JAMES CROPPER PLC

ESTABLISHED 1845

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

Preliminary results for the 52 weeks ended 27 March 2021

	52 weeks ended 27 March 2021	52 weeks ended 28 March 2020
	£'m	£'m
Revenue	**78.8**	104.7
Adjusted operating profit (excluding IAS19 and exceptional items)	**4.5**	7.3
Operating profit	**2.4**	6.6
Adjusted profit before tax (excluding IAS19 and exceptional items)	**4.0**	6.7
Impact of IAS19 on income statement	**(0.8)**	(1.2)
Exceptional items	**(1.5)**	-
Profit before tax	**1.7**	5.5
Earnings per share – basic and diluted	**16.4p**	50.6p
Dividend per share declared	**nil**	2.5p
Net borrowings	**(7.5)**	(11.1)
Net borrowings (excluding right-of-use leases)	**(3.7)**	(6.7)
Equity shareholders' funds	**29.9**	34.4
Gearing % - before IAS 19 deficit	**17%**	26%
Gearing % - after IAS 19 deficit	**25%**	32%
Capital expenditure	**3.1**	9.2

Highlights

- Primary focus on employee health during the pandemic.
- Demand reduced by 25% across the Group, with the paper division affected most.
- Organisation restructure aligned to support growth and reduce costs by £2m p.a.
- Colourform revenues up 9% at £2.6m.
- £2.9m of government support in UK and USA received in the period.
- Brexit successfully managed with no lasting material impact on the Group.
- Acquisition of PV3 Technologies in January to accelerate penetration of hydrogen market.
- At 27 March 2021, the Company has liquidity of over £11m including cash and available overdraft facilities.
- All investments restarted in the new financial year to support growth.
- No final dividend proposed as part of cash preservation exercise against the impact of Covid-19.

Mark Cropper, Chairman, commented:
"I am pleased to report that in the event the year has passed as well as we might have hoped. We have managed to keep operating throughout and most importantly our workforce has stayed safe."

"That we find ourselves in this position speaks volumes for the unprecedented commitment of everyone across the Group."

"Our mantra since the earliest days of the Covid crisis has been to "emerge stronger." This time last year it was far from a foregone conclusion that we would."

"I can now say with some confidence that we have every chance to do so, even while the pandemic and its aftershocks are far from over."

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The Annual General Meeting of the Company will be held at 11.00am on Wednesday 28 July 2021 at the premises of TFP, Burneside Mills, Kendal, Cumbria, subject to Covid – secure guidelines.

Summary of results	52 weeks ended 27 March 2021 £'000	52 weeks ended 28 March 2020 £'000
Revenue	78,768	104,667
Adjusted operating profit (excluding IAS19 and exceptional items)	4,510	7,240
Adjusted profit before tax (excluding IAS19 and exceptional items)	4,023	6,674
Impact of IAS 19	(802)	(1,215)
Exceptional items	(1,502)	-
Profit before tax	1,719	5,459

	52 weeks ended 27 March 2021 £'000	52 weeks ended 28 March 2020 £'000
Revenue		
James Cropper Paper	51,376	75,545
James Cropper 3D Products	2,822	2,586
Technical Fibre Products	24,570	26,536
	78,768	104,667
Adjusted operating profit (excluding IAS19 and exceptional items)	**4,510**	7,240
Net interest (excluding IAS19 impact)	(487)	(566)
Adjusted profit before tax (excluding IAS19 and exceptional items)	**4,023**	6,674
IAS19 pension adjustments		
Net current service charge against operating profits	(563)	(671)
Finance costs charged against interest	(239)	(544)
	(802)	(1,215)
Exceptional items		
Restructuring costs	(1,118)	-
Transaction costs on acquisition of a business	(384)	-
	(1,502)	-
Profit before tax	**1,719**	5,459

The IAS 19 pension adjustments are explained in detail in the Financial Review section of the Annual Report. The total amount excluded from the IAS pension Charge is £802k (2020: £1,215k). 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

The IAS 19 pension adjustment to the income statement of £802k (2020: £1,215k) comprises:

	Period ended 27 March 2021	Period ended 28 March 2020
	£'000	£'000
Current service charge	1,034	1,188
Normal contributions	(471)	(517)
Interest charge	239	544
IAS 19 pension adjustment	**802**	1,215

Balance sheet summary

	As at 27 March 2021	As at 28 March 2020
	£'000	£'000
Non-pension assets – excluding cash	70,780	72,084
Non-pension liabilities – excluding borrowings	(18,444)	(19,032)
	52,336	53,052
Net IAS19 pension deficit (after deferred tax)	(14,933)	(7,600)
	37,403	45,452
Net borrowings	(7,502)	(11,055)
Equity shareholders' funds	29,901	34,397
Gearing % - before IAS19 deficit	17%	26%
Gearing % - after IAS19 deficit	25%	32%
Capital expenditure	3,127	9,195

Chairman's Letter

Dear Shareholders

As I wrote this letter last year, the pandemic was already upon us. The outlook was very uncertain but nothing was being left to chance. We had already implemented an eye-watering list of adaptations in the first few weeks of lockdown, with much more being planned to bring forward thereafter.

I am pleased to report that in the event the year has passed as well as we might have hoped. We have managed to keep operating throughout and most importantly our workforce has stayed safe. While we have had positive Covid cases, transmission has been controlled and no severe illness has resulted.

In financial terms, we have been able to report a profit before tax of £1.7m for the year. This was down by 69% versus the prior period while Group turnover fell by 25%, split between Paper (-32%), TFP (-7%), and Colourform (+9%). The results are on the positive side of breakeven thanks to the critical role government employment assistance schemes in the UK and the US played in supporting the Group. This totalled £2.9m and played a critical role helping the Group retain employees.

The accounts also record £1.1m of exceptional costs relating to a restructuring programme brought forward as a result of the pandemic. This largely related to a strategic change moving us away from a matrix structure and closer to vertically integrated businesses with each Division having greater autonomy over its vision and growth. The changes were predominantly in Paper and central Group functions. The decision to move ahead with this was not taken lightly, but it was essential to restructure in order to secure a future for the Group. As it happened more than 90% of those leaving chose voluntary redundancy. Many had worked for James Cropper for decades and the number included our COO Dave Watson, who played a critical role in the transformation of the Group since joining us in 2014. I wish to thank everyone who left for everything they have contributed over many years and their goodwill and support for a process that is never easy.

This time last year I not only expressed concern about the impact of Covid but many other factors, not least Brexit. Thankfully this has passed without undue interruption or adverse effect, even while the transition was a real rollercoaster ride. This is truly a credit to all the teams that managed the situation. Not surprisingly the workload was considerable, further increased by our commitment to help our customers manage the process.

Another concern at the time of writing last year was whether we could grow our way out of the current crisis in a way that respects the environment, people and communities. This is a huge topic that does not invite easy or quick solutions. However, we have begun to map several ways forwards that will allow us to make material improvements in the coming years.

First, we held a series of workshops over the summer of 2020 to debate and agree the Group's purpose and values. This was a highlight of the year for me. It is easy to be cynical about such words and certainly purpose statements are a new fashion, but truthfully we are a purposeful and values driven company and the outputs truly came from the heart of the company – specifically a huge cross-section of our employees from every level, function and geography. It was the first time we have run such an exercise in this way, and the outputs were as rich as they were clear and simple. We now have three core values – to be forward-thinking, caring and responsible – that truly speak for the ethos of the Group, as does the purpose defined: to be makers of pioneering materials to safeguard our future. There is already a close fit between these and much of what we do, but there is also much work required to truly live by them.

In terms of next steps, this is being ably overseen by a newly convened ESG sub-committee of the board, as well as other strategies that continue to gather pace, not least a programme to deliver significant decarbonisation by 2030 and Paper's ambition to use 50% waste fibre by 2025. Our growth and product development strategies are also ever more aligned with helping our customers and consumers reduce environmental impact, whether via greener papers and packaging or the advanced materials TFP has developed for a wide range of renewable energies.

In particular, TFP is fast forging itself a position in the emerging green hydrogen industry (a field receiving much press of late), both as makers of fuel cell and hydrogen electrolyser components. The latter was significantly enhanced by the acquisition of electrochemical pioneer PV3 Technologies in January 2021 and the formation of a dedicated business TFP Hydrogen to focus on this area. I am especially excited by the transaction as it begins to move the Group beyond materials into electrochemistry with all kinds of potential for further innovation and growth.

Dividend

It will be no surprise to learn that no interim dividend has been paid in the year and no final dividend is proposed. The Board will consider reinstating a dividend as finances and other limitations permit.

Outlook

Looking forwards, the potential we have across multiple products and markets is huge, as is the potential for us to do better within. The challenge now is to ensure that we understand how we realise this and what is missing along the way. Crucially, we are able to recommence capital investments put on hold last year. TFP's fourth production line will shortly be commissioned and Paper's wholesale upgrade to its finishing capabilities is back on track.

That we find ourselves in this position speaks volumes for the unprecedented commitment of everyone across the Group. I can't speak for other companies or institutions but the strength of character and positive outlook here has been beyond compare. We have never looked downwards or inwards even if we have been stuck behind our screens far too much. The work has been relentless, made all the more intensive by social distancing and the need for constant adaptation. Once again I offer my sincerest thanks and gratitude to all and everyone associated with our business.

Our mantra since the earliest days of the Covid crisis has been to "emerge stronger". This time last year it was far from a foregone conclusion that we could. However, I can now say with some confidence that we have every chance to do so, even while the pandemic and its aftershocks are far from over.

Mark Cropper
Chairman
21 June 2021

Chief Executive's Review

Having dealt with the challenges from the pandemic, I am pleased to report our results for the period. The immediate actions taken by the Board and our employees enabled the company to continue to trade in a Covid-secure environment throughout the period leaving us in a strong position to continue to accelerate our growth plans.

Our priorities throughout the pandemic have been foremost with the health and wellbeing of our employees. Additionally, our focus has been on supporting our customers, managing costs, preserving cash, and latterly accelerating our growth plans, with our aim to emerge from the pandemic as a stronger company. The company responded swiftly, with the Executive directors forming a crisis team initially meeting daily and latterly weekly to provide direct leadership on all aspects. Sub teams were tasked to provide frequent risk assessments and implement preventative measures way beyond mandatory requirements to reduce the risk of infection, providing a Covid-secure workplace. In addition, weekly communication to all global employees provided updates on cases, protective measures, and each business.

The impact on customer demand was seen across the group, with Paper being the most significantly impacted. Overall, the company saw a 25% reduction in demand, with Paper being impacted by a 32% reduction across the portfolio, and TFP a reduction of 7% driven mainly from the aerospace market. However, many markets in TFP were unaffected, and some, including hydrogen, continued to grow. In addition, Colourform continued to grow, despite a lower growth rate due to the impact from the Pandemic.

The most significant impact was experienced within the first half of the year, with a steady improvement through the second half. With the continuation of robust business development throughout, continued innovation and investments restarted, I am optimistic the company is exceptionally well placed to emerge stronger and accelerate growth in each business.

Revenue and operating profit

The financial impact of the pandemic on the business shows a 25% fall in revenues and a fall of 69% in profit before tax. As a consequence, earnings per share have fallen 68% to 16.4p per share (2020: 50.6p per share).

Group revenue for the financial period was £78.8m, down 25% on the prior period. Revenue for the Paper division fell by 32% in the period to £51.4m generating a small profit, prior to exceptional costs, of £0.4m compared to an operating profit of £3.4m in the prior period. Revenue for the TFP division fell by 7% in the period to £24.6m generating an operating profit of £6.9m, prior to exceptional costs, compared to £7.8m in the prior period. Revenue for Colourform grew by 9% in the period to £2.8m, generating an operating loss of £1.4m, prior to exceptional costs, compared to an operating loss of £1.4m in the prior period.

Capital Expenditure

Capital investments during the period were generally suspended for most of the year, including the extension to the TFP building and the additional line. Expenditure in the period amounted to £3.1m compared to £9.2m in the prior period.

Group Strategy

Our group philosophy is to provide each business with the flexibility and autonomy to maximise its potential.
Across the group, all businesses and functions share a common purpose and values. However, the structure of the group has moved from a matrix to vertically integrated businesses.
Each business owns its own individual vision and strategic growth plan, which are supported by the group's functions.

- Paper is focused on developing its portfolio to deliver margin improvement. Target markets include luxury packaging, art, design and print.
- TFP are driving sales growth in niche markets and building capacity and capability, including the recently acquired acquisition. Target markets include hydrogen fuel cells, hydrogen production (PEM), wind energy and aerospace.
- Colourform is accelerating new projects to return rapid sales growth in sustainable packaging. Target markets include packaging for beauty, perfumes and high value wine & spirits.

The approach for each business to act independently sharpens the target market focus and aligns the organisational, operational, and technical needs for each.

Each business operates a divisional board, whose primary role is to set the mid-term strategy (circa five years) to deploy and achieve.

Investment for growth

Following a pause during the pandemic, all investment plans were restarted by the start of the new financial year. In TFP, the additional production line to create 50% increased capacity will be operational by summer 2021 and ready to support our forward growth plans. TFP will generate additional growth through the acquisition of PV3 technologies, now known as TFP Hydrogen. Paper is creating an increased capability to provide enhanced finishing such as embossing and coatings, supporting the development of a more technically advanced and higher-margin portfolio. Colourform is focused on both capacity and capability increase to deliver further customer offerings for sustainable packaging.

Innovation for growth

Innovation sits at the heart of the company, with around 100 employees directly involved with innovation programmes. Despite the headwinds from the Pandemic, the company has continued to drive innovation across the group.

Our dedicated technology & innovation team operate independently to the businesses to deliver step-change. Key activities include decarbonisation, water usage reduction and reuse, and engagement with key universities and institutions developing processes for upcycling waste materials. Within the businesses, new products and technologies have been launched. PaperGuard was launched earlier in the year and is proven to be effective at reducing the presence of Covid-19 on the surface of Paper by 99.9%.

New plating technologies have been launched to provide more efficient and greater durability for the production of hydrogen through PEM water hydrolysis.

Disruptive sustainable packaging has been launched with customers such as the Champagne house Ruinart, providing packaging nine times lighter and 60% reduced carbon footprint compared to its previous traditional packaging with zero plastic and 100% recyclable.

People & Organisation

The last year has seen some significant development in our approach to our organisation.

Employees across each business and geography came together to explore and define our Purpose and Values. Through a series of highly engaged online workshops representing over 10% of all employees helped to develop our Purpose; **"Pioneering Materials to Safeguard our Future"** and our values: **"Forward-thinking"**, **"Responsible"**, and **"Caring"**. It is with these that will further shape our decision making for future business, our accountabilities, and our people.

The Company has traditionally taken great care to look after its people, to safeguard the environment in which it operates, to act responsibly and to develop sustainable manufacturing practices, and so it is deeply encouraging to have these Values: **"Forward-thinking", "Responsible", and "Caring"** affirmed. This year we formally established an Environmental, Social and Governance (ESG) committee to provide Board oversight of Group ESG priorities and to monitor overall performance. Our priorities and some of the early work of the ESG committee is described in this year's Annual Report.

We undertook an exercise to restructure the organisation to support accelerated growth and remove cost and complexity during the year. Costs within the Paper business have been reduced by £2m, whilst new opportunities have been created to support the delivery of our growth plans.

The overall group structure has moved from a matrix organisation to three vertically integrated businesses. This has removed some complexity within the group and provides increased autonomy and responsibility for each business.

Additionally, throughout the year, we have recognised outstanding achievements from our employees through our Pride Awards. I was delighted to see 32 of our employees were presented a Pride Award within the year.

Supporting early careers is a key priority for the company through apprenticeships and graduate recruitment as we build future talent. The company currently support 24 apprentices across a range of disciplines, and 4 new technical graduates have joined the company in the last year.

Despite the challenges of the pandemic and the difficult actions the Company has had to take this year, it is rewarding to see how far we have come in organizational development, setting this Group up for a stronger and more prosperous future.

Phil Wild
Chief Executive Officer
21 June 2021

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From the Chief Financial Officer's Review:

Cash flow

In the period the Group's net cash outflow was £2,199k (2020: inflow £6,612k), the weaker pandemic driven performance in the year initiating a cash outflow which was alleviated with the assistance from government support schemes and other arrangements with stakeholders, all of which prevented a much more damaging position. In the early months of the pandemic we 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, the pension scheme trustee, government agencies and the banks. Government support is explained under Other Income. Past service deficit payments of £498k were made in agreement with the trustee as part of the cash safeguarding measures, payments restart at £1,300k in accordance with the schedule from April 2021.

Capital investment in the period was £3,127k (2020: £9,195k). Investments are driven by the requirement to enable growth, largely in the form of generating revenue by increasing capacity, improving capability or generating cost savings. Other expenditure supports resilience, safety and workplace improvements. Investments immediately at the start of the year were curtailed or deferred to safeguard cash. This included the build of an additional nonwoven production line in TFP, this work recommenced in January 2021 and will be completed in the 3rd calendar quarter of this year delivering an additional 50% capacity in TFP to support future growth. An acquisition was made in TFP Hydrogen Limited with a small upfront cost for 100% ownership and an earn out payable in the future subject to performance, this allows TFP to accelerate its position into the rapidly growing hydrogen market, providing significant growth potential and helping to further build our future.

The closing cash position for the Group is £6,765k (2020: £8,964k)

Funding and facilities

The Group funds its operations and investments from operating cash flow and from borrowings and leases. The Group has 2 revolving credit facilities secured with a high street bank of which one is a Coronavirus Large Business Interruption Loan (CLBIL) facility. Revolving credit facilities provide the Group with optional draw down at short notice, repayment flexibility, reduced margins and facilities on an unsecured basis. Total revolving credit facilities amount to £9,000k of which £1,808k is drawn down at the period end. The CLBIL is a £4,000k facility of which £3,900k is unutilised and it was secured in October 2020 to bring additional cash protection should it be required in the face of continued uncertainty.

Cash and cash equivalents decreased from £8,964k to £6,765k in the year whilst long term borrowings (falling due after more than a year) decreased by £10,297k to £5,966k. The Group has one large, short term debt maturity on the horizon of $6m which is expected to be renewed in Dec 2021. The expiry profile of existing borrowings is detailed in note 19.3 to the financial statements. The group is in compliance with all its banking covenants at the period end.

Undrawn facilities comprise of unused overdraft facilities of £3,600k plus the total unused credit facilities of £7,660k, this means a total of £11,260k remains unutilised at the year-end date.

Having taken account of current borrowings to be paid within 12 months of the balance sheet date the Group has £9,724k available to the Group beyond 12 months. Within 12 months from the date of signing the financial statements, two ongoing facilities ($6m and £5m) are due for renewal (Dec 2021 and May 2022) and, based on discussions with the bank, the directors expect these to be renewed.

Funding		2021 £'000	2020 £'000	Change £'000
Borrowings: repayable within one year		8,301	3,756	4,525
Borrowings: non-current		5,966	16,263	(10,297)
Facilities drawn down		14,267	20,019	(5,752)
Undrawn facilities		11,260	5,367	5,893
	Facilities	25,527	25,386	141
Cash and cash equivalents		6,765	8,964	(2,199)

Undrawn facilities	11,260	5,367	5,893
Funds available at year end	18,025	14,331	3,694
Borrowings: repayable within one year	(8,301)	(3,756)	(4,545)
Funds available in excess of one year	9,724	10,575	(851)

Net debt

During the period net debt decreased by £3,553k to £7,502k. The Group has adopted IFRS 16 and incorporates £3,771k (2020: £4,328k) of right-of-use leases in its 2021 borrowings figure.

The Groups banking arrangements monitor net debt excluding right-of-use leases (Rou). On this basis net debt is reduced to £3,731k from £6,727k in the previous year, a reduction of £2,996k.

Net Debt before RoU leases	2021 £'000	2020 £'000
Cash and cash equivalents	6,765	8,964
All Borrowings excluding RoU leases	(10,496)	(15,691)
Net debt on an equivalent comparison basis	(3,731)	(6,727)

Going concern

The Directors carry out a review of the Group's financial position for the three years to March 2024, providing a comprehensive review of revenue, expenditure and cash flows taking into account specific business risks, requirements and latest economic forecasts. These inform the Group's cash and debt requirements.

The Group's financial position, cash flows, liquidity and borrowing facilities are described in the financial statements and also clarified in this section of the annual report. At 27 March 2021 James Cropper had £7,660k of undrawn committed facilities and an un-utilised overdraft facility of £3,600k. The principal loan arrangements and maturity dates are described in note 19.3 of the financial statements. Taking into account current borrowings to be paid within 12 months of the balance sheet date the Group has £9,724k available to the Group beyond 12 months. . Within 12 months from the date of signing the financial statements, two ongoing facilities ($6m and £5m) are due for renewal (Dec 2021 and May 2022) and, based on discussions with the bank, the directors expect these to be renewed.

The Group's three year plan has been tested for plausible downsides scenarios including further expected effects of the pandemic, hampered market growth, increasing carbon cost and commodity prices. In the event that a scenario partly or fully takes place the Group has various options available to maintain liquidity and continue operations. We have assessed the combined impact of these scenarios on the Group's key financial metrics of EBITDA, net debt and net debt to underlying EBITDA. The Group remains within its key financial covenant which is its net debt to underlying EBITDA ratio must not exceed 3.5 times. The break-even calculation indicates that EBITDA would need to fall 85% compared to the three year plan before triggering the covenant. The Board is satisfied that the Group will be able to respond to such scenarios through various means which may include a reduced or deferred capital expenditure programme to ensure that the Group continues to meet its ongoing obligations.

The Board is satisfied that the Group will have sufficient liquidity to meet its needs over the planning horizon. The directors have a reasonable expectation that the Group remains viable over the planning horizon.

The Board is satisfied it has sufficient cash resources to meet its obligations as they fall due throughout this duration and the Board has a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for at least 12 months from the date of signing the financial statements.

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CONSOLIDATED INCOME STATEMENT

	52 week period to 27 March 2021	52 week period to 28 March 2020
	£'000	£'000
Revenue	78,768	104,667
Provision for impairment	(431)	(308)
Other income	3,036	486
Changes in inventories of finished goods and work in progress	598	(1,330)
Raw materials and consumables used	(28,290)	(38,200)
Energy costs	(3,078)	(4,539)
Employee benefit costs	(28,417)	(30,388)
Depreciation and amortisation	(4,489)	(3,950)
Other expenses	(15,252)	(19,869)
Operating Profit	**2,445**	6,569
Interest payable and similar charges	(730)	(1,136)
Interest receivable and similar income	4	26
Profit before taxation	**1,719**	5,459
Taxation	(153)	(630)
Profit for the period	**1,566**	4,829
Earnings per share – basic and diluted	16.4p	50.6p

OTHER COMPREHENSIVE INCOME

Profit for the period	**1,566**	4,829
Items that are or may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(80)	181
Pulp hedge fair value adjustment	501	-
Cash flow hedges – effective portion of changes in fair value	258	(295)
Items that will never be reclassified to profit or loss		
Retirement benefit liabilities – actuarial (losses)/gains	(8,750)	13,057
Deferred tax on actuarial losses/(gains) on retirement benefit liabilities	1,663	(2,481)
Other comprehensive (expense)/income for the period	(6,408)	10,462
Total comprehensive (expense)/income for the period		
Attributable to equity holders of the Company	(4,842)	15,291

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STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 27 March 2021	As at 28 March 2020	As at 27 March 2021	As at 28 March 2020
	£'000	£'000	£'000	£'000
Assets				
Goodwill	1,264	-	-	-
Intangible assets	1,946	495	1,013	366
Property, plant and equipment	30,696	31,882	1,774	1,925
Right-of-use assets	4,160	4,907	236	301
Investments in subsidiary undertakings	-	-	7,350	7,350
Deferred tax assets	3,729	1,921	3,706	1,934
Total non-current assets	**41,795**	39,205	**14,079**	11,876
Inventories	15,469	13,956	-	-
Trade and other receivables	16,053	19,363	50,863	51,455
Provision for impairment	(961)	(530)	(260)	(350)
Other financial assets	501	-	-	-
Cash and cash equivalents	6,765	8,964	2,861	6,638
Corporation tax	1,425	1,872	1,384	1,509
Total current assets	**39,252**	43,625	**54,848**	59,272
Total assets	**81,047**	82,830	**68,927**	71,148
Liabilities				
Trade and other payables	15,780	16,544	22,989	23,421
Other financial liabilities	16	275	16	275
Loans and borrowings	8,301	3,756	94	174
Total current liabilities	**24,097**	20,575	**23,099**	23,870
Long-term borrowings	5,966	16,263	211	7,983
Retirement benefit liabilities	18,436	9,382	18,436	9,382
Deferred consideration on business acquisition	401	-	-	-
Deferred tax liabilities	2,246	2,213	94	174
Total non-current liabilities	**27,049**	27,858	**18,749**	17,479
Total liabilities	**51,146**	48,433	**41,848**	41,349
Equity				
Share capital	2,389	2,389	2,389	2,389
Share premium	1,588	1,588	1,588	1,588
Translation reserve	504	584	-	-
Reserve for own shares	(1,151)	(1,251)	(1,151)	(1,251)
Hedging reserve	501	-	-	-
Retained earnings	26,070	31,087	24,253	27,073
Total shareholders' equity	**29,901**	34,397	**27,079**	29,799
Total equity and liabilities	**81,047**	82,830	**68,927**	71,148

The Parent Company reported a profit for the period ended 27 March 2021 of £4,072k (2020: £3,416k).

STATEMENT OF CASH FLOWS

	Group	
	52 weeks ended 27 March 2021	52 weeks ended 28 March 2020
	£'000	£'000
Cash flows from operating activities		
Net profit	1,566	4,829
Adjustments for:		
Tax	153	630
Depreciation and amortisation	4,489	3,950
Transaction costs on business acquisition	384	-
Net IAS 19 pension adjustments within SCI	802	1,215
Past service pension deficit payments	(498)	(1,424)
Foreign exchange differences	783	(74)
Loss on disposal of property, plant and equipment	-	23
Gain on early termination of Right-of use assets	(19)	-
Bank Interest income	(4)	(26)
Bank interest expense	491	592
Share based payments	245	(252)
(Increase)/decrease in inventories	(1,448)	2,475
Decrease in trade and other receivables	3,401	149
(Decrease)/increase in trade and other payables	(2,406)	1,719
Tax paid	-	(741)
Net cash generated from operating activities	**7,939**	**13,065**
Cash flows from investing activities		
Purchase on intangible assets	(42)	(190)
Purchase of property, plant and equipment	(3,085)	(9,005)
Acquisition of business net of cash and cash equivalents	(1,359)	-
Net cash used in investing activities	**(4,486)**	**(9,195)**
Cash flows from financing activities		
Proceeds from issue of new loans	6,390	9,121
Repayment of borrowings	(10,313)	(3,301)
Repayment of lease liabilities	(818)	(1,488)
Interest received	4	26
Interest paid	(353)	(434)
Distribution of own shares	100	-
Dividends paid to shareholders	-	(1,275)
Net cash (used)/generated from financing activities	**(4,990)**	**2,649**
Net (decrease)/increase in cash and cash equivalents	**(1,537)**	**6,519**
Effect of exchange rate fluctuations on cash held	(662)	93
Net (decrease)/increase in cash and cash equivalents	**(2,199)**	**6,612**
Cash and cash equivalents at the start of the period	8,964	2,352
Cash and cash equivalents at the end of the period	**6,765**	**8,964**
Cash and cash equivalents consists of:		
Cash at bank and in hand	6,765	8,964
	6,765	**8,964**

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Translation reserve	Own shares	Hedging reserve	Retained earnings	Total
Group	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 30 March 2019	2,389	1,588	403	(1,251)	-	18,147	21,276
Adjustment on initial application of IFRS 16	-	-	-	-	-	(519)	(519)
At 31 March 2019	2,389	1,588	403	(1,251)	-	17,628	20,757
Comprehensive income for the period	-	-	-	-	-	4,829	4,829
Total other comprehensive income	-	-	181	-	-	10,281	10,462
Dividends paid	-	-	-	-	-	(1,275)	(1,275)
Share based payment charge	-	-	-	-	-	(376)	(376)
Total contributions by and distributions to owners of the Group	-	-	-	-	-	(1,651)	(1,651)
At 28 March 2020	**2,389**	**1,588**	**584**	**(1,251)**	**-**	**31,087**	**34,397**
Comprehensive income for the period	-	-	-	-	-	1,566	1,566
Total other comprehensive income	-	-	(80)	-	501	(6,829)	(6,408)
Distributions of own shares	-	-	-	100	-	-	100
Share based payment charge	-	-	-	-	-	246	246
Total contributions by and distributions to owners of the Group	-	-	-	100		246	346
At 27 March 2021	2,389	1,588	504	(1,151)	501	26,070	29,901

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Company	Share capital £'000	Share premium £'000	Own shares £'000	Retained earnings £'000	Total £'000
At 30 March 2019	2,389	1,588	(1,251)	14,701	17,427
Adjustment on initial application of IFRS 16	-	-	-	24	24
At 31 march 2019	2,389	1,588	(1,251)	14,725	17,451
Comprehensive income for the period	-	-	-	3,416	3,416
Total other comprehensive income	-	-	-	10,583	10,583
Dividends paid	-	-	-	(1,275)	(1,263)
Share based payment charge	-	-	-	(376)	(376)
Total contributions by and distributions to owners of the Group	-	-	-	(1,651)	(1,651)
At 28 March 2020	**2,389**	**1,588**	**(1,251)**	**27,073**	**29,799**
Comprehensive income for the period	-	-	-	4,072	4,072
Total other comprehensive income	-	-	-	(7,137)	(7,137)
Distribution of own shares	-	-	100	-	100
Share based payment charge	-	-	-	245	245
Total contributions by and distributions to owners of the Group	-	-	100	245	345
At 27 March 2021	**2,389**	**1,588**	**(1,151)**	**24,253**	**27,079**

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL 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 financial statements of the Company for the 52 weeks ended 27 March 2021, comprise the Company and its subsidiaries (together referred to as the Group).

Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. As required by the Disclosure and Transparency Rules of the Financial Services Authority, the condensed consolidated set of financial statements have been prepared applying the accounting policies and presentation that were applied in the preparation of the Group's published consolidated financial statements for the 52 week period ended 27 March 2021. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group 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 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 have performed a robust assessment, including review of the forecast for the 52 week period ending 26 March 2022 and longer term strategic forecasts and plans, including consideration of the principal risks faced by the Group and the Company, including the potential impact of Covid 19 on the business, as detailed in the Group's Annual Report 2021. 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 the 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 are disclosed in the 2021 Annual Report on pages 20-25, namely:

Pandemic risk; Employee health and safety; climate change; energy price volatility; pulp price volatility and sustainability; exchange rate volatility; pension and information security and cyber risk.

The Board considers that the principal risks and uncertainties set out in the 2021 Annual Report remain relevant for the current 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 costs), and 'Adjusted profit before tax' (profit before tax excluding the impact of IAS 19 and exceptional costs). The alternative performance measures are reconciled in note 9.

5 Earnings per share

The calculation of basic earnings per share is based on earnings attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year. The calculation of diluted earnings per share is based on the basic earnings per share adjusted to assume conversion of all dilutive options.

6 Segmental information

IFRS 8 Operating Segments - requires that entities adopt the 'management approach' to reporting the financial performance of its operating segments. Management has determined the segments that are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, identified as the Executive Committee that makes strategic decisions. The committee considers the business principally via the four main operating segments, principally based in the UK:

- **James Cropper Paper Products (Paper):** comprising:
- JC Speciality Papers – relates to James Cropper Speciality Papers a manufacturer of specialist paper and boards.
- JC Converting – relates to James Cropper Converting - a converter of paper.

- **James Cropper 3D Products (Colourform)** – a manufacturer of moulded fibre products.

- **Technical Fibre Products (TFP)** – a manufacturer of advanced materials.

- **Group Services** – comprises central functions providing services to the subsidiary companies.

	Revenue		Operating profit / (loss)	
	52 week period ended 27 March 2021 £'000	52 week period ended 28 March 2020 £'000	52 week period ended 27 March 2021 £'000	52 week period ended 28 March 2020 £'000
Paper	51,376	75,545	(309)	3,406
Colourform	2,822	2,586	(1,542)	(1,378)
TFP	24,570	26,536	6,482	7,753
Group services and other	-	-	(2,186)	(3,212)
	78,768	104,667	2,445	6,569

7 **Dividend**

As part of the cash preservation exercise undertaken to mitigate the impact of the Covid 19 pandemic, no interim dividend was paid in the period and the Board are not recommending a final dividend. (2020: nil per ordinary share).

8 **Retirement benefit obligations**

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

	52 week period ended 27 March 2021	52 week period ended 28 March 2020
	£'000	£'000
Obligation brought forward	(9,382)	(22,648)
Expense recognised in the income statement	(1,273)	(1,732)
Contributions paid to the schemes	969	1,941
Actuarial (losses) and gains	(8,750)	13,057
Obligation carried forward	(18,436)	(9,382)

9 **Alternative performance measures**

	52 week period ended 27 March 2021	52 week period ended 28 March 2020
	£'000	£'000
Adjusted operating profit	4,510	7,240
Net IAS 19 pension adjustments:		
current service costs	(1,034)	(1,188)
future service contributions paid	471	517
Exceptional Items:		
restructuring costs	(1,118)	-
Transaction costs on acquisition of business	(384)	-
Operating profit	2,445	6,569

	52 week period ended 27 March 2021	52 week period ended 28 March 2020
	£'000	£'000
Adjusted profit before tax	4,023	6,674
Net IAS 19 pension adjustments:		
current service costs	(1,034)	(1,188)
future service contributions paid	471	517
finance costs	(239)	(544)
Exceptional items:		
Restructuring costs	(1,118)	-
Transaction costs on acquisition of business	(384)	-
Profit before tax	1,719	5,459

10 Related parties

There have been no significant changes in the nature of related party transactions in the period ended 27 March 2021 from that disclosed in the 2020 Annual report.

Statement of Directors' responsibilities

The Directors confirm that these condensed consolidated financial statements have been prepared in accordance with International Financial Reporting standards as adopted by the European Union and that the preliminary 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 period and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the financial period; and

(ii) Material related party transactions in the period 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 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 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.

Content of this report

The financial information set out above does not constitute the Group's statutory accounts for the 12 months ended 27 March 2021 or 28 March 2020 but is derived from those accounts.

Statutory accounts for the 12 months ended 28 March 2020 have been delivered to the Registrar of Companies. The auditor, BDO LLP, has reported on the 2020 accounts; the report (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

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The statutory accounts for the 12 month period ended 27 March 2021 will be delivered to the Registrar of Companies following the Annual General Meeting. The auditor, BDO LLP, has reported on these accounts; their report (i) is unqualified, (ii) does not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and (iii) does not include a statement under either section 498 (2) or (3) of the Companies act 2006.