James Cropper PLC

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

Preliminary Audited Results for the 52 weeks ended 31 March 2018

		Restated *
	2018	**2017**
	£m	**£m**
Revenue	96.3	92.4
Adjusted operating profit (excluding impact of IAS 19)	6.1	6.8
Adjusted profit before tax (excluding IAS 19)	**5.8**	**6.5**
Impact of IAS 19	(1.3)	(1.0)
Profit before tax	**4.5**	**5.5**
Earnings per share - diluted	43.0p	49.0p
Dividend per share declared	13.5p	11.8p
Net borrowings	(4.8)	(7.4)
Equity shareholders' funds	23.3	19.1
Gearing % - before IAS 19 deficit	12%	20%
Capital expenditure	1.9	5.3

* *Refer to Prior Year Adjustment note on page 2*

Financial Highlights

- Impact of higher pulp prices added an estimated £3.5m to material costs for the year.
- Sales higher in every division with TFP up 17% on last year.
- Diluted earnings per share down 12% to 43.0p (49.0p restated prior year).
- Dividend up 14% to 13.5p (11.8p prior year).

Commercial and Operational Highlights

Paper
- Strategy to drive to a higher value product mix is being deployed successfully.
- Activities to drive operational efficiencies are yielding positive results.
- Impacted by significant raw material pulp price increases.

Technical Fibre Products
- Double digit organic growth across target markets.
- Recently installed capacity is ensuring demand is met.
- Additional capacity is being planned to support continued volume growth.

James Cropper 3DP
- Significant market interest resulting in a strong active project pipeline.
- Project cycle time to commercialisation is longer than anticipated.
- 3DP business is a strategic growth focus with attractive financial returns.

Mark Cropper, Chairman, commented:

"As intimated by the recommended final dividend increase, the Board and I continue to be excited about the prospects of the Group. We recognise there are significant challenges in recovering the margins lost in Paper to pulp costs and that continued research, innovation and investment will be vital to maintaining our position and creating future value.

This year I have been heartened by the growing recognition the Group is receiving for our sustainable products, and the integrity of our operations and employees. The latter matters most of all. Indeed more than ever we are dedicating time and investment to ensure all who work for James Cropper are given the skills, know-how, accountability and awareness of our ambitions to have successful long term careers within the Group. These in turn, I hope, will ensure we can continue to expand for many years to come."

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		Restated *
	2018	**2017**
Summary of Results	**£'000**	**£'000**
Revenue		
James Cropper Paper	71,237	71,024
James Cropper 3D Products	166	7
Technical Fibre Products	24,909	21,332
	96,312	**92,363**
Adjusted operating profit (excluding impact of IAS 19)		
James Cropper Paper	1,468	3,209
James Cropper 3D products	(1,639)	(426)
Technical Fibre Products	7,449	5,940
Other Group expenses	(1,145)	(1,874)
	6,133	6,849
Net interest (excluding impact of IAS 19)	(308)	(283)
Adjusted profit before tax (excluding impact of IAS 19)	5,825	6,566
IAS 19 pension adjustments		
Net current service charge against operating profits	(695)	(661)
Finance costs charged against interest	(589)	(364)
	(1,284)	(1,025)
Profit before Tax	**4,541**	**5,541**
Operating profit		
James Cropper Paper	1,468	3,209
James Cropper 3D Products	(1,639)	(426)
Technical Fibre Products	7,449	5,940
Other Group expenses	(1,840)	(2,535)
Operating profit	5,438	6,188
Net interest	(897)	(647)
Profit before tax	**4,541**	**5,541**

* *Refer to Prior Year Adjustment note on page 2*

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 19 pension charged is £1,284,000 (2017: £1,025,000). The adjustment, which we refer to in these accounts as “impact of IAS 19” 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.

*** Prior Year Adjustment:**

The Group (and Company) have identified that the historical valuation of the defined benefit pension obligation did not capture the potential additional liabilities arising in relation to the normal retirement dates for male and female members of the James Cropper Plc Staff Pension Scheme. As a result, the comparative figures in these financial statements have been restated to reflect the estimated correct balance.

The effect of the restatement is that the prior year profit for the period for both the Group and Company has been reduced by £99,000 as a result of the increased interest payable. Other comprehensive income is reduced by £320,000 due to the increase in actuarial losses of £492,000, offset by the increase in the associated deferred tax of £172,000. The retirement benefit liability is increased by £3,374,000 and the associated deferred tax asset is also increased by £573,000, resulting in a reduction in net assets of £2,801,000.

Balance Sheet Summary	2018 £'000	Restated * 2017 £'000
Non-pension assets – excluding cash	59,899	64,304
Non-pension liabilities – excluding borrowings	(15,585)	(19,433)
	44,314	44,871
Net IAS 19 pension deficit (after deferred tax)	(16,162)	(18,421)
	28,152	26,450
Net borrowings	(4,806)	(7,364)
Equity shareholders' funds	**23,346**	**19,086**
Gearing % - before IAS 19 deficit	12%	20%
Gearing % - after IAS 19 deficit	21%	39%
Capital expenditure	1,935	5,315

* Refer to Prior Year Adjustment note on page 2

CHAIRMAN'S LETTER

Dear Shareholders

This year has been a year of contrasts for the Group. While we have continued to strengthen in numerous ways we have been unable to sustain the upwards profits trajectory of recent years. This is primarily owing to dramatically rising pulp costs within our paper division, as well as increased losses incurred within our start-up business, James Cropper 3D Products Limited ("3DP").

Nevertheless, there is plenty to be positive about. The net impact of the headwinds faced were significantly lessened under the careful stewardship of CEO Phil Wild and his team, and across all divisions our ambitions remain undiminished. Our financial position under the leadership of Finance Director Isabelle Maddock also remains strong. Cash generation from operations was only very slightly lower than the prior year, and with strong working capital controls we were able to continue investment in 3DP. Borrowings are presently low giving us sufficient headroom within our financial covenants to fund future investments.

This year TFP has led the way in both revenue and profit growth, the latter jumping by 25 percent. This followed a marginal performance improvement in the prior year and was a welcome uplift given our significant investment in doubling production capacity in 2015. Orders for the third UK production line are growing in step with our ambitions and, as outlined by Managing Director Martin Thompson in the Annual Report, further capacity is likely to be required by 2020. Aerospace and defence were behind much of the growth experienced this year, albeit outshone by demand for fuel cell materials which has doubled for the second year in a row. The fuel cell industry is in its infancy in most markets and accordingly has excellent growth prospects.

In the Paper division profits more than halved in 2017-18 owing to significant rises in the price of pulp, as noted above. It was not possible to recover these in the year though the impact was significantly mitigated by commercial and operational improvements. Mix and margin continue to be enhanced, helped by good demand for our products from customers new and old. Efficiency and productivity improvements continue apace and we see scope for many more. This year was noteworthy for process waste being cut to its lowest ever level.

Recycling has also featured highly in Paper's most public highlight of the year, the launch and ongoing publicity around the CupCycling™ initiative. Not least this attracted the attention of HRH The Prince of Wales and his Business in the Community responsible business network, the latter arranging a "Seeing is Believing" tour and waste summit to coincide with his visit to the mill in March.

Whilst we have operated our coffee cup recycling plant for some years, this project to upcycle used coffee cups into paper and packaging products brings the story full circle. It has raised James Cropper's profile greatly and is leading to many new lines of enquiry. At the outset of the year we could not have imagined how much prominence coffee cups were to gain in the national consciousness.

The similar attention being shone on single use plastics has also proved very timely for 3DP's Colourform™ moulded fibre range, specifically designed as a recyclable and attractive alternative to plastic. This was launched in September 2017 and we were greatly honoured that HRH The Prince of Wales officially opened the plant on his visit. The business was not cash positive this year as hoped but we remain convinced by its long term potential and will continue to invest in pursuit of this.

This is but one example of the Board's longer term initiatives I referred to in last year's report. It is also indicative of the strength of the Group that we continue to grow our Technology & Innovation department under CTO Patrick Willink in order to explore several other avenues of future potential.

Within these we are mindful that innovation need not necessarily be technological but can also take many other forms, be they commercial, financial or otherwise. It is also central to our approach that we take an external view. On this note we are delighted to be welcoming Dr Andrew Hosty this year as a Non-Executive Director. Andrew will be joining the Board on 1 August, and brings a wealth of relevant experience and acumen to the Group, not least gained within Morgan Advanced Materials plc where he served as COO and most recently as Founding CEO of the Sir Henry Royce Institute for Advanced Materials.

As well as new and external ways of thinking, another core tenet that is central to our prospects is that of partnership. This is not new. For generations we have prized our relationships with stakeholders, be they customers, suppliers, banks and advisers, shareholders or employees. Indeed, we measure the longevity of these by the decade. What is changing, however, is the depth and scale of many. In recent years more and more of our growth has been underpinned by close collaborations with global corporations in sectors ranging from luxury retail to aerospace. All value us for our creativity and agility, often beyond what is possible within very large organisations, and we value them for the challenge and magnitude of potential they bring us. Many we can't talk about, but a few related stories are told in the annual report, including our programme with Selfridges, McDonalds and Veolia which recently won a global supply chain award for *Best Collaborative Effort*.

Dividend per Share 2018

The Board is recommending a final dividend of 11.0 pence per share, making a total dividend for the financial period of 13.5 pence per share, an increase of 14%.

Basic earnings per share in the period fell by 12% to 43.3 pence per share with diluted earnings per share falling by 12% to 43.0 pence per share.

Outlook

As already noted, and intimated by the recommended final dividend increase, the Board and I continue to be excited about the prospects of the Group. We recognise there are significant challenges in recovering the margins lost in Paper to pulp costs and that continued research, innovation and investment will be vital to maintaining our position and creating future value.

This year I have been heartened by the growing recognition the Group is receiving for our sustainable products, and the integrity of our operations and employees. The latter matters most of all. Indeed more than ever we are dedicating time and investment to ensure all who work for James Cropper are given the skills, know-how, accountability and awareness of our ambitions to have successful long term careers within the Group. These in turn, I hope, will ensure we can continue to expand for many years to come.

Mark Cropper
Chairman
25 June 2018

CHIEF EXECUTIVE'S REVIEW

In the period we have observed a significant increase in pulp price impacting the Paper division. The full period impact of the higher pulp price on the Group's pre-tax profits was approximately £3.5m. In a response the Group implemented interim cost savings and, together with the trading strength of the Technical Fibre Products Division ("TFP"), the headwind created from the pulp price increase was mitigated by over £2.0m.

At the start of the period the Group's expectation for Profit before tax (excluding IAS 19) was £7.2m. This was subsequently revised following the significant movement on pulp price, to £5.7m. The final result taking into account the headwinds and mitigation actions was just ahead of our latest forecast at £5.8m.

The underlying performance of the Paper division remains healthy with improving operating margins and additional interest shown following the media interest in our Cupcycling™ brands. TFP has had a successful period with strong growth in revenues and operating profits. James Cropper 3DP ("3DP") has seen slow growth in revenue but increasing interest in Colourform™ as a sustainable alternative to plastic packaging.

Group profit before tax was £4.5m, compared to £5.5m in the prior period (restated).

Revenue and Operating Profit

Group revenue for the financial year was £96.3m, up 4% on the prior period.

Revenue for James Cropper Paper grew by 0.3% in the period to £71.2m with operating profit lower by 54% to £1.5m.

Revenue for Technical Fibre Products grew by 17% in the period to £24.9m and operating profit up 25% at £7.4m.

Research and development

Research and development is a fundamental part of our growth strategy, adding to our capability, maintaining our competitiveness and bringing new product lines into our target markets. The Group continues to invest in research and development with expenditure in R&D of £2.6m in the period, compared to £1.4m in the prior period.

Capital expenditure

Capital expenditure during the period was £1.9m (2017: £5.3m).

Cash and debt

The Group had gross debt of £10.4m at the balance sheet date and cash of £5.6m, giving a net debt of £4.8m (2017: £7.4m). The Group had un-drawn overdraft and revolving credit facilities of £8.9m, at the balance sheet date and borrowings of £1.6m to be repaid within 12 months. The undrawn facilities and the cash provide funds against which the short term borrowings can be paid, leaving £12.9m of funds available to the Group at the period end.

Gearing at the financial period end, after deduction of the IAS 19 pension deficit, was 21%, down from 39% (restated) on the previous period. Gearing, excluding the impact of IAS 19, was 12% down from 20% on the previous period.

Core Principles supporting our growth strategy

While we've long believed that 'no man is an island', this year is testimony that the same is true for businesses. James Cropper owes its 173 year history of success to the partnerships it has fostered with customers, suppliers and the local community.

It is this collaborative attitude which allows us to claim a 40 year partnership with picture framing experts Arqadia, 100 years working alongside pulp supplier UPM Kaukas, and creating new partnerships with brands such as CCM Hockey and Lush Fresh Handmade Cosmetics.

The highlights of the Group's performance this year have been supported by partnerships; but they have also been driven by our collaborative approach to people, innovation and sustainability.

People

When it comes to recruiting our people, we have a clear strategy: we look for the absolute best. As a company with global reach and ambition, a fantastic heritage and a focus on world-class innovation, diversity and equality are not just nice to haves, they're an essential part of securing the future of our business. That's why, outside of ability and shared values there are no barriers to joining the James Cropper team.

We see the relationship we have with each of our people as a partnership. I believe this approach underpins our low staff turnover and outstanding record for long-term service. The result is a wealth of knowledge and skills staying in the business that are fundamental in our capacity for growth.

Our commitment to building a culture with no obstacles to progression is reflected in the productivity we see every day, as well as our world-class products and service. Our investment of hundreds of thousands of pounds in training is essential to this output and we're proud that five per cent of our staff are currently active in apprenticeships.

Innovation

This year, the spotlight on James Cropper's position as an innovator has been particularly bright. Recognition from both inside and outside of the industry has come in the form of award wins, media profile and even a Royal visit.

Over the course of the year, our CupCycling™ facility began upcycling used coffee cups into premium paper products in a supply-chain partnership with McDonalds, Costa and Selfridges to name a few. Our 3D Products business has evolved from producing the inlays for packaging to providing full packaging solutions that are 100% plastic-free, broadening opportunities significantly. In addition, Technical Fibre Products has worked with clients to develop composite fuel pipes designed to replace metallic equivalents, saving weight and therefore fuel consumption for the aerospace industry. Additionally TFP are developing a range of new applications using nano coating technologies.

Carving new avenues for growth through innovation is part of the James Cropper legacy, but it is not accidental. Each business has its own dedicated Research and Development team and we invest around £2m annually across our businesses. Fifteen per cent of our workforce is fully dedicated to R&D activities and a large proportion hold roles with part-time responsibility for driving innovation.

Sustainability

Sustainability is no longer a word used to describe an intention or idea of the future. Consumers and investors want to see the businesses they engage with taking tangible steps towards sustainable practice. For those who cannot find a solution to sustainability challenges, key stakeholders will start to walk with their feet towards the businesses who can.

The culture of sustainability runs deep at James Cropper but working with our people, suppliers and community to ensure we continue to do better every day is key. Whether it's the use of renewable energy or investing in innovative processes to meet recycling challenges, we are always making change, and the last year is a tribute to this.

Most notably, James Cropper was highlighted as an example of best practice when Business in the Community, founded by The Prince of Wales, chose to hold a summit at our mill. There, a group of cross sector leaders met in the spirit of collaboration to discuss some of the key challenges and opportunities related to bringing waste back into value chains. Our processes and products were used as inspiration, notably our used coffee cup recycling and our capability to create beautiful plastic-free packaging.

However, the work is never done. We continue to study our own practice through formal life-cycle analysis across the business. This examines the provenance of the materials we use, how they get to us, the manufacturing process, and whether our products can be recycled or contribute to a value stream at the end of their lifespan.

Our activities across innovation, sustainability and investment in our people provides a solid foundation and vehicle for long-term commercial success. These core principles will remain at the heart of our growth strategy for the years ahead.

Phil Wild
Chief Executive Officer
25 June 2018

GROUP STATEMENT OF COMPREHENSIVE INCOME

James Cropper PLC

Group Statement of Comprehensive Income

	52 week period to 31 March 2018 £'000	Restated * 52 week period to 1 April 2017 £'000
Revenue	96,312	92,363
Other income	346	322
Changes in inventories of finished goods and work in progress	767	(180)
Raw materials and consumables used	(40,661)	(34,793)
Energy costs	(4,021)	(4,501)
Employee benefit costs	(27,314)	(26,238)
Depreciation and amortisation	(2,678)	(2,297)
Other expenses	(17,313)	(18,488)
Operating profit	**5,438**	**6,188**
Interest payable and similar charges	(908)	(647)
Interest receivable and similar income	11	-
Profit before taxation	**4,541**	**5,541**
Tax expense	(451)	(910)
Profit for the period	**4,090**	**4,631**
Earnings per share - basic	43.3p	49.4p
Earnings per share - diluted	43.0p	49.0p
Other comprehensive income		
Profit for the period	**4,090**	**4,631**
Items that are or may be reclassified to profit or loss		
Foreign currency translation	(82)	224
Cash flow hedges – effective portion of changes in fair value	57	(9)
Items that will never be reclassified to profit or loss		
Retirement benefit liabilities – actuarial gains/(losses)	2,593	(11,878)
Deferred tax on actuarial (gains)/losses on retirement benefit liabilities	(441)	2,019
Income tax on other comprehensive income	91	-
Other comprehensive income/(expense) for the period	2,218	(9,644)
Total comprehensive income/(expense) for the period attributable to equity holders of the Company	**6,308**	**(5,013)**

* Refer to Prior Year Adjustment note on page 2

STATEMENT OF FINANCIAL POSITION

	Group	Restated * Group	Company	Restated * Company
	As at **31 March 2018**	As at 1 April 2017	As at **31 March 2018**	As at 1 April 2017
	£'000	£'000	**£'000**	£'000
Assets				
Intangible assets	496	569	112	69
Property, plant and equipment	25,113	26,572	1,732	1,942
Investments in subsidiary undertakings	-	-	7,350	7,350
Deferred tax assets	2,053	2,843	3,649	3,453
Total non-current assets	27,662	29,984	12,843	12,814
Inventories	14,854	14,097	-	-
Trade and other receivables	18,522	23,066	45,651	45,191
Other financial assets	47	-	47	-
Cash and cash equivalents	5,557	1,921	3,004	526
Current tax assets	867	-	530	463
Total current assets	39,847	39,084	49,232	46,180
Total assets	67,509	69,068	62,075	58,994
Liabilities				
Trade and other payables	14,328	18,493	21,823	19,470
Other financial liabilities	-	9	-	9
Loans and borrowings	1,600	1,570	43	79
Current tax liabilities	-	1	-	-
Total current liabilities	15,928	20,073	21,866	19,558
Long-term borrowings	8,763	7,715	4,070	6,427
Retirement benefit liabilities	19,472	22,194	19,472	22,194
Total non-current liabilities	28,235	29,909	23,542	28,621
Total liabilities	44,163	49,982	45,408	48,179
Equity				
Share capital	2,370	2,367	2,370	2,367
Share premium	1,472	1,472	1,472	1,472
Translation reserve	520	602	-	-
Reserve for own shares	(1,445)	(853)	(1,445)	(853)
Retained earnings	20,429	15,498	14,270	7,829
Total shareholders' equity	23,346	19,086	16,667	10,815
Total equity and liabilities	67,509	69,068	62,075	58,994

* Refer to Prior Year Adjustment note on page 2

STATEMENT OF CASH FLOWS
For the period ended 31 March 2018 (2017: for the period ended 1 April 2017)

	Group 2018	Restated * Group 2017	Company 2018	Restated * Company 2017
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Net profit	4,090	4,631	5,422	3,271
Adjustments for:				
Tax	451	910	200	326
Depreciation and amortisation	2,678	2,297	161	120
Net IAS 19 pension adjustments within SCI	1,284	1,025	1,284	1,025
Past service pension deficit payments	(1,413)	(1,362)	(1,413)	(1,362)
Foreign exchange differences	(626)	84	142	78
(Profit)/loss on disposal of property, plant and equipment	(11)	14	-	-
Net bank interest income & expense	308	282	(554)	(648)
Share based payments	341	283	341	283
Dividends received from Subsidiary Companies	-	-	(7,500)	(6,000)
Changes in working capital:				
(Increase)/decrease in inventories	(807)	105	-	-
Decrease/(increase) in trade and other receivables	4,400	(4,113)	(1,954)	(2,661)
(Decrease)/increase in trade and other payables	(4,029)	3,932	2,314	2,094
Interest received	11	2	631	720
Interest paid	(320)	(293)	(79)	(73)
Tax paid	(839)	(1,081)	(839)	(1,081)
Net cash generated from / (used by) operating activities	**5,518**	**6,716**	**(1,844)**	**(3,908)**
Cash flows from investing activities				
Purchase of intangible assets	(41)	(486)	(22)	(28)
Purchases of property, plant and equipment	(1,894)	(4,828)	(73)	(286)
Proceeds from sale of property, plant and equipment	12	4	-	-
Dividends received	-	-	7,500	6,000
Net cash (used in) / generated from investing activities	**(1,923)**	**(5,310)**	**7,405**	**5,686**
Cash flows from financing activities				
Proceeds from issue of ordinary shares	3	454	3	454
Proceeds from issue of new loans	4,220	2,450	131	2,270
Repayment of borrowings	(2,570)	(4,115)	(118)	(68)
Issue of inter-company loans	-	-	(1,451)	(3,602)
Purchase of LTIP investments	(441)	(510)	(441)	-
Dividends paid to shareholders	(1,097)	(881)	(1,097)	(881)
Net cash generated from/(used in) financing activities	**115**	**(2,602)**	**(2,973)**	**(1,827)**
Net increase/(decrease) in cash and cash equivalents	**3,710**	**(1,196)**	**2,588**	**(49)**
Effect of exchange rate fluctuations on cash held	(74)	(69)	(110)	(67)
Net increase/(decrease) in cash and cash equivalents	**3,636**	**(1,265)**	**2,478**	**(116)**
Cash and cash equivalents at the start of the period	1,921	3,186	526	642
Cash and cash equivalents at the end of the period	**5,557**	**1,921**	**3,004**	**526**
Cash and cash equivalents consists of:				
Cash at bank and in hand	5,557	1,921	3,004	526

* Refer to Prior Year Adjustment note on page 2

STATEMENT OF CHANGES IN EQUITY
GROUP

All figures in £'000	Share capital	Share premium	Translation reserve	Own Shares	Retained earnings	Total
2 April 2016 as previously stated	**2,306**	**1,079**	**378**	**(343)**	**23,273**	**26,693**
Prior year adjustment *	-	-	-	-	(2,389)	(2,389)
2 April 2016 as restated	**2,306**	**1,079**	**378**	**(343)**	**20,884**	**24,304**
Profit for the period	-	-	-	-	4,631	4,631
Exchange differences	-	-	224	-	-	224
Actuarial (losses) on retirement benefit liabilities (net of deferred tax)	-	-	-	-	(9,852)	(9,852)
Loss on cash flow hedges	-	-	-	-	(9)	(9)
Total other comprehensive income	-	-	224	-	(9,861)	(9,637)
Dividends paid	-	-	-	-	(881)	(881)
Share based payment charge	-	-	-	-	283	283
Tax on share options	-	-	-	-	634	634
Proceeds from issue of ordinary shares	61	393	-	-	-	454
Distribution of own shares	-	-	-	192	(192)	-
Consideration paid for own shares	-	-	-	(702)	-	(702)
Total contributions by and distributions to owners of the Group	61	393	-	(510)	(156)	(212)
At 1 April 2017 restated	**2,367**	**1,472**	**602**	**(853)**	**15,498**	**19,086**
Profit for the period	-	-	-	-	4,090	4,090
Exchange differences	-	-	(82)	-	-	(82)
Actuarial gains on retirement benefit liabilities (net of deferred tax)	-	-	-	-	2,152	2,152
Gain on cash flow hedges	-	-	-	-	57	57
Total other comprehensive income	-	-	(82)	-	2,209	2,127
Dividends paid	-	-	-	-	(1,097)	(1,097)
Share based payment charge	-	-	-	-	341	341
Tax on share options	-	-	-	-	(201)	(201)
Tax on other comprehensive income	-	-	-	-	91	91
Proceeds from issue of ordinary shares	3	-	-	-	-	3
Distribution of own shares	-	-	-	324	324	-
Consideration paid for own shares	-	-	-	(916)	(178)	(1,094)
Total contributions by and distributions to owners of the Group	3	-	-	(592)	(1,368)	(1,957)
At 31 March 2018	**2,370**	**1,472**	**520**	**(1,445)**	**20,429**	**23,346**

* Refer to Prior Year Adjustment note on page 2

COMPANY

All figures in £'000	Share capital	Share premium	Own Shares	Retained Earnings	Total
At 2 April 2016 as previously stated	**2,306**	**1,079**	**-**	**16,962**	**20,347**
Prior year adjustment *	-	-	-	(2,389)	(2,389)
At 2 April 2016 restated	**2,306**	**1,079**	**-**	**14,573**	**17,958**
Profit for the period	-	-	-	3,271	3,271
Actuarial (losses) on retirement benefit liabilities (net of deferred tax)	-	-	-	(9,852)	(9,852)
Loss on cash flow hedges	-	-	-	(9)	(9)
Total other comprehensive income	-	-	-	(9,861)	(9,861)
Dividends paid	-	-	-	(881)	(881)
Share based payment charge	-	-	-	283	283
Tax on share options	-	-	-	636	636
Proceeds from issue of ordinary shares	61	393	-	-	454
Distribution of own shares	-	-	-	(192)	(192)
Consideration paid for own shares	-	-	(853)	-	(853)
Total contributions by and distributions to owners of the Group	61	393	(853)	(154)	(553)
At 1 April 2017 restated	**2,367**	**1,472**	**(853)**	**7,829**	**10,815**
Profit for the period	-	-	-	5,422	5,422
Gains on cash flow hedges	-	-	-	57	57
Actuarial gains on retirement benefit liabilities (net of deferred tax)	-	-		2,152	2,152
Total other comprehensive income	-	-	-	2,209	2,209
Dividends paid	-	-	-	(1,097)	(1,097)
Share based payment charge	-	-	-	341	341
Tax on share options	-	-	-	(201)	(201)
Tax on other comprehensive income	-	-	-	91	91
Proceeds from issue of ordinary shares	3	-	-	-	3
Distribution of own shares	-	-	324	(324)	-
Consideration paid for own shares	-	-	(916)	-	(916)
Total contributions by and distributions to owners of the Group	3	-	(592)	(1,190)	(1,779)
At 31 March 2018	**2,370**	**1,472**	**(1,445)**	**14,270**	**16,667**

* Refer to Prior Year Adjustment note on page 2

Notes to Preliminary Results for the 52 week period ended 31 March 2018

- The accounting "year" for the Group is a 52 week period ended 31 March 2018, (2017: 52 week period ended 1 April 2017).
- Both the parent Company financial statements and the Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act 2006, as applicable to companies reporting under IFRS.
- The financial information set out above does not constitute the statutory accounts for the periods ended 31 March 2018 or 1 April 2017. Statutory accounts for 2017 have been delivered to the Registrar of Companies and those for 2018 will be delivered following the Company's Annual General Meeting. The auditor has reported on these accounts, the report was unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.
- Basic earnings per share have been calculated on the profit after taxation of £4,090,000 (2017: restated £4,631,000) divided by the weighted average number of Ordinary shares in issue during the period of 9,448,737 (2017: 9,373,232).
- The dividend will, if approved, be paid in cash only on 10 August 2018 to all shareholders on the register on 6 July 2018.

Pensions

- The Group operates two funded pension schemes providing defined benefits for a decreasing number of its employees. The defined benefit pension schemes are sensitive to a number of key factors: the value of the assets, the discount rate used to calculate the schemes liabilities (based on a premium above gilt yields), the rate of inflation and the mortality assumptions for members of the schemes. Changes in these assumptions will impact the deficit positively or negatively.
- The latest actuarial "on-going" valuations of the Group's pension Schemes at April 2016, determined the combined deficit of the schemes to be £15.8m. These valuations are conducted on a triennial basis and provide a steady platform to manage the deficit from one valuation to the next. It is the Group's legal responsibility to fund the defined benefit pension scheme deficits. The April 2016 valuation resulted in liability management and a new agreement with the trustees on payments to reduce the deficit. Under IAS 19 the pension deficit is likely to be volatile and may in the future be very different from this current year end position. The IAS 19 pension deficit net of Deferred Tax, decreased by £2,152,000 over the year to £16,162,000.

- A reconciliation of the movement in the Statement of Financial Position of Retirement benefit liabilities is shown below:

	2018
	£'000
At 1 April 2017 restated after prior year adjustment	(22,194)
Total expense	(1,874)
Contributions paid	2,003
Actuarial gains recognised in SCI	2,593
At 31 March 2018	**(19,472)**

- The Annual Report and accounts for 2018 will be posted to shareholders on 3 July 2018. The Annual Report will be available on the Company's website (www.cropper.com/financials/) on 26 June 2018, and on request from the Company's registered office, Burneside Mills, Kendal, Cumbria LA9 6PZ from 3 July 2018.
- The Annual General Meeting of the Company will be held at 11.00am on Wednesday 25 July 2018 at the Bryce Institute, Burneside, Kendal, Cumbria.