. The hydrogen market continues to be a major area of growth and therefore focus, with new customer specifications gained in both GDL customers (non-woven) and electrolyser customers (coating). As a result of the future projections for TFP Hydrogen exceeding earlier expectations, additional provisions for contingent consideration have been included.

We aim to build on our foundation of pioneering new solutions, market-leading experience and expertise, long-term sustainable focus and a history of know-how and stewardship.

Our priorities for the mid-term are to increase our focus on new customer acquisition and drive disciplined, profitable growth. Delivering a step change in execution through investment in more capable systems and processes is key to improving response times to our customers.

The rejuvenation of our Technology & Innovation focus through our Innovation Forum is seeking to identify new growth opportunities that sit between our divisions and our pioneering efforts to decarbonise our operations are at the heart of our sustainability goals.

We are investing in our talent and leadership community to help us build modern business practices and ways of working that are efficient, flexible and responsive.

Most importantly, we will build on the strong heritage of James Cropper to position ourselves in a more meaningful way to our customers and the markets we serve.

I am pleased to have been appointed as the Chief Executive Officer at this exciting, but challenging time and remain committed to the work started by my predecessor, Phil Wild, to drive continued sustainable growth and build resilience within the Group.

Steve Adams
Chief Executive Officer

JAMES CROPPER PLC

ESTABLISHED 1845

UN-AUDITED CONSOLIDATED INCOME STATEMENT

	26 week period to 24 September 2022	26 week period to 25 September 2021	52 week period to 26 March 2022
	£'000	£'000	£'000
Revenue	61,583	50,039	104,922
Provision for impairment (loss) / reversal	(69)	-	184
Other income	770	379	744
Changes in inventories	1,975	1,772	385
Raw materials and consumables used	(23,359)	(19,438)	(39,577)
Energy costs	(8,031)	(3,231)	(7,428)
Employee benefit costs	(18,031)	(15,088)	(30,535)
Depreciation and amortisation	(2,090)	(1,975)	(4,051)
Other expenses	(12,961)	(10,148)	(20,960)
Operating (loss) / profit	(213)	2,310	3,684
Interest payable and similar charges	(644)	(415)	(924)
Interest receivable and similar income	-	18	17
(Loss) / profit before taxation	(857)	1,913	2,777
Taxation	(26)	(363)	(1,419)
(Loss) / profit for the period	(883)	1,550	1,358
(Loss) / earnings per share - basic and diluted	(9.2)p	16.2p	14.2p

UN-AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

COMPREHENSIVE INCOME			
(Loss) / profit for the period	(883)	1,550	1,358
<i>Items that are or may be reclassified to profit or loss</i>			
Foreign currency translation	440	1	49
hedges – effective portion of changes in fair value	680	33	10
Pulp hedge fair value adjustment	-	154	(501)
Foreign tax adjustment	-	-	(13)
<i>Items that will never be reclassified to profit or loss</i>			
Retirement benefit liabilities – actuarial (loss) / gain	(66)	955	4,777
Deferred tax on actuarial loss / (gain) on retirement benefit liabilities	17	(239)	(179)
Other comprehensive income for the period	1,071	904	4,143

JAMES CROPPER PLC

ESTABLISHED 1845

Total comprehensive income for the period attributable to equity holders of the Company	188	2,454	5,501
--	------------	--------------	--------------

UN-AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	24September 2022	25 September 2021	26 March 2022
	£'000	£'000	£'000
Assets			
Intangible assets	2,219	1,935	1,584
Goodwill	1,264	1,264	1,264
Property, plant and equipment	31,636	31,584	30,551
Right of use assets	7,528	4,219	7,358
Deferred tax assets	3,171	4,279	3,534
Total non-current assets	45,818	43,281	44,291
Inventories	19,638	17,807	17,593
Trade and other receivables	21,242	17,536	22,184
Provision for impairment	(846)	(901)	(777)
Other financial assets	1,653	672	-
Cash and cash equivalents	14,147	7,357	7,750
Current tax assets	833	97	1,838
Total current assets	56,667	42,568	48,588
Total assets	102,485	85,849	92,879
Liabilities			
Trade and other payables	24,864	17,061	20,936
Other financial liabilities	415	-	6
Loans and borrowings	1,697	8,548	1,595
Total current liabilities	26,976	25,609	22,537
Long-term borrowings	24,606	8,446	18,727
Retirement benefit liabilities	12,902	17,114	13,130
Contingent consideration on business acquisition	922	401	578
Deferred tax liabilities	2,785	2,020	3,093
Total non-current liabilities	41,215	27,981	35,528
Total liabilities	68,191	53,590	58,065
Equity			
Share capital	2,389	2,389	2,389
Share premium	1,588	1,588	1,588
Translation reserve	993	505	553
Hedging reserve	1,202	655	-
Reserve for own shares	(1,407)	(1,151)	(1,407)

JAMES CROPPER PLC

ESTABLISHED 1845

Retained earnings	29,529	28,273	31,691
Total shareholders' equity	34,294	32,259	34,814
Total equity and liabilities	102,485	85,849	92,879

UN-AUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	26 week period to 24 September 2022	26 week period to 25 September 2021	52 week period to 26 March 2022
	£'000	£'000	£'000
Cash flows from operating activities			
Net (loss) / profit	(883)	1,550	1,358
Adjustments for:			
Tax	26	363	1,419
Depreciation and amortisation	2,090	1,975	4,051
Net IAS 19 pension adjustments within Statement of comprehensive income	304	350	914
Past service pension deficit payments	(598)	(717)	(1,443)
Foreign exchange differences	(125)	(1)	-
Loss on disposal of property, plant and equipment	22	-	-
Net interest expense	464	220	909
Share based payments	-	(96)	(107)
Changes in working capital:			
(Increase) in inventories	(1,953)	(2,326)	(2,103)
Decrease / (increase) in trade and other receivables	1,517	(1,571)	(6,220)
Increase in trade and other payables	3,386	1,274	5,545
Tax received/ (paid)	1,057	-	(972)
Net cash generated from operating activities	5,307	1,021	3,351
Cash flows from investing activities			
Purchase of intangible assets	(86)	(21)	(56)
Purchases of property, plant and equipment	(2,274)	(2,856)	(6,705)
Net cash used in investing activities	(2,360)	(2,877)	(6,761)
Cash flows from financing activities			
Proceeds from issue of new loans	5,189	3,321	9,754
Repayment of borrowings	(123)	(324)	(3,123)
Repayment of lease liabilities	(674)	(419)	(1,170)
Interest received	1	18	17
Interest paid	(291)	(156)	(709)
Distribution of own shares	-	-	(256)
Dividends paid to shareholders	(708)	-	(236)
Net cash generated in financing activities	3,394	2,440	4,277
Net increase in cash and cash equivalents	6,341	584	867
Effect of exchange rate fluctuations on cash held	56	8	118
Net increase in cash and cash equivalents	6,397	592	985

JAMES CROPPER PLC

ESTABLISHED 1845

Cash and cash equivalents at the start of the period	7,750	6,765	6,765
Cash and cash equivalents at the end of the period	14,147	7,357	7,750
Cash and cash equivalents consists of:			
Cash at bank and in hand	14,147	7,357	7,750

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 26 March 2022	2,389	1,588	553	(1,407)	-	31,691	34,814
Comprehensive (expense) for the period	-	-	-	-	-	(883)	(883)
Total other comprehensive income	-	-	440	-	1,202	(571)	1,071
Dividends paid	-	-	-	-	-	(708)	(708)
Total contributions by and distributions to owners of the Group	-	-	-	-	-	(708)	(708)
At 24 September 2022	2,389	1,588	993	(1,407)	1,202	29,529	34,294
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 expense	-	-	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

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) market of the London Stock Exchange. The condensed consolidated half year financial statements of the Company for the twenty six weeks ended 24 September 2022, 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 24 September 2022 and 25 September 2021 are unaudited and were approved by the Directors on 14 November 2022. They do not constitute statutory accounts as defined in s434 of the Companies Act 2006. The financial statements for the year ended 26 March 2022 were prepared in accordance with UK adopted international accounting standards 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 accounting standards as adopted by the UK, 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 26 March 2022.

The consolidated financial statements of the Group for the 52 week period ended 26 March 2022 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.

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 26 March 2022.

JAMES CROPPER PLC

ESTABLISHED 1845

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 26 March 2022, including the estimated future projections for TFP Hydrogen Ltd resulting in higher contingent consideration provisions.

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 2022 Annual Report on pages 24-27. The principal risks set out in the 2022 Annual Report were:

Pandemic risk; fire; flood; energy price volatility; pulp price volatility and sustainability; water abstraction; net zero emissions; pension and information security and cyber risk.

The Board considers that all principal risks and uncertainties set out in the 2022 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 profit and earnings per share targets used in management incentive schemes.

5 Earnings per share

	Six months ended 24 September 2022	Six months ended 25 September 2021	Year ended 26 March 2022
(Loss) / earnings per share - basic and diluted	(9.2)p	16.2p	14.2p
(Loss) / profit for the financial period (£'000)	(883)	1,550	1,358
Weighted average number of shares - basic and diluted	9,554,803	9,554,803	9,554,803

JAMES CROPPER PLC

ESTABLISHED 1845

6 Dividends

The proposed interim dividend of 2.0p (2021: 2.5p) per 25p ordinary share is payable on 13 January 2023 to those shareholders on the register of the Company at the close of business on 9 December 2022, with the last day for Dividend Reinvestment Plan (DRIP) elections being 20 December 2022.

7 Retirement benefit obligations

	26 week period ended 24 September 2022	26 week period ended 25 September 2021	52 week period ended 26 March 2022
	£'000	£'000	£'000
Obligation brought forward	(13,130)	(18,436)	(18,436)
Expense recognised in the income statement	(568)	(718)	(1,570)
Contributions paid to the schemes	862	1,085	2,099
Actuarial (losses) and gains recognised in Other Comprehensive Income	(66)	955	4,777
Obligation carried forward	(12,902)	(17,114)	(13,130)

8 Exceptional items

	26 week period ended 24 September 2022	26 week period ended 25 September 2021	52 week period ended 26 March 2022
	£'000	£'000	£'000
Increased earn-out provisions	540	-	354
Exceptional items	540	-	354

Due to increases in future projections exceeding earlier projections estimated at 26 March 2022, additional provisions for contingent consideration are required.

9 Alternative performance measures

	26 week period ended 24 September 2022	26 week period ended 25 September 2021	52 week period ended 26 March 2022
	£'000	£'000	£'000
Adjusted operating profit	453	2,474	4,585
Net IAS 19 pension adjustments – current service costs	(126)	(164)	(547)
Increased earn-out provision	(540)	-	(354)
Operating (loss) / profit	(213)	2,310	3,684

JAMES CROPPER PLC

ESTABLISHED 1845

	26 week period ended 24 September 2022	26 week period ended 25 September 2021	52 week period ended 26 March 2022
	£'000	£'000	£'000
Adjusted (loss) / profit before tax	(13)	2,263	4,045
Net IAS 19 pension adjustments			
- current service costs	(390)	(532)	(1,203)
- future service contributions paid	264	368	656
- finance costs	(178)	(186)	(367)
Increased earn-out provision	(540)	-	(354)
(Loss) / profit before tax	(857)	1,913	2,777

10 Related parties

There have been no significant changes in the nature of related party transactions in the period ended 24 September 2022 from that disclosed in the 2022 annual report.

Statement of Directors' responsibilities

The Directors confirm that these condensed consolidated interim financial statements have not been prepared in accordance with IAS 34 as adopted by the UK 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.