FUTURE IN FOCUS

JAMES CROPPER

Annual Report
and Accounts 2025

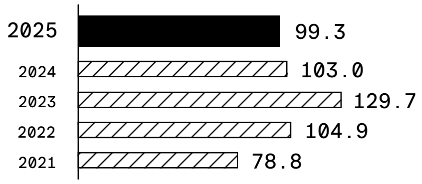
FINANCIAL HIGHLIGHTS

GROUP PERFORMANCE

FINANCIAL YEAR ENDED 29 MARCH 2025

Total revenue

£99.3m



Adjusted EBITDA[1]

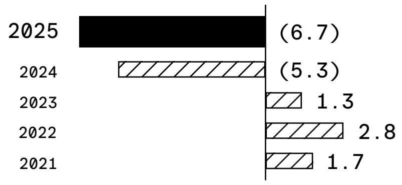
£6.7m

Adjusted profit before tax[2]

£1.3m

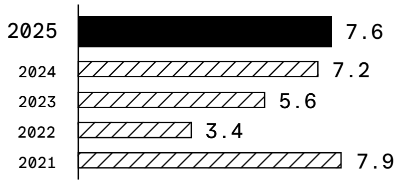
Profit/(Loss) before tax

(£6.7m)



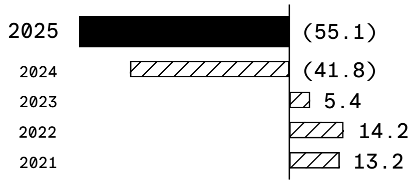
Net cash generated from operating activities

£7.6m



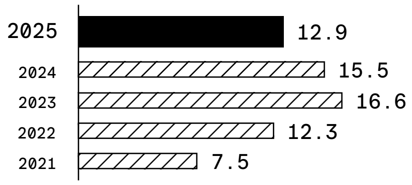
Basic and diluted earnings/(loss) per share

(55.1p)



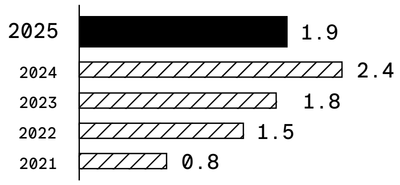
Net debt[3]

£12.9m



Net debt to Adjusted EBITDA ratio

1.9



Non-GAAP Measures:

1 Adjusted EBITDA: EBITDA refers to profit before interest, tax, depreciation and amortisation. Adjusted EBITDA is EBITDA prior to the impact of IAS 19 and exceptional items.

2 Adjusted profit before tax equates to profit before tax excluding the impact of IAS 19 and exceptional items.

3 Net debt is calculated as total loans and borrowings less cash and cash equivalents. Included in net debt from 2020 are lease liabilities for right-of-use assets under IFRS 16.

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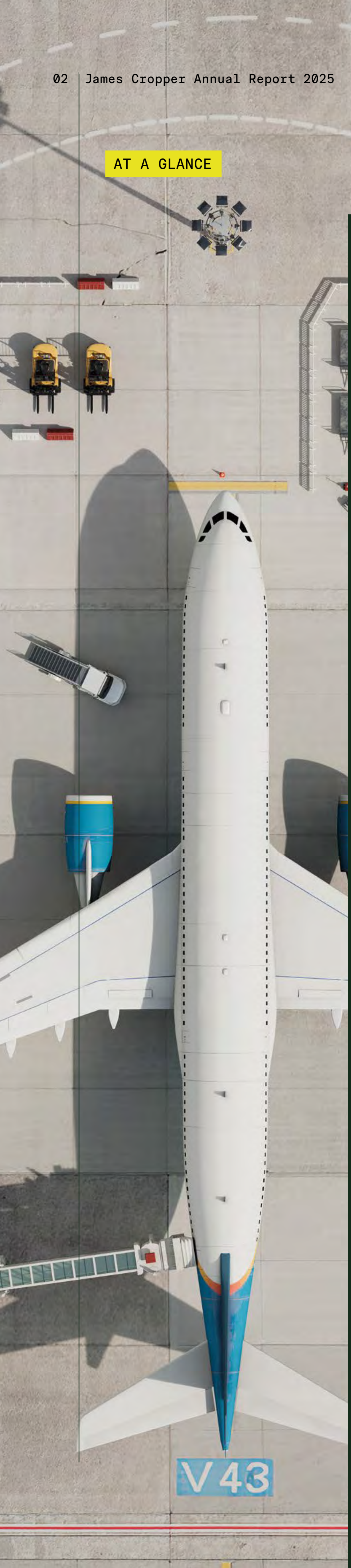
GOVERNANCE

FINANCIAL STATEMENTS



AT A GLANCE

JAMES CROPPER IS GLOBALLY RECOGNISED FOR ITS SPECIALIST CAPABILITIES IN THE DESIGN AND MANUFACTURE OF ADVANCED MATERIALS AND PAPER PRODUCTS.

Operating through two principal businesses—Advanced Materials and Paper & Packaging—the Group serves a diverse range of customers with high-performance solutions tailored to specialised applications.

PURPOSE

Pioneering materials to safeguard our future

VALUES

Forward-thinking, Caring, Responsible

THE ADVANCED MATERIALS BUSINESS

is at the forefront of materials science, developing state-of-the-art nonwoven materials and electrochemical coatings, which are supplied to leading innovative equipment manufacturers globally from four locations in Burneside (UK), Crewe (UK), Launceston (UK) and Schenectady (USA).

READ MORE ON PAGE 16 →

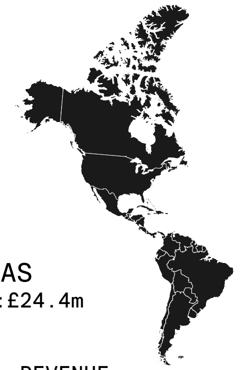
THE PAPER & PACKAGING BUSINESS

develops and manufactures bespoke creative papers and luxury packaging incorporating industry-leading thermoformed fibre solutions, innovative recycled fibre capabilities and colour expertise, which are supplied to some of the world's most well-known and prestigious global brands, creative paper merchants, printers and publishers from its base in Burneside (UK).

READ MORE ON PAGE 22 →

GLOBAL REVENUE: £99.3m

UK
REVENUE: £42.9m
43%
OF TOTAL REVENUE



AMERICAS
REVENUE: £24.4m
25%
OF TOTAL REVENUE

EUROPE
REVENUE: £26.0m
26%
OF TOTAL REVENUE

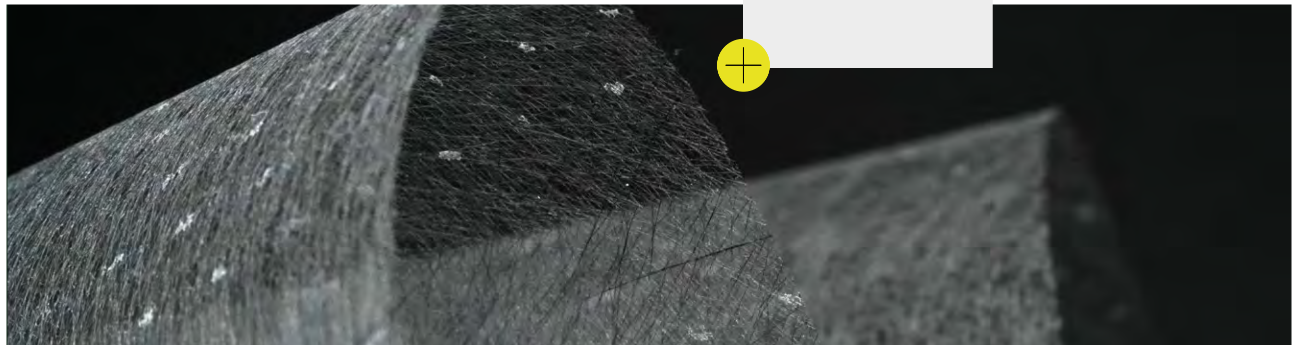
ASIA
REVENUE: £5.2m
5%
OF TOTAL REVENUE

OTHER
REVENUE: £0.7m
1%
OF TOTAL REVENUE

The Group was founded in
1845

Supplies products used in over
50
countries worldwide

Global workforce of over
500
people



CHAIR'S LETTER

DEAR SHAREHOLDERS

The financial year ended 29 March 2025 was a significant year for James Cropper, marked by changes in the Group's executive leadership and an evolution of our strategy, focused on stability and growth.

PERFORMANCE OVERVIEW

Performance in the period was largely consistent with the prior year, with a slight reduction in revenue, balanced by rigorous management of our cost base against a backdrop of economic uncertainty. Adjusted EBITDA remained level with the prior year with a modest improvement in the Group's adjusted operating profit and adjusted profit before tax, linked to lower levels of depreciation. The Group's net debt saw a significant improvement owing to robust cash management driving a reduction in working capital.

CEO SUCCESSION

In October 2024, following a thorough succession process led by the Nomination Committee, the Board was delighted to announce the appointment of David Stirling as Chief Executive Officer Designate. David joined the business in January 2025 and was appointed Chief Executive Officer in February 2025.

David brings a wealth of experience, having previously served as CEO of Zotefoams plc for 24 years, following his time as a chartered accountant with KPMG in the UK and PricewaterhouseCoopers in the US and Europe.

His deep operational, commercial, financial and technical experience, along with a proven track record in delivering growth and developing new products across diverse markets, will be instrumental as the Company embarks on its next phase.

David succeeded Steve Adams, who retired as CEO and stood down from the Board in February 2025 after a short handover period. Steve first joined James Cropper as Managing Director of the Paper & Packaging business in 2017 and was appointed CEO in August 2022. He navigated the Group through a challenging period and led a restructure in FY24, resulting in operational changes and a significant reduction in the Company's cost base. On behalf of the Board, I thank Steve for his contributions and wish him the best in retirement.

STRATEGY DEVELOPMENT

Following his appointment as CEO, David Stirling led a detailed review into the business and the development of a revised strategy for the Group. The revised strategy has full Board endorsement and was presented to analysts and institutional investors at a Capital Markets Event on 18 June 2025. A recording of the event is available to view on the Company's website at https://jamescropper.com/investors/. For more information, see the CEO Strategy Review on pages 08-13.

> "The Board is confident that the revised strategy, developed under the leadership of David Stirling, provides a clear and credible roadmap for delivering sustainable performance improvement.

Mark Cropper
Non-Executive Chair

BOARD SUCCESSION

During the year, we welcomed Jon Yeung as an independent Non-Executive Director and Chair of the Audit Committee (now the Audit & Risk Committee) following our AGM in September 2024. Jon is a chartered accountant with significant experience in finance, leadership and business transformation.

Jon succeeded Jim Sharp, who stood down as a Non-Executive Director and Audit Committee Chair following the AGM. On behalf of the Board, I thank Jim for his significant contributions over 15 years and welcome Jon to James Cropper.

At the end of the financial year, as part of a structured retirement process, Patrick Willink stood down from the Board and as Chief Innovation Officer on 29 March 2025. Patrick joined James Cropper in 1990 and has served on the Board since 1998. He will continue to support the company as a Strategic Advisor and member of the Executive Committee until April 2026. Patrick's contributions over the past 35 years have been considerable, including the development of key innovations such as CupCycling® and Colourform® in the Paper & Packaging business. On behalf of the Board, I extend our sincere thanks to Patrick for his exceptional leadership and dedication, which have significantly shaped the company's development.

I also confirm that Sarah Miles has informed the Board that she will not stand for re-election at the Company's AGM in September 2025 and will therefore step down as a Non-Executive Director following the AGM. The Board is grateful for Sarah's contribution since being appointed in November 2021 and wishes her every future success.

RISK MANAGEMENT

To enhance its oversight and management of risks, during the year the Board introduced an enhanced strategic risk management framework. This framework is designed to provide robust management of risks and support the delivery of our strategic objectives. Additionally, the Board expanded the remit of the Audit Committee, to become the Audit & Risk Committee. This change strengthens our approach to strategic risk management and enhances Board oversight, enabling us to better navigate the complexities of the current economic environment.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a crucial aspect of our business. Section 172 of the Companies Act 2006 requires the Directors to promote the success of the Group for the benefit of its members, having regard to the interests of broader stakeholders. For more information about how the Board considers stakeholder interests, please see our s.172 Statement on pages 46-47.

During the year, I and other members of the Board engaged closely with our largest shareholders to discuss the Group's business, current performance challenges, changes on the Board and to our Executive leadership, and strategy. These meetings and discussions provided valuable insights into the views of our investors, and the Board is grateful for the level of engagement and feedback offered. We look forward to welcoming shareholders at our forthcoming AGM in September 2025.

GROUP FACILITIES AND DIVIDENDS

In June 2024, the Board announced temporary adjustments to the covenants under its UK banking facility (the UK Facility) which would apply for the period to 31 December 2024. The Group complied with these adjusted covenants during that period and has complied with the original covenants since. No further covenant relief is expected to be required. Following the year end, on 9 June 2025, the Board announced that revised repayment terms had been agreed under the UK Facility, which would provide greater liquidity headroom to support implementation of the Company's strategic plans.

At the time of the Group's interim results on 19 November 2024, the Board determined that no interim dividend would be paid to shareholders for the first half of FY25 in the light of financial performance during that period. As announced on 9 June 2025, the Board does not intend to pay dividends during the period through to September 2026. No final dividend will therefore be recommended to shareholders at the AGM in September 2025. The Board is confident that retaining earnings will at this stage better support the Board's strategic objectives.

LOOKING AHEAD

The Board is confident that the revised strategy, developed under the leadership of David Stirling, provides a clear and credible roadmap for delivering sustainable performance improvement. With disciplined capital allocation, the Board believes both divisions are well placed to deliver against their strategic objectives and create enduring value for shareholders.

I would like to thank our employees for their unwavering support and dedication over the last 12 months. We look forward to updating you on progress against our strategic objectives in the coming year.

Mark Cropper
Non-Executive Chair
16 July 2025

MARKET TRENDS

ADVANCED MATERIALS

SELECTED MARKET TRENDS

HYDROGEN AND CLEAN ENERGY TRANSITION

15% of FY25 Advanced Materials revenue

Global momentum for hydrogen

Hydrogen is increasingly recognised as a key enabler of global decarbonisation targets, including the Paris Agreement's goal of net zero emissions by 2050. Governments worldwide are investing heavily to scale up hydrogen production and adoption across transport, industry and energy sectors.

PEM electrolysis leadership

Proton Exchange Membrane (PEM) electrolysis is emerging as the leading technology for green hydrogen generation, offering high efficiency and compatibility with renewable energy sources. Market demand for PEM electrolysers is expected to grow significantly by 2030, driven by cost reduction, regulatory support, and innovation in materials and system integration.

ENERGY STORAGE AND BATTERY INNOVATION

8%* of FY25 Advanced Materials revenue

Accelerating electrification

The global transition to electrification is accelerating demand for batteries with higher energy density, faster charging and longer life cycles—while also reducing environmental impact. Governments in the UK, US and EU are investing in domestic battery production, recycling infrastructure and R&D to support this shift.

Grid-scale storage demand

As renewable energy capacity grows, grid-scale battery storage must expand significantly by 2030. This creates opportunities for innovation in materials, circularity and manufacturing efficiency.

* This includes fuel cell revenue.

AEROSPACE EFFICIENCY THROUGH COMPOSITE MATERIALS

15% of FY25 Advanced Materials revenue

Adoption of advanced composites

To reduce emissions and improve fuel efficiency, aerospace manufacturers are accelerating the adoption of advanced composite materials and automated production processes. Innovations such as multifunctional laminates and automated layup systems are helping reduce part count, simplify assembly and enhance structural performance.

Innovation investment

The UK Aerospace Technology Institute (ATI) has committed over £3.9 billion in joint funding with industry to support lightweight materials, automation and sustainable manufacturing—positioning the UK as a global leader in next-generation aerospace technologies.

HOW JAMES CROPPER WILL RESPOND

Positioned to scale

We are strategically positioned to capture this growth. PEM electrolysis is projected to contribute significantly to growth in FY26, with further expansion anticipated through FY30. Our innovation strategy—focused on platinum group metal (PGM) reduction, advanced deposition technologies and next-generation coatings—directly supports Original Equipment Manufacturers' (OEMs') needs for scalable, cost-effective electrolyser stacks.

Building competitive advantage

With established partnerships and a growing portfolio of proprietary technologies, we are building a defensible position in a rapidly expanding market. These capabilities will be instrumental in securing long-term contracts, entering new geographies, and differentiating from competitors.

Nonwoven solutions for batteries

Our expertise in engineered nonwovens positions us to supply critical components for next-generation batteries, including:

- Separators
- Electrode scaffolds
- Fire protection layers
- Thermal management materials

Sustainable supply chains

Our UK manufacturing base and active participation in collaborative R&D projects enhance our credibility and access to funding, partnerships and pilot opportunities. As countries seek to reshore battery production and reduce reliance on critical imports, our ability to deliver sustainable, locally sourced and customisable materials becomes a key differentiator—supporting OEM compliance and strengthening our role in a rapidly localising supply chain.

Leveraging nonwoven expertise

Our capabilities in wet-laid nonwovens, including recycled carbon fibre and unidirectional (UD) reinforcements, align directly with these needs. Our participation in ATI-funded projects and collaborations with industry partners enable us to accelerate the commercialisation of sustainable aerospace materials.

Driving lightweighting and circularity

As global aviation targets net zero emissions, the adoption of recyclable, high-performance composites is essential. Our focus on quality, recyclability, processability and lightweight design gives us a competitive edge in a market that increasingly values circularity and integration.

PAPER & PACKAGING

SELECTED MARKET TRENDS

LUXURY GOODS, BEAUTY AND COSMETICS

17% of FY25 Paper & Packaging revenue

Shift towards sustainability

The luxury goods, beauty and cosmetics industries are undergoing a significant transformation, with consumer expectations and regulatory changes making sustainability a central focus. The response from brands and retailers, who are increasingly the subject of such pressures, is to move towards renewable, recyclable materials without compromising on aesthetics or performance. Meeting legislative requirements while maintaining visual and functional excellence is now a qualifier in the market. These design changes present an opportunity for packaging that is not only environmentally responsible but also clean, bright, and premium in appearance.

SECONDARY PACKAGING IN FOOD AND BEVERAGE

2% of FY25 Paper & Packaging Revenue

Increasing consumer awareness

The drive for sustainability is accelerating a shift away from plastic-based secondary packaging. As regulatory pressure mounts and consumer awareness grows, brands are seeking alternatives that are both compliant and environmentally responsible.

Regulatory changes

The EU's upcoming Packaging and Packaging Waste Regulation (PPWR), effective August 2026, mandates:

- Full recyclability of packaging by 2030
- A ban on PFAS and other harmful substances in packaging
- "Right-sizing" of packaging to reduce waste and emissions

In parallel, the UK's Extended Producer Responsibility (EPR) reforms reinforce these goals, pushing brands to rethink materials and formats in secondary packaging.

SPECIALITY CORRUGATED PACKAGING

5% of FY25 Paper & Packaging Revenue

Market growth

The UK corrugated packaging market, valued at over £4 billion and growing steadily, is increasingly shaped by sustainability, design innovation, and brand differentiation. As Extended Producer Responsibility (EPR) and recyclability mandates take hold, brands are seeking packaging that is both compliant and visually distinctive.

Evolving brand identities

Coloured fluting, the wavy middle layer of corrugated card, presents a compelling opportunity to enhance shelf appeal, support brand identity, and enable premium unboxing experiences without compromising recyclability. With growing demand for bespoke, right-sized, and sustainable packaging, coloured fluting offers converters and brands a new dimension in design flexibility. As digital print technologies advance and consumer expectations evolve, the integration of colour into structural packaging elements is poised to become a key differentiator in a competitive, sustainability-driven market.

HOW JAMES CROPPER WILL RESPOND

Rydal Packaging Collection

We are responding to this market evolution with our Rydal Packaging Collection, a premium paper range developed specifically for the luxury packaging sector. Designed to meet the highest standards of sustainability without compromising on quality, Rydal incorporates up to 100% recycled fibre content, biodegradable materials, and streamlined designs that reduce waste. Innovations such as Rydal Eco White deliver a pristine, bright white finish while meeting stringent environmental legislation offering brands a compliant, high-performance, and visually striking alternative to traditional packaging. As the industry continues to evolve, James Cropper remains committed to delivering solutions that align with both regulatory demands and consumer values.

This market trend is coincident with pressure to reduce the amount of packaging used, again to optimise sustainability and minimise costs and the regulatory tax burden.

Moulded fibre packaging solutions

Our mono-material moulded fibre packaging solutions are ideal for secondary packaging in premium sectors such as wines and spirits. These:

- Are made from natural or recycled fibres
- Offer structural integrity, design flexibility, and customisation in shape and colour
- Enable the creation of wraps, tops, and bases that elevate product presentation and brand identity
- Are fully recyclable and biodegradable, aligning with circular economy principles

Moulded fibre allows brands to meet evolving regulatory demands and sustainability expectations without compromising on quality or aesthetics. It reinforces James Cropper's position as a trusted partner in delivering high-performance, future-ready packaging.

Leveraging deep expertise

We are leveraging our fibre innovation and sustainability expertise to expand into the corrugated sector. With early traction for its recycled black fluting liner, we are well-positioned to diversify our portfolio and capture increased value in this market. This move supports our strategic goals of broadening revenue streams, advancing circular economy solutions, and delivering fibre-based alternatives that meet both brand and regulatory expectations.

CEO STRATEGY REVIEW

SHAPING TOMORROW TODAY

Q&A

WITH DAVID STIRLING, CEO

“Since being appointed as Chief Executive Officer in February, my focus has been the development of a credible and structured plan to reset the business for long-term success. While trading in recent years has been disappointing, we now have a clear and actionable plan to improve performance, supported by disciplined capital management. Our aim is to rebuild momentum and create long-term value for our stakeholders.

David Stirling
CEO

STRATEGY REVIEW

At James Cropper, we are resetting our business for long-term success. Our revised strategy, launched at our Capital Markets Event on 18 June 2025, is built around three core themes: unlocking growth in Advanced Materials, delivering profitability in Paper & Packaging, and maintaining disciplined capital allocation. These pillars are underpinned by our deep fibre expertise, technical platforms, and customer partnerships.

STRATEGIC OBJECTIVES

01

ORGANIC GROWTH IN THE ADVANCED MATERIALS BUSINESS

The Advanced Materials business is profitable but has not delivered organic growth commensurate with the Board's expectations for many years. We intend for this business to deliver underlying double-digit sales growth over the medium term, although this may not be possible in FY26.

02

PROFITABILITY IN THE PAPER & PACKAGING BUSINESS

The Paper & Packaging business posted a significant loss in FY25, unfortunately something which has been a familiar outcome in recent years. Restoring profitability is of critical importance to the continuation of the business.

03

DISCIPLINE IN CASH MANAGEMENT AND CAPITAL ALLOCATION

Cash flow is the lifeblood of all organisations. James Cropper is no different and we must generate cash and allocate this to provide value for stakeholders; including maintaining appropriate leverage and liquidity, reinvestment to generate future returns, and of course shareholder dividends in due course.

More information on these strategic objectives is set out on the following pages.

Q What were your initial impressions of James Cropper?

A James Cropper is obviously a historied business and it carries this proudly today. Individuals are knowledgeable about their roles and the technicalities of the business. There was a noticeable difference between the culture and performance of the Advanced Materials business, which is well-organised, and the Paper & Packaging business, where it was immediately apparent there were significant disconnects between functions and organisation layers.

Q Did you wonder why James Cropper exists as a Group?

A Initially, yes. To the casual observer who may not be familiar with the history or technology, Advanced Materials and Paper & Packaging do not obviously belong together. Their markets are definitely different, but there is an underlying technology continuum from James Cropper origins in papermaking, to technical fibres which are essentially paper-like structures made with a variety of fibres, through to coated technical fibres and coatings more generally. The manufacturing infrastructure and operational skill sets are similar, and the skills and experience of individuals in the businesses are clearly complementary – with a significant number of employees in Advanced Materials having previously worked in Paper & Packaging.

There are other advantages to having two connected, but different, businesses together. Paper & Packaging can be more cyclical than Advanced Materials markets but, properly run, it can also offer balance to the more unpredictable markets in which Advanced Materials operates. Interestingly, I believe there is significant longer-term opportunity in the space between the highly technical fibres in Advanced Materials and our paper products, which will be explored over the coming years.

CEO STRATEGY REVIEW cont.

Q How do you see the markets for the different businesses?

A In Advanced Materials, I would characterise the markets in which we operate as either 'established' or 'nascent'. Markets such as aerospace are well-established, with some overall growth and opportunities for new or improved products. These markets are generally more predictable with established supply chains and defined operating rhythms.

Nascent markets are often immature with lots of growth potential, developing supply chains, immature technology and timing which is difficult to predict. In nascent markets, participants often drop out, and being partnered with the right organisation can be as important as the market or technology opportunity. Some of our business in these markets is in pilot stage.

In Paper & Packaging, many of the markets in which we participate are in decline. They are also often large and therefore our market share is small, giving considerable scope for growth based on innovative products or good service offerings.

One other difference is that Advanced Materials are typically sold into long and complex supply chains in which it can be difficult to effect change and grow new opportunities. In Paper & Packaging, we are often dealing directly with brands or their immediate supplier, with more ability to directly influence sales.

Q How are you ensuring financial discipline?

A We've already reduced net debt and reprofiled our banking facilities. Going forward, we're enhancing capital discipline across the business. That means prioritising investments with clear returns, maintaining leverage below 2x EBITDA, and preparing to reinstate dividends when appropriate.

Q Paper & Packaging underwent a significant restructuring in FY24. What's different this time?

A The FY24 restructure looked to 'right-size' the Paper & Packaging business by reducing cost and exiting lower-margin product lines. While the project delivered cost savings, business performance did not improve, and certain vulnerabilities were exposed which have been considered as part of our review into the business.

We learned that removing lower-priced, high-volume products reduced our ability to flex production and maintain asset utilisation. These products, while less profitable on a per-unit basis, played a critical role in absorbing recycled fibre and balancing operational throughput. Their removal also left us more exposed to demand fluctuations and overly reliant on a narrower set of customers and segments.

What we are doing differently now is developing a balanced and more flexible business model, based upon a '3 Peaks' of production model:

— Peak 1: Commodity papers to stabilise operations and improve asset utilisation.

— Peak 2: Core products that deliver consistent value and service.

— Peak 3: Technical paper innovations that deliver higher value.

This model allows us to flex with market conditions while building towards a more resilient and profitable future. We're also embedding better margin management practices, focusing on operational effectiveness, and realigning the organisation to support this strategy. In short, profitability must go hand-in-hand with flexibility. Our new approach reflects that balance.

Q What should shareholders expect over the next 12–24 months?

A Shareholders can expect disciplined execution of our revised strategy, with a clear focus on building a stronger, more resilient business. In the near term, this means delivering operational improvements in Paper & Packaging, maintaining financial discipline, and progressing key commercial initiatives in Advanced Materials. Shareholders should view this period as one of strategic delivery and foundation building, positioning James Cropper to deliver sustainable growth and shareholder value into the longer term.

STRATEGIC OBJECTIVE

01 Organic growth in the Advanced Materials business

CONTEXT

Higher organic growth rates are needed to create more shareholder value.

IMMEDIATE PRIORITIES

— Ensure share of business is maintained with existing customers by aligning with their needs and delivering service.

— Clearly define our value proposition from existing business and replicate this to new opportunities.

— Identify a limited number of key growth markets where we have, or can create, technologies to deliver value.

— Focus on a small number of niche projects which have the potential for break-out growth.

LONGER-TERM PLANS

— Ensure our business has the agility to respond to changes in markets.

— Engage more closely with partners closer to OEM.

— Be positioned as 'partner of choice' in defined markets.

HOW WE WILL MEASURE SUCCESS

— Organic growth rates with targets of consistent double digit growth.

— Opportunity pipeline growth from:

(i) Existing customers, applications or technologies.

(ii) New customers, applications or technologies.

STRATEGIC OBJECTIVE

02 Profitability in the Paper & Packaging business

CONTEXT

Profitability must be restored to support continuity of the business.

IMMEDIATE PRIORITIES

— Execute operational improvement programme.
— Realign commercial offering and rebalance production across commodity (Peak 1) and core (Peak 2) papers.
— Enhance asset utilisation through flexible production models.
— Enhance quality, service and cost efficiency.

LONGER-TERM PLANS

— Develop technical papers (Peak 3) that bridge into Advanced Materials.
— Expand use of recycled fibre to support circular economy goals.

HOW WE WILL MEASURE SUCCESS

— Asset utilisation and production efficiency metrics.
— Customer satisfaction and service-level improvements.
— Growth in technical and recycled-content product lines.

STRATEGIC OBJECTIVE

03 Discipline in cash management and capital allocation

CONTEXT

Maintaining balance sheet strength and flexibility is necessary for organisation resilience and to support delivery of strategic priorities.

IMMEDIATE PRIORITIES

— Maintain capital expenditure and working capital discipline.
— Reduce net debt and embed leverage below 2x EBITDA.
— Fund strategic growth in Advanced Materials.

LONGER-TERM PLANS

— Align capital investment with strategic priorities.
— Build financial headroom to support innovation and resilience.
— Reinstate dividends as part of balanced capital allocation strategy.
— Eliminate the Group's pension deficit over time.

HOW WE WILL MEASURE SUCCESS

— Net debt to EBITDA ratio.
— Free cash flow generation and conversion.
— Progress on pension deficit reduction.

OUR BUSINESS MODEL

JAMES CROPPER IS GLOBALLY RECOGNISED FOR ITS SPECIALIST CAPABILITIES IN THE DESIGN AND MANUFACTURE OF ADVANCED MATERIALS AND PAPER PRODUCTS.

Operating through two principal businesses—Advanced Materials and Paper & Packaging—the Group serves a diverse range of customers with high-performance solutions tailored to specialised applications.

VALUE PROPOSITION

James Cropper delivers high-performance and sustainable material solutions by combining technical expertise with a commitment to innovation and adding value.

With a legacy of over 180 years, the company partners with global brands and industries—from clean energy and aerospace to luxury packaging—offering bespoke solutions that meet complex functional and aesthetic demands.

James Cropper stands out through its approach to innovation, end-to-end manufacturing capabilities, and dedication to enabling a low-carbon future through recyclable, renewable and responsibly sourced materials.

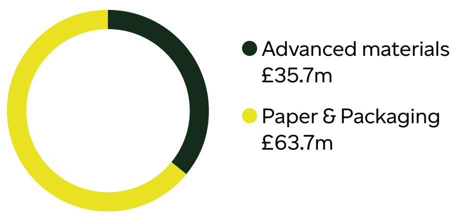
The Group is structured around two principal trading businesses, which are supported and empowered by specialist central functions within a framework of Group governance and controls.

Whilst serving distinct end-markets, the Group's Advanced Materials and Paper & Packaging businesses share a common foundation of expertise and innovation.

Both businesses:

- Utilise highly bespoke equipment to manufacture materials across a technology continuum (see opposite).
- Leverage deep capabilities and embedded know-how in materials science, sustainability and advanced production processes.
- Deliver solutions aligned with global trends such as decarbonisation, circularity and regulatory compliance.
- Carry significant and reputable brands that reflect a commitment to quality and performance.

Sources of Group revenue in FY25



REVENUE MODEL

The Group generates revenue by designing, manufacturing and supplying high-performance materials and sustainable packaging solutions to a global customer base.

In the Advanced Materials business, approximately two thirds of revenue is driven by long-term supply arrangements linked to high-specification products which are often embedded in customers' technology platforms across established industries. This creates recurring income streams and deep integration into customer systems. The balance of revenue is generated from more nascent industries which, whilst variable in the short term, have the potential to deliver significant growth in the medium term.

In the Paper & Packaging business, revenue is generated through the sale of premium creative papers and bespoke moulded fibre packaging, often co-developed with luxury brands and converters. These high-value products command premium pricing due to their customisation and technical performance. Alongside this, the business looks to strategically balance its operations by producing more commoditised papers, which play a crucial role by contributing to overhead recovery, waste utilisation, and ensuring operational efficiency across production assets.

Both businesses units have a high fixed-cost asset base where asset utilisation is a key component of profitability. The Group has underutilised assets in both Advanced Materials nonwoven and Paper & Packaging allowing us to grow in these areas with limited capital investment.

GROUP STRUCTURE

Innovation and technology

Underpinned by shared operational platforms and fibre expertise, the Advanced Materials and Paper & Packaging businesses possess deep technical knowledge and capabilities that drive product excellence and customer value across a diverse range of markets. Innovation frequently serves as the foundation for new customer collaborations and is often the root source of revenue generation.

Technology continuum

Our Paper & Packaging business targets three 'Peaks' of business including Commodity, Core and Technical papers. These products incorporate a mix of recycled and virgin fibres and are frequently colour critical.

Our Advanced Materials business similarly produces wet-laid nonwoven materials using recycled and virgin technical fibres. This business also produces coated nonwoven fibres, and develops and applies specialist coatings to components which enhance performance and product lifespan.

The two businesses increasingly work together to develop customers-focused solutions.

Structure

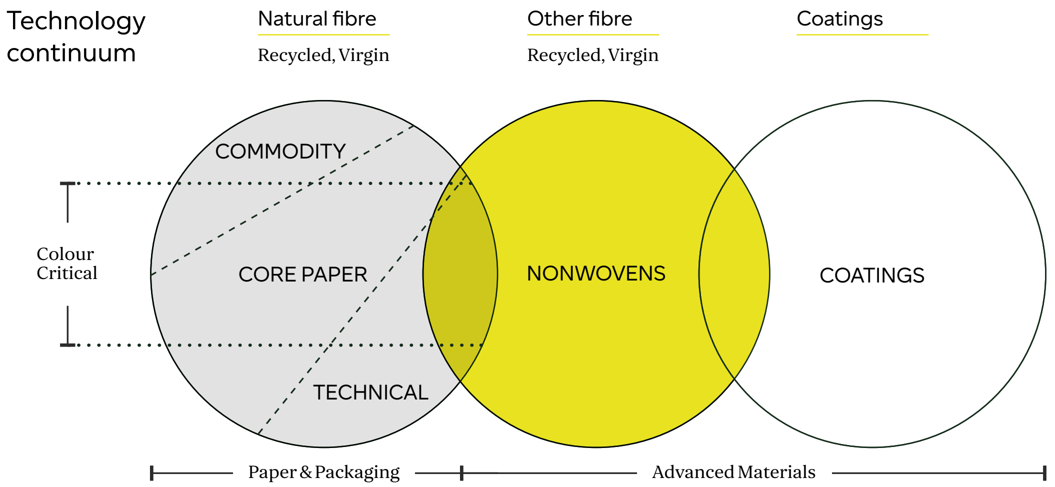
In addition to the technology overlap, the Group's structure is designed to balance strategic alignment with operational focus.

The Group is organised around two principal trading businesses and supported by centralised functions. This approach enables each business to focus on its distinct markets, technologies and customer needs—while leveraging shared expertise, governance and strategic alignment. Group leadership ensures that each business remains aligned with Group strategy and stakeholder interests.

Group-level functions such as Finance, HR, IT, Legal and Risk Management provide consistent support and oversight, ensuring efficiency, compliance and scalability.

The structure is designed to encourage cooperation and knowledge-sharing between businesses, and achieve synergies benefits through shared resource within a framework of governance including policies, practices and controls.

Technology continuum



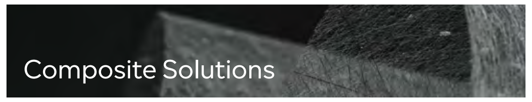
OUR BUSINESS MODEL cont.

ADVANCED MATERIALS

WHAT WE DO

Our Advanced Materials business supplies technically advanced nonwoven materials and electrochemical coatings.

This business comprises two sub-units:

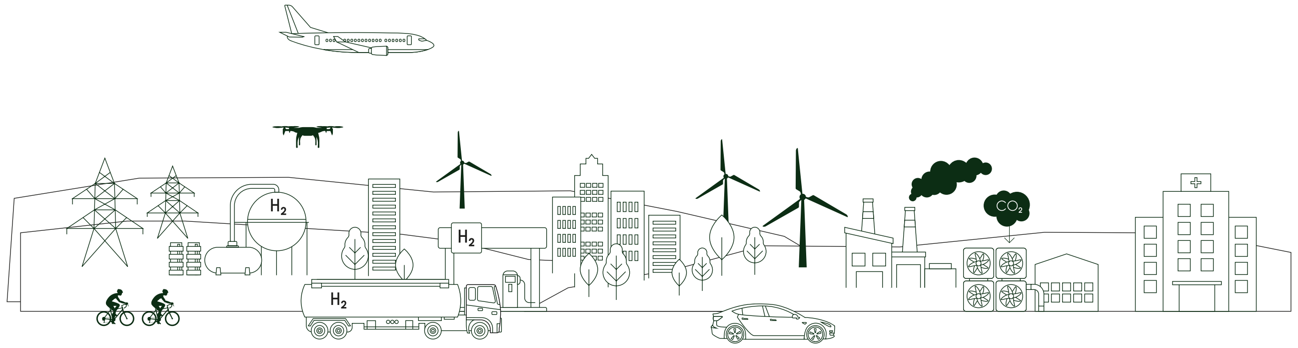


Composite Solutions

Our Composite Solutions business partners with innovative manufacturers worldwide to create nonwoven materials for various applications including electromagnetic shielding, carbon capture and lightweight materials for aircraft. These products are supplied into a broad range of industries including aerospace, defence, automotive and construction.

Energy Solutions

Our Energy Solutions business develops coatings and nonwoven materials to support the transition to clean energy. Products include glass nonwovens for battery systems, gas diffusion layer substrates for fuel cells, and coatings for proton exchange membrane electrolysers. These products are often supplied into nascent and growing markets including hydrogen and battery industries.



PRODUCTS AND MARKETS

PRODUCT RANGE	MARKETS	% REVENUE FY25	MARKET CATEGORY	EXPECTED MARKET GROWTH
Nonwovens	● Aerospace	15%	Established	<10% CAGR
	● Automotive	2%		
	● Construction	7%		
	● Medical	5%		
	● Sporting Goods	4%		
	○ Wind Energy	2%		
	● Other	21%		
	○ Battery	0%	Nascent	10-25% CAGR
	○ Carbon Capture	2%		
	○ Fuel Cell	8%		
	● eVTOL	0%		
Coated nonwovens	● Defence	21%	Established	<10% CAGR
Component coatings	○ PEM electrolysis	13%	Nascent	>25% CAGR

○ Energy solutions

● Composite solutions

OUR CUSTOMERS

Our end customers are leading and innovative equipment manufacturers globally, with whom we develop close and longstanding relationships founded upon cutting-edge materials science, strong collaboration, a commitment to best-in-class solutions, and continuing excellence. We are typically positioned in Tiers 3 to 5 of global supply chains supplying materials to component and equipment manufacturers.

Our objective is to develop forward-looking and transformative technologies that best enable our customers to succeed.

MANUFACTURING LOCATIONS

UK

USA

SUSTAINABLE COMPETITIVE ADVANTAGES

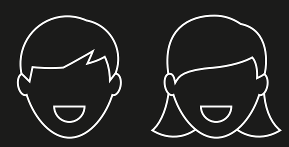
— Intellectual property: deep materials chemistry knowhow, product and process technology and trade secrets, bespoke machinery, people and expertise.

— Longstanding and trusted customer partnerships and supplier relationships.

— Collaborative approach and ability to develop bespoke solutions to meet industry challenges.

— Culture of innovation, with continued investment in the development and optimisation of product ranges.

— Strong standing, reputation and brand recognition across a broad range of established and nascent industries.



Advanced Materials workforce

150

people

CASE STUDY

TAKING FLIGHT WITH RECYCLED CARBON FIBRE INNOVATION

ADVANCED AIR MOBILITY MEETS SUSTAINABLE MATERIALS

In partnership with the University of Sheffield Advanced Manufacturing Research Centre (AMRC), James Cropper Advanced Materials is helping shape the future of Advanced Air Mobility (AAM) through the development of lightweight, sustainable composite materials. This collaboration focuses on using recycled carbon fibre to reinforce structural components in uncrewed aerial vehicles (UAVs), supporting the aerospace sector's drive towards net zero emissions.

THE APPLICATION

UAV WING SKIN REINFORCEMENT

The AMRC used OPTIVEIL® to reinforce high-stress areas of a UAV wing skin demonstrator. The goals were to:

- Maintain structural integrity while minimising weight.
- Use a single fibre type to simplify recycling at end of life.
- Validate the performance of recycled carbon fibre in aerospace-grade composites.

The results were compelling: OPTIVEIL® delivered the required strength and processability, and benefits including:

- Weight savings critical to electric flight.
- Sustainable sourcing through fibre reuse.
- Design flexibility for next-generation UAVs and eVTOL aircraft.

> "I'm very pleased with the project's outcome, as we demonstrated the feasibility of processing very lightweight, efficient structures with this method. I look forward to doing more work in this area to further develop the process and use the design opportunities it presents.

Dr Tim Swatt
Technical Fellow at the University of Sheffield AMRC

THE MATERIAL

OPTIVEIL® RECYCLED CARBON FIBRE VEILS

At the heart of this innovation is OPTIVEIL®—a high-performance nonwoven veil made from recycled carbon fibre. Designed to deliver ultra-lightweight reinforcement, OPTIVEIL® offers:

- Consistent fibre distribution
  Ensuring uniform mechanical properties and enhancing structural reliability.
- Excellent resin compatibility
  Promoting strong fibre bonding to enhance quality.
- Enhanced surface finish and interlaminar strength
  Improving the aesthetic and mechanical integrity.

OPTIVEIL® can also offer thermal and electrical conductivity.

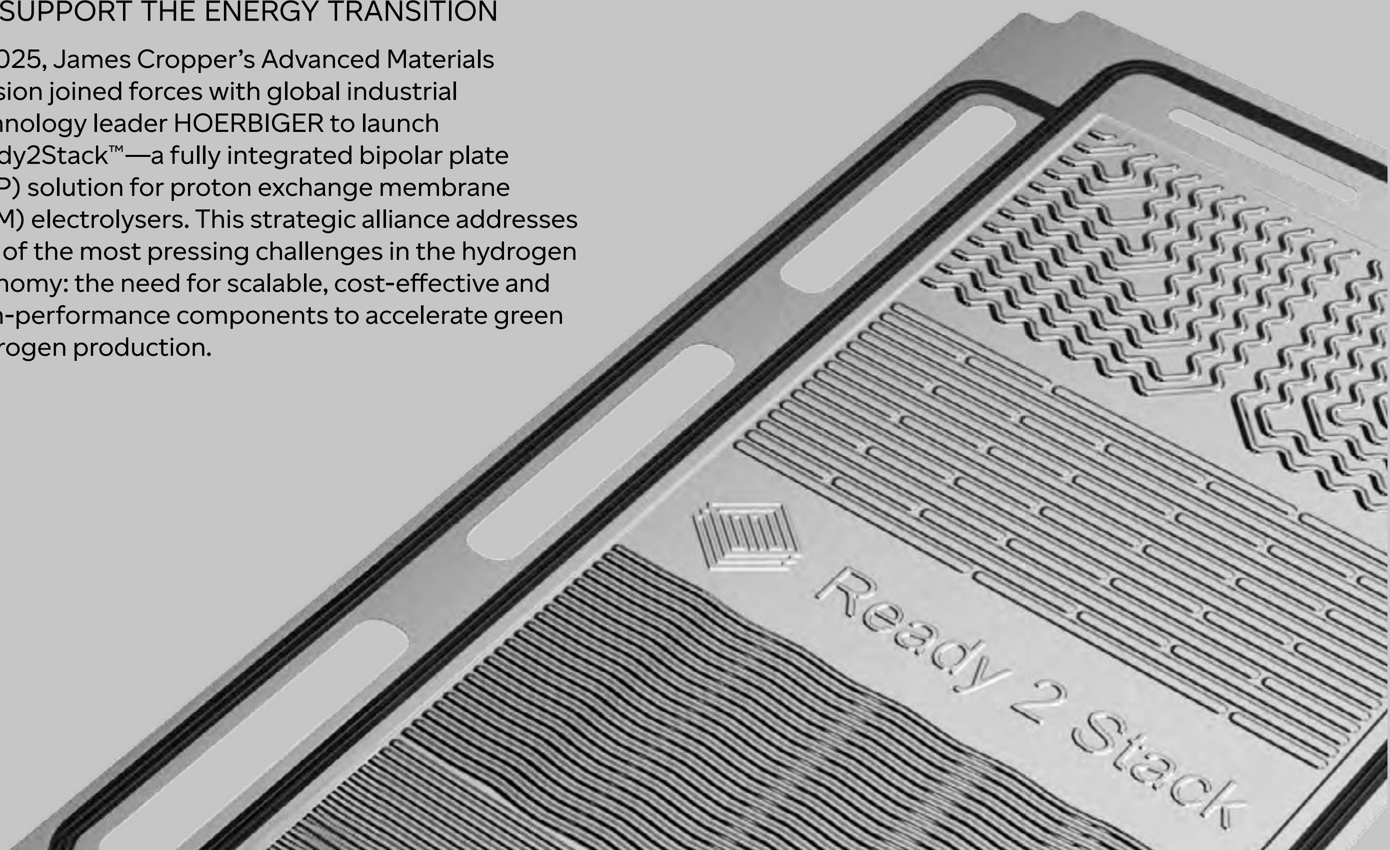
For this project, James Cropper supplied an OPTIVEIL® composite designed for use in Tailored Fibre Placement—a precision stitching method that aligns fibres along load paths for optimal structural performance.

CASE STUDY

EMPOWERING THE HYDROGEN ECONOMY WITH READY2STACK™

STRATEGIC COLLABORATION TO SUPPORT THE ENERGY TRANSITION

In 2025, James Cropper's Advanced Materials division joined forces with global industrial technology leader HOERBIGER to launch Ready2Stack™—a fully integrated bipolar plate (BPP) solution for proton exchange membrane (PEM) electrolysers. This strategic alliance addresses one of the most pressing challenges in the hydrogen economy: the need for scalable, cost-effective and high-performance components to accelerate green hydrogen production.



THE INNOVATION

READY2STACK™

Ready2Stack™ is a drop-in BPP solution that consolidates all design and manufacturing processes into a single point of supply. It combines:

- James Cropper's Resillion™ coating technology and electrochemical expertise.
- HOERBIGER's industrial-scale metal forming, automation and precision engineering.

This synergy delivers:

- Reduced system complexity
- Enhanced in-stack durability
- Lower total cost of ownership
- Minimised production downtime

> "By combining advanced metallurgy, electrochemistry and precision engineering, we are enabling the rapid scaling of PEM electrolyser production—accelerating the shift to a cleaner, more sustainable energy landscape.
>
> David Stirling,
> CEO, James Cropper

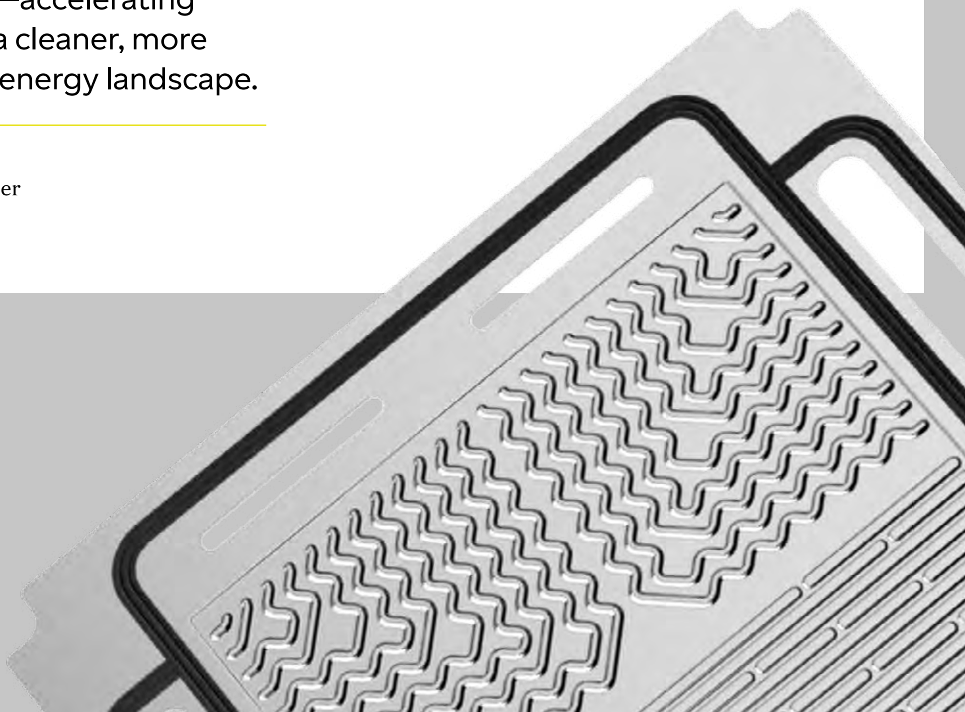
MARKET IMPACT AND OPPORTUNITY

PEM electrolysers are central to the production of green hydrogen, but their scalability has been hindered by fragmented supply chains and high component costs. Ready2Stack™ directly addresses these barriers, offering:

- A turnkey solution for OEMs
- Streamlined supply chains
- Improved reliability and performance
- A pathway to mass adoption of hydrogen as a source of energy

A SHARED VISION FOR SUSTAINABILITY

This collaboration exemplifies how cross-sector innovation can unlock transformative solutions. With HOERBIGER's global reach—operating in 43 countries—and James Cropper's legacy of material innovation, Ready2Stack™ is poised to play a pivotal role in the global energy transition.



OUR BUSINESS MODEL cont.

PAPER & PACKAGING

WHAT WE DO

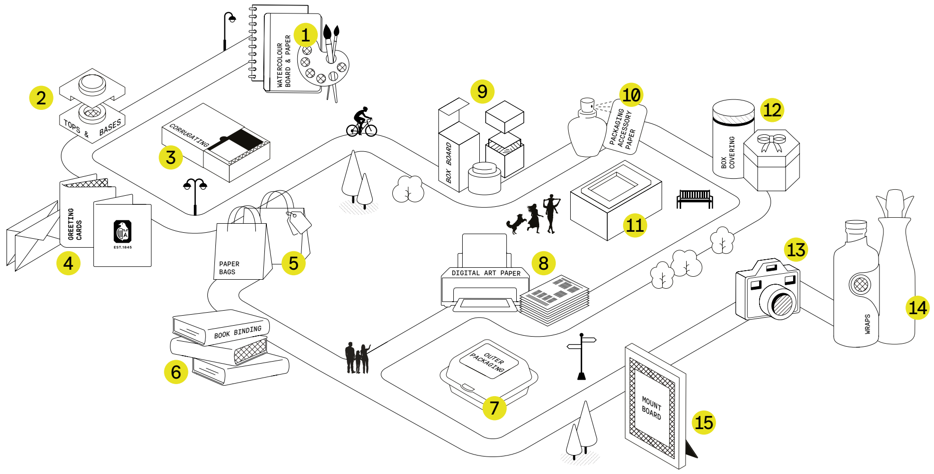
Our Paper & Packaging business offers industry-leading thermoformed fibre solutions, bespoke papermaking and innovative recycled fibre capabilities.

The business comprises two main sub-units, which are predominantly 'Peak 2' classification. Approximately 5-10% of sales volume is 'Peak 1' in the Corrugating and Box Board categories.

Utilising 180 years of papermaking and colour expertise, this sub-unit develops premium art papers, digital printing papers, mountboards, stationery and publishing papers. Products incorporate up to 100% recycled fibres from a variety of sources, including recycled single-use coffee cups which are processed using our CupCycling® facility on-site.

Collaborating closely with prestigious brands globally, this sub-unit provides unique packaging solutions and sustainable alternatives to plastics. Products include luxury bag kraft, box wrap, corrugating boards and the award-winning Colourform® bespoke moulded fibre packaging solution. Our mono-material products support the transition to a circular economy.

ECOSYSTEM



1 Watercolour board & paper
High-quality substrates designed for professional and amateur artists, offering excellent absorbency and texture for water-based media.

2 Tops & bases
Core components used in packaging and display products, providing structural integrity and aesthetic appeal.

3 Corrugating
Materials engineered for strength and durability in packaging applications, particularly in transit and storage solutions.

4 Greeting cards
Premium card stock tailored for the production of greeting cards, combining printability with tactile quality.

5 Retail bags
Durable and visually appealing paper-based bags designed for retail environments, supporting brand presentation and sustainability goals.

6 Book binding & end papers
Specialist papers used in the construction and finishing of books, providing strength, flexibility, and aesthetic quality.

7 Outer packaging
Robust paperboard solutions designed to protect goods during transit while offering branding opportunities.

8 Digital art paper
Specially coated paper designed for digital printing technologies, delivering vibrant color reproduction and fine detail for digital artworks.

9 Box board
High-strength board used in the manufacture of rigid boxes, offering excellent printability and structural performance.

10 Packaging accessory paper
Complementary paper products used in packaging, such as liners, dividers, and decorative elements, enhancing functionality and presentation.

11 Inserts
Customisable paper components used within packaging to protect, separate, or present products effectively.

12 Box cover paper
Premium decorative paper used to wrap and finish rigid boxes, combining visual appeal with durability.

13 Photographic reproduction
Specialised paper and board products designed for high-fidelity image reproduction in photographic and fine art printing.

14 Wraps
Flexible and decorative paper products used for wrapping gifts and retail packaging, combining visual appeal with functional protection.

15 Mountboard
Sturdy boards used for mounting artwork and photographs, offering archival quality and dimensional stability.

OUR CUSTOMERS

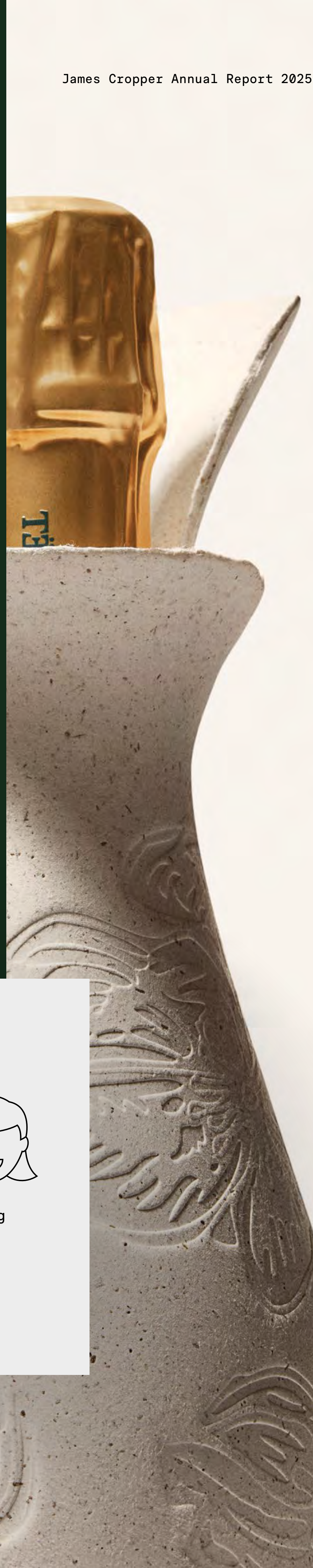
We develop longstanding and trusted relationships with some of the most well-known and prestigious global brands, together with art, mountboard and creative paper merchants, printers and publishers, and commercial digital printers. Our objective is to develop innovative, high-quality and sustainable products which best ensure the success of our customers.

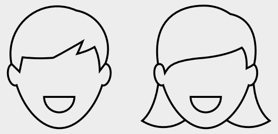
MANUFACTURING LOCATION

UK

SUSTAINABLE COMPETITIVE ADVANTAGES

— Deep-rooted technical, fibre and colour knowhow, product and process trade secrets, people and expertise.
— Patent-protected product ranges and trusted industry-recognised brands.
— Culture of innovation and passion for creativity.
— Deeply established and longstanding customer relationships built on decades of trust and product quality.





Paper & Packaging workforce
344 people

CASE STUDY

REDEFINING RECYCLED PAPER FOR LUXURY PACKAGING

INNOVATION IN SUSTAINABLE MATERIALS

In 2025, James Cropper launched Rydal Eco, setting new standards for papers manufactured from recycled materials.

Crafted from post-consumer coffee cups and industrial waste, Rydal Eco is an uncoated board, made entirely from recycled paper fibres, that performs like a coated board. It delivers a superb printing surface with whiteness equivalent to virgin fibre materials, meaning sharper print, more vivid colours, cleaner die cutting, and better registration when using finishing techniques such as varnishing and debossing.

Designed with luxury goods in mind, Rydal Eco offers incredible versatility to both brands and converters. Its luxurious tactile feel makes it ideal for a wide range of applications, from cosmetics and wines to fragrance packaging, while its precision-engineered converting characteristics mean it is compatible with diverse production techniques including lithography, silk screen printing, die stamping, laser cutting, foil blocking, and more.

The collection also supports antimicrobial protection through PaperGard™ silver ion technology, offering added value for brands seeking hygiene assurance.

“

We continue to raise the bar for the industry on what can be achieved using recycled fibres.

Paul Barber
Managing Director, Paper & Packaging

Our products were made into over

51.5m

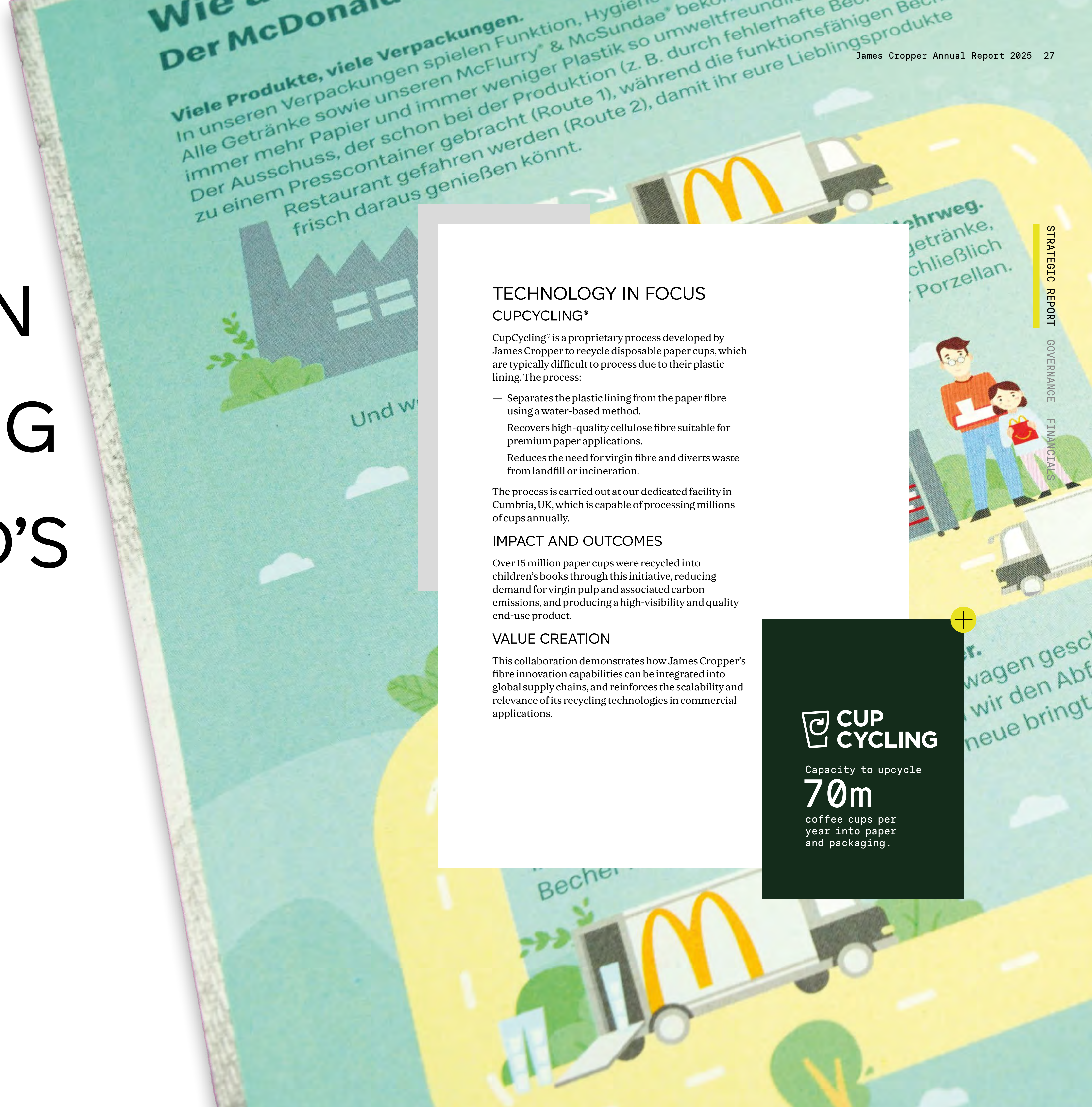
luxury retail shopping bags last year.

CASE STUDY

CIRCULAR INNOVATION SUPPORTING MCDONALD'S GERMANY

Following almost a decade of collaboration in recycling cups with McDonald's restaurants, James Cropper partnered with McDonald's Germany in 2024 to deliver a closed-loop recycling initiative that transformed used paper cups into children's books.

The project utilised James Cropper's proprietary CupCycling® technology—which was the world's first recycling process dedicated to upcycling takeaway cups—demonstrating the commercial application of circular fibre innovation at scale.



TECHNOLOGY IN FOCUS

CUPCYCLING®

CupCycling® is a proprietary process developed by James Cropper to recycle disposable paper cups, which are typically difficult to process due to their plastic lining. The process:

- Separates the plastic lining from the paper fibre using a water-based method.
- Recovers high-quality cellulose fibre suitable for premium paper applications.
- Reduces the need for virgin fibre and diverts waste from landfill or incineration.

The process is carried out at our dedicated facility in Cumbria, UK, which is capable of processing millions of cups annually.

IMPACT AND OUTCOMES

Over 15 million paper cups were recycled into children's books through this initiative, reducing demand for virgin pulp and associated carbon emissions, and producing a high-visibility and quality end-use product.

VALUE CREATION

This collaboration demonstrates how James Cropper's fibre innovation capabilities can be integrated into global supply chains, and reinforces the scalability and relevance of its recycling technologies in commercial applications.

CUP CYCLING

Capacity to upcycle

70m

coffee cups per year into paper and packaging.

CEO REVIEW

INTRODUCTION

I am pleased to present my first review as Chief Executive Officer of James Cropper, covering the financial year ended 29 March 2025. Following my appointment as Chief Executive Officer in February 2025, I have identified the priorities for the Group and for the two Business Units: Advanced Materials and Paper & Packaging. This was based on a comprehensive review of the business which, in the case of Advanced Materials, was well progressed by the business' management and which—following review and endorsement by the Board—was presented at a Capital Markets Event held on 18 June 2025.

The revised strategy, which is described further below, incorporates plans to develop organic growth in the Advanced Materials business together with a structured programme of work to improve the performance and robustness of the Paper & Packaging business, supported by a disciplined approach to cash and capital management.

As we make progress to deliver these priorities, there will undoubtedly be challenges which will test the resilience of our business, our people and the strategy. James Cropper has a team of talented and resilient people ready to face these challenges.

FY25 PERFORMANCE

Group

Group revenue was marginally lower than the prior year, with Advanced Materials growing 3% and Paper & Packaging declining 7%, much of this decline being attributable to product mix with sales tonnage in Paper & Packaging being similar to the prior year.

Despite lower revenue, Adjusted Operating Profit improved by 32%, although this was substantially due to lower depreciation as a result of asset impairment in the prior period. With further asset impairment in relation to Paper & Packaging assets this year, the Board has decided that Adjusted EBITDA (explained more fully in the CFO review) is a metric more reflective of underlying business profitability and performance. Adjusted EBITDA of £6.7m was at a similar level to the prior year (FY24: £6.6m).

The mechanism for recharging Group costs to Business Units was amended in the period, to better reflect the ownership of these costs, leading to a lower recharge to the two Business Units which is more in line with the services used.

Excluding the impairment of assets in Paper & Packaging, the balance sheet strengthened in the period, with a significant reduction in Net Debt resulting from a reduction in capital expenditure coupled with effective management of working capital.

After the year end, on 1 May 2025, the Group announced the sale of certain non-core intellectual property assets, in a transaction which generated an initial cash consideration of €1.75 million, and the potential for further deferred and royalty-based income over the next nine years. The intellectual property assets remain available to the Group under licence without fee for internal use.

Subsequently, on 9 June 2025, the Group announced that revised repayment terms had been agreed with its lenders under its principal UK banking facility.

Each of these transactions provides enhanced liquidity headroom to support delivery of the Board's strategy.

Group performance	FY25	FY24	Change
Revenue	£99.3m	£103.0m	-4%
Adjusted EBITDA	£6.7m	£6.6m	+1%
Adjusted Operating Profit	£2.6m	£2.0m	+32%
Adjusted Profit Before Tax	£1.3m	£0.8m	+77%
Net Debt	£12.9m	£15.5m	-17%

"

The strategic reset has been thorough, data-driven, and grounded in a clear understanding of our capabilities and market opportunities. We believe this plan provides the right balance of ambition and realism, positioning the Group to build long-term shareholder value.

David Stirling
CEO

CEO REVIEW cont.

ADVANCED MATERIALS

Advanced Materials manufacture nonwoven materials and electrochemical coating solutions. Our customers are in two main categories: Composites and Energy, with most products being sold into complex supply chains, often with 3-5 layers before being incorporated into the final product. Nonwoven papers, made using carbon, glass, polymer or other fibres are predominantly used in Composites markets, with some applications in energy transition, while electrochemical coatings are almost exclusively sold into Energy markets.

Many of our customers are in markets which are relatively immature and usually developing rapidly – we term these 'nascent markets' – while the majority of revenue comes from more established markets. Nascent markets offer higher levels of growth and return, with commensurately higher risk levels and are often more volatile and difficult to predict. The Energy markets in which we operate, such as battery technology and hydrogen fuel-cells and electrolysis, are largely nascent markets while Composite markets are typically more established and would be expected to deliver lower, but more predictable, growth.

Revenue in the Advanced Materials business increased by £1.2m or 3% in the period. Composites, which represents around 70% of sales, grew by 13% with pricing being the main factor. Sales in Energy declined by 17%, delivering good growth momentum in the second half of 2025 while recognising the strong comparative in the first half of FY24 when fuel cell revenue was at an elevated level. Across the Business Unit, operational improvements helped improve margins.

Advanced Materials performance	FY25	FY24	Change
Revenue	£35.7m	£34.5m	+3%
Adjusted EBIDTA	£10.6m	£9.3m	+14%
Adjusted Operating Profit	£9.0m	£7.7m	+17%

PAPER & PACKAGING

Paper & Packaging operates in a number of segments globally, with the UK, Continental Europe and the USA being the main geographic markets where James Cropper supplies merchants and packaging fabricators in the creative, luxury packaging and speciality papers business. These markets are, for the most part, declining and our performance is partly market related. However, the business' share of the addressable paper market is small and delivering sales growth through agility and improved service is possible.

Overall, sales volumes were at similar levels to FY24 but a sharp decline in Colourform moulded fibre products, to 2.1% of Business Unit revenue (FY24: 6.2%), where the business is more linked to luxury packaging markets and is project driven, together with other product mix changes led to the decline in revenue.

Depreciation declined to £2.1m (FY24: £2.7m) due to impairment of assets in the prior accounting period and the mechanism for allocating Group costs to Business Units was refined in the period to better reflect the services used, both of which contributed to the lower Adjusted Operating Loss in the Business Unit.

Paper & Packaging performance	FY25	FY24	Change
Revenue	£63.7m	£68.5m	-7%
Adjusted EBITDA	£(2.1)m	£(2.5)m	+16%
Adjusted Operating Loss	£(4.1)m	£(5.1)m	+19%

BUSINESS REVIEW AND REVISED STRATEGY

Upon joining the business, I was impressed by the depth of technical expertise and commitment across our teams. However, it was also clear that performance had been inconsistent. A more focused, disciplined, and commercially driven approach was required to strengthen the operational and commercial foundations, ensure consistent performance and ultimately drive value for shareholders and broader stakeholders.

To address this, we conducted a comprehensive review of the business. This review assessed the business model, commercial and strategic positioning, operational effectiveness and long-term potential. This led to the development of a revised strategy for the Group, which has the full support of the Board, and was presented at our Capital Markets Event on 18 June 2025.

A recording of the Capital Markets Event together with copies of the materials presented are available to view on the Group's website at https://jamescropper.com/investors/.

The revised strategy is designed to reset the business for long-term success and is built around three core pillars:

STRATEGIC OBJECTIVE

01 Organic Growth in Advanced Materials

While the Advanced Materials business has historically delivered strong margins, it has lacked consistent top-line growth. Our revised strategy aims to deliver underlying double digit revenue growth over the medium term by focusing on high-potential markets where we either have a competitive edge or potential to develop one. These markets include established sectors, such as aerospace and defence, where we have long-standing customer relationships, qualified product specifications, and proven product performance, as well as nascent sectors like hydrogen and carbon capture, which offer significant long-term growth potential but are inherently more volatile and less predictable.

To support growth, we are aligning more closely with customers in our focus markets, ensuring that our technical capabilities are tightly matched to customer needs and market dynamics. We are implementing a more structured approach to opportunity development, including deeper engagement with existing customers, replication of proven applications across adjacent markets, and proactive identification of new use cases where the attributes of our materials can deliver differentiated value.

This strategy is underpinned by a more agile operating model and investment in technical leadership, enabling us to scale effectively as demand increases. By focusing our efforts on a defined set of markets and opportunities, we are building a more resilient and growth-oriented business positioned to deliver long-term sustainable value.

CEO REVIEW cont.

STRATEGIC OBJECTIVE

02 Profitability in Paper & Packaging

The Paper & Packaging business has faced persistent challenges in recent years, including decline in certain segments of our markets, inflationary cost pressures, and operational complexity. While previous restructuring efforts delivered cost savings in some areas, predominantly direct operational labour, they did not address deeper structural issues, such as unclear accountability and the need for improved management systems to drive broader operational and cost efficiencies. Additionally, operating below optimal asset utilisation has increased operational gearing risks.

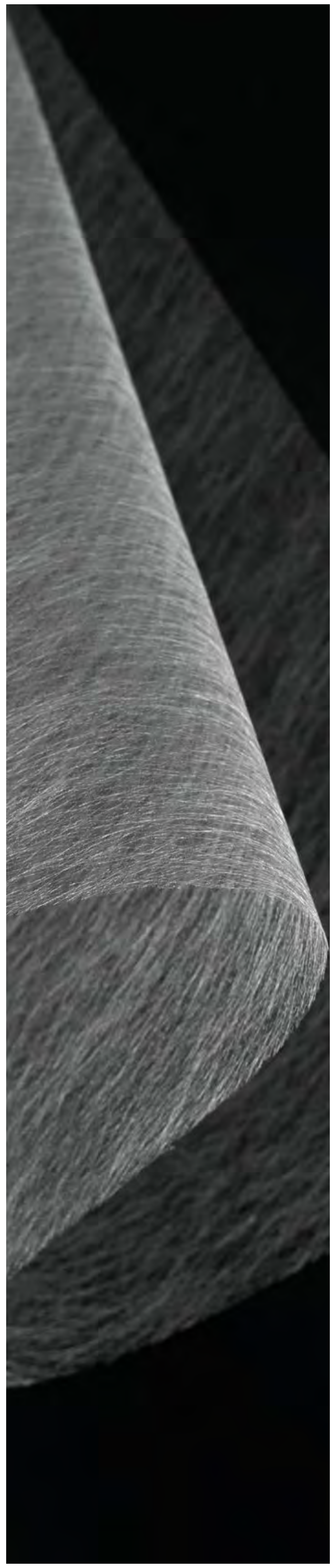
To address these challenges, we have introduced a new '3 Peaks' model, that rebalances our operations and commercial positioning across three distinct product categories: (i) commodity papers, (ii) core products, and (iii) technical papers.

In the near term, our focus is on stabilising performance through Peaks 1 and 2, commodity and core products. These categories provide the volume and flexibility needed to optimise asset utilisation, improve cost recovery, and support consistent service levels. There is ample opportunity to operate more effectively and efficiently in delivering these products, with reductions in fixed and operating costs, such as labour, energy, material utilisation and procurement, expected to contribute substantially to improvements in the Paper and Packaging business profitability. Over time, we will increasingly invest in Peak 3, technical papers, to develop higher-value, innovation-led products that more closely align to our Advanced Materials business. This will enable us to open new market opportunities and deliver differentiated solutions to customers seeking sustainable, fibre-based alternatives.

The 3 Peaks model also improves our ability to absorb and reuse recycled fibre and internal waste streams, supporting both cost efficiency and our customers' sustainability goals. A balanced, flexible product mix strengthens our ability to respond to market dynamics while driving operational efficiency. Alongside these structural changes, we are embedding stronger commercial discipline, improving margin management, and focusing on customer segments where we can deliver the greatest value. We expect this revised approach to improve performance in FY26, and to play a key role in restoring long-term profitability.

Along with operational efficiency, commercial positioning and discipline, increased asset utilisation the other primary lever to improve profitability. Increasing revenue through growth in sales volume is therefore an important objective. The recent announcement, that a significant merchant customer of the Paper & Packaging business would no longer source certain coloured paper ranges from the Company, decreases expected asset utilisation in the near future. While unexpected and unwelcome, this does not change our strategy or intent and an assessment of optimal operational structures, which also considers our business growth pipeline and expected outcome from this, is currently being undertaken.

The profit performance of the Paper & Packaging business has meant that, in the last two financial years, we have had consecutive asset impairment charges of £4.4m and £7.2m. These non-cash charges reflect the expected returns of the business based on its financial position as at the relevant reporting date, and do not take into account the revised strategy outlined above and presented at our Capital Markets Day on 18 June 2025 or other events since that time.



STRATEGIC OBJECTIVE

03 Disciplined Capital Allocation

Financial discipline is a core component of any robust business strategy. In addition to stabilising the balance sheet in FY25 and improving the repayment profile on our UK facility, our immediate priorities are to maintain capital expenditure, working capital and cash management disciplines, and to embed leverage at <2x EBIDTA. Subject to this, we will look to support investment in growth, primarily expected to be in the Advanced Materials business, and to reinstate dividends when appropriate. We are working with the Trustee to develop a strategy to eliminate the deficit in the defined benefit pension schemes.

LOOKING AHEAD

I am confident that our new strategy provides a clear and credible roadmap for delivering sustainable performance improvement across the Group. Our focus now is on disciplined execution, embedding accountability at every level, aligning our teams around clear priorities, and delivering measurable value to our customers and stakeholders.

In Advanced Materials, our strategy is to deliver consistent, modest growth in our established markets, such as aerospace, while positioning ourselves to capitalise on the significant upside potential in nascent sectors like hydrogen, battery systems, and carbon capture. These emerging markets are still maturing, but we are well positioned to grow with them, supported by our deep technical expertise, strong customer relationships, and a focused innovation pipeline.

In the Paper & Packaging business, our immediate priority is to stabilise and strengthen the business. We are focused on restoring profitability by optimising our product mix, improving asset utilisation, and embedding stronger margin management. Where we are targeting some volume growth in the near term, particularly through Peak 1 (commodity papers), we are doing so in large markets where even a modest share gain can deliver meaningful throughput and cost recovery benefits. This approach supports both financial resilience and broader sustainability goals through increased use of recycled fibre and waste streams.

For FY26, the Board expects to see the initial results from the implementation of the new strategy and is confident that the Group will deliver significant growth in Adjusted EBITDA profitability against FY25. Trading in the first quarter was ahead of the Board's expectations and at a similar level to the strong start recorded in FY25. Despite headwinds from the loss of business at a merchant customer, referenced above, expectations are for Paper & Packaging to deliver a significant improvement in Adjusted EBITDA against FY25, and to achieve run-rate Adjusted EBITDA breakeven in the final quarter. The Advanced Materials business is expected to report high single-digit revenue growth for full year FY26, with planned operational cost investments during the period focused on revenue growth beyond FY26.

In the longer term, innovation remains critical to our future. Our technology continuum, from natural fibres to technical fibres, coated technical fibres, and ultimately advanced coatings, gives us a depth or expertise and unique platform to develop differentiated solutions to drive value. Our asset base, of older machines in Paper & Packaging and bespoke machinery in Advance Materials, combined with deep technical expertise gives us an opportunity to develop highly differentiated materials for the future.

The strategic reset has been thorough, data-driven, and grounded in a clear understanding of our capabilities and market opportunities. We believe this plan provides the right balance of ambition and realism, positioning the Group to build long-term shareholder value.

I would like to thank our employees for their resilience, professionalism, and commitment during a period of significant change. Their expertise and dedication are the foundation of our future success.

Whilst external uncertainties will always exist, I am confident we have the right strategy, leadership, and capabilities in place to deliver sustainable growth and create enduring value for all our stakeholders.

David Stirling
Chief Executive Officer
16 July 2025

CHIEF FINANCIAL OFFICER'S REVIEW

RESULTS FOR THE PERIOD

		2025 £'000	2024 £'000	Change %
GROUP REVENUE		99,343	102,968	-3.5%
ADJUSTED EBITDA	APM4	6,694	6,606	+1.3%
Profit summary				
Paper & Packaging		(4,142)	(5,138)	+19%
Advanced Materials		8,992	7,715	+17%
Other Group expenses		(2,242)	(600)	-274%
Adjusted operating profit	APM1	2,608	1,977	+32%
Net finance costs (excluding IAS 19 impact)		(1,263)	(1,219)	+4%
Adjusted profit before tax	APM2	1,345	758	+77%
Exceptional costs		(7,229)	(5,010)	+44%
Exceptional finance costs		–	(262)	–
Adjusted loss before tax after exceptional items	APM3	(5,884)	(4,514)	+30%
Net IAS 19 pension adjustments				
Net current service charge required		25	6	+316%
Net interest		(829)	(753)	+10%
Net IAS 19 pension impact		(804)	(747)	+8%
LOSS BEFORE TAX		(6,688)	(5,261)	+27%

The full Statement of Comprehensive Income is on page 88.

ALTERNATIVE PERFORMANCE MEASURES

The Board uses four alternative performance measures (APMs) to evaluate business performance. The purpose of these APMs is to highlight underlying business performance by removing the impact of exceptional gains and losses and removing IAS 19 pension costs that can vary significantly across reporting periods.

APM 1 'Adjusted operating profit': Adjusted operating profit refers to operating profit before interest and prior to the impact of IAS 19 and exceptional items.

APM2 'Adjusted profit before tax': Adjusted profit before tax refers to profit before tax prior to the impact of IAS 19 and exceptional items.

APM3 'Adjusted profit before tax after exceptional items': Adjusted profit before tax after exceptional items refers to profit before tax prior to the impact of IAS 19.

APM4 'Adjusted EBITDA': EBITDA refers to profit before interest, tax, depreciation and amortisation. Adjusted EBITDA is EBITDA prior to the impact of IAS 19 and exceptional items.

REVENUE

Group revenue for the financial period of £99.3m was 3.5% below the prior period figure of £103m. Revenue in the first half of the financial period was 12% below the same period a year earlier when comparatives were stronger in both businesses. Revenue in the second half of the financial period was 6.5% above the same period a year earlier, reflecting a return to growth in our Advanced Materials business and stabilisation of the paper merchant market.

Revenue in the Advanced Materials business increased by £1.2m or 3.4% in the financial period. Growth in revenue from established defence and aerospace markets across the period was partly offset by a drop in revenue from more nascent hydrogen fuel cell and PEM electrolyser markets in the first half of the period, due to continued challenges around end-market project economics. Fuel cell and electrolyser revenue increased in the second half of the financial period, reflecting the success of our customers in winning new orders.

Revenue in the Paper & Packaging business fell by £4.8m or 7.0% in the financial period due to continued weakness in luxury packaging markets, partly offset by a recovery in core paper merchant business following the end of destocking in the onward supply chain.

COSTS AND EXPENSES

Material costs (including the impact of changes in inventories) for the financial period of £35.4m were £2.0m below the prior period cost of £37.4m. Material costs as a percentage of revenue fell slightly during the financial period to 35.6% (prior period: 36.3%), reflecting operating efficiencies in the Advanced Materials business, partly offset by adverse product mix and the impact of rising pulp prices in the Paper & Packaging business.

Energy costs for the financial period of £6.0m were £1.1m below the prior period cost of £7.1m due to lower unit energy prices in the financial period and a modest drop in Paper & Packaging production volumes.

Employee costs of £32.7m in the financial period were £1.8m below the prior period cost of £34.5m, falling from 33.6% of revenue in the prior period to 32.9%, due to efficiencies in indirect labour costs that outweighed the cost of the Group's annual pay award.

Other expenses fell by £0.7m from £19.5m in the prior period to £18.8m in the financial period, in line with the drop in revenue.

ADJUSTED EBITDA

Adjusted Group EBITDA (APM4) for the financial period of £6.7m was £0.1m above the prior period, giving an Adjusted EBITDA margin for the financial period of 6.7% (prior period: 6.4%).

ADJUSTED OPERATING PROFIT

Adjusted Group operating profit (APM1) for the financial period of £2.6m was £0.6m above the prior period figure of £2.0m, giving an adjusted operating profit margin for the financial period of 2.6% (prior period: 1.9%).

The allocation to the trading businesses of expenses managed by the Group office was revised in the financial period to better reflect underlying cost and service provision. This resulted in a reduced allocation to the Paper & Packaging business.

Adjusted operating profit in the Advanced Materials business increased by £1.3m in the financial period to £9.0m (prior period: £7.7m) due to revenue growth of £1.2m and an increase in the operating profit margin to 25.2% (prior period: 22.4%) as a result of more robust pricing and cost efficiencies.

The adjusted operating loss in the Paper & Packaging business in the financial period of £4.1m was an improvement of £1.0m from the prior financial period operating loss of £5.1m. The improvement was due to overhead cost savings and lower energy prices, partly offset by the adverse impact of the £4.8m drop in revenue, higher pulp prices and adverse product mix.

ADJUSTED PROFIT BEFORE TAX

Adjusted Group profit before tax (APM2) for the financial period of £1.3m was £0.6m above the prior period due to the £0.1m increase in Adjusted Group EBITDA and a drop in depreciation during the financial period as a result of the asset impairment charge in the prior financial period.

EXCEPTIONAL COSTS

During the period the Group recognised a £7.2m non-cash impairment of the carrying value of the property, plant and equipment and right-of-use assets in its Paper & Packaging business. The Board believes that the reduced asset carrying value better reflects the position of the Paper & Packaging business at the balance sheet date after four years of operating losses. The Board remains confident in the future of the Paper & Packaging business and the success of the turnaround plan being implemented after the balance sheet date by the new management team.

Exceptional operating costs in the prior period principally comprised restructuring costs of £2.3m, a non-cash tangible fixed asset impairment charge of £4.4m, a credit of £1.4m from settlement of a legal claim in respect of the Group's pension arrangements, and a credit of £0.4m based on reassessment of the contingent consideration due in respect of the acquisition of TFP Hydrogen Limited.

STATEMENT OF FINANCIAL POSITION (SFP)

	2025 £'000	2024 £'000
Non-current assets (excluding deferred tax)	26,921	36,510
Total current assets (excluding cash)	34,586	34,829
Total current liabilities (excluding loans and borrowings)	(16,255)	(15,570)
Deferred tax assets less deferred tax liabilities	3,958	2,628
	49,210	58,397
Net IAS 19 pension deficit	(15,914)	(17,293)
	33,296	41,104
Net borrowings	(12,889)	(15,537)
Equity shareholders' funds	20,407	25,567

Equity shareholders' funds fell by £5.2m during the financial period, primarily due to the non-cash fixed asset impairment charge of £7.2m in the Paper & Packaging business.

The net book value of non-current assets fell by £9.6m across the financial period due to the £7.2m impairment of the carrying value of the tangible fixed assets in the Paper & Packaging business noted above. In addition, capital expenditure of £1.7m in the period (prior period: £3.8m) was below the underlying depreciation charge for the period, reflecting the Group's focus on cash management.

Total current assets less total current liabilities fell by £0.9m across the financial period due to improved working capital management and the timing of creditor payments around the period-end reporting date.

The £1.3m increase in the deferred tax balance during the financial period was primarily due to the drop in deferred tax liabilities in respect of accelerated capital allowances in respect of the fixed asset impairment charge.

Net debt fell by £2.6m across the financial period, reflecting control of capital expenditure and working capital.

CASH FLOW

	2025 £'000	2024 £'000
Net cash inflow from operating activities	7,646	7,170
Net cash outflow from investing activities	(3,246)	(4,315)
	4,400	2,855
Net cash outflow from financing activities	(2,798)	(1,483)
Net increase in cash and cash equivalents	1,602	1,372
Effects of exchange rate fluctuations on cash held	(199)	160
Net increase in cash and cash equivalents	1,403	1,532
Opening cash and cash equivalents	9,211	7,679
Closing cash and cash equivalents	10,614	9,211

The net cash inflow from operating activities in the financial period of £7.6m (prior period: £7.2m) includes:

— Adjusted EBITDA (APM 4) of £6.7m (prior period: £6.6m).

— cash inflow from working capital of £2.2m (prior period: £2.9m).

— pension deficit payments of £1.5m (prior period: £1.4m)

The net cash outflow from investing activities in the financial period of £3.2m (prior period: £4.3m) includes capital expenditure of £1.7m, significantly below the prior period figure of £3.8m due to careful control of expenditure as part of the Group's focus on cash management, and the final £1.2m contingent consideration on the TFP Hydrogen acquisition (prior period: interim contingency consideration payment of £0.25m).

The net cash outflow from financing activities of £2.8m in the financial period includes repayments of £1.8m on the US bank loan, right-of-use assets and finance leases (prior period: repayments of £1.9m) and £1.0m of cash interest payments (prior period: £0.9m). No drawdowns were made during the financial period on the UK bank loan (prior period: £2m drawdown).

The net cash inflow from operating activities for the period is 114% of Adjusted EBITDA (prior period: 109%).

NET DEBT, FUNDING AND FACILITIES

NET DEBT AT YEAR END	2025 £'000	2024 £'000
UKEF UK bank loan	15,000	15,000
US term loan	3,463	4,059
Less capitalised transaction fees	(121)	(145)
Lease liabilities	5,161	5,834
Total borrowings	23,503	24,748
Less: Cash and cash equivalents	(10,614)	(9,211)
Net debt	12,889	15,537
FUNDING AVAILABILITY AT YEAR END		
Cash and cash equivalents	10,614	9,211
Overdraft facility	3,500	3,500
Funds available at year end	14,114	12,711

The Group funds its operations from operating cash flow, a UK bank loan, a US bank loan, finance and right-of-use leases, and also has a £3.5m overdraft facility to provide additional liquidity.

The UK bank loan is a £15m facility (prior period: £25m facility) with HSBC Bank plc and National Westminster bank plc under the UKEF's Export Development Guarantee scheme. At 29 March 2025, £15m (30 March 2024: £15m) was drawn under this facility. The facility is repayable in 20 quarterly instalments from June 2025 to March 2030 inclusive, in line with the profile below.

— £400,000 per quarter for the six quarters from June 2025 to September 2026 inclusive.

— £750,000 per quarter for the four quarters from December 2026 to September 2027 inclusive.

— £960,000 per quarter for the remaining ten quarters to March 2030.

The repayment instalments were amended to the profile set out above by a Facility Amendment dated 9 June 2025. Prior to this Amendment, the amount drawn at 29 March 2025 was repayable in 20 equal quarterly instalments of £750,000 each from June 2025 to March 2030.

The interest rate on the facility is SONIA +1.95%. The floating interest rate cost on the £15m drawn under the facility is capped at 1.5% until 31 March 2026.

The UK bank loan has two financial covenants that are measured on the company's financial quarter-end dates.

— The ratio of net debt to the last 12 months' EBITDA is required to be no higher than 3.5.

— The ratio of EBITDA to net interest, both calculated by reference to the 12-month period ending on the test date, is required to be no less than 4.0.

For the purpose of these covenants, right-of-use assets are accounted for as operating leases, and EBITDA excludes exceptional items and all IAS 19 pension adjustments.

Both financial covenants were amended for the June, September and December 2024 test dates to provide additional headroom against potential downside scenarios. The financial covenants reverted to the levels set out above for the March 2025 test date.

The Group was in compliance with its banking covenants at 29 March 2025 and throughout the financial period that ended on that date.

At 29 March 2025 the net debt to Adjusted EBITDA ratio was 1.9x (30 March 2024: 2.4x).

The US bank loan is a term facility with HSBC Bank USA at an interest rate of SOFRA + 2.75%. At 29 March 2025, $4.5m (30 March 2024: $5.1m) was outstanding under the facility. The facility is being repaid at $187,500 per quarter to December 2025 and $225,000 per quarter from March 2026, with the remaining balance of $3.2m repayable in December 2026. This facility does not have any financial covenants.

The Group has a number of right-of-use and finance leases that run for terms between three and five years that are typically secured on the asset they were used to purchase at various rates of interest. The total amount borrowed on these facilities at 29 March 2025 was £5.2m of which £0.9m was repayable within 12 months (30 March 2024: £5.8m borrowed of which £1.1m was repayable within 12 months).

The Group has a £3.5m overdraft facility with HSBC Bank plc with an annual renewal date of May 2026 and an interest rate of Bank of England base rate plus 1.95%. The facility was undrawn throughout the year to 29 March 2025.

Andrew Goody,
CFO

THE PENSION REPORT

The Group operates two defined benefit pension schemes providing defined benefits for a number of its employees: the James Cropper plc Pension Scheme (the 'Staff Scheme') and the James Cropper plc Works Pension Plan (the 'Works Scheme').

THE STATEMENT OF FINANCIAL POSITION IAS 19 DEFICIT

The combined pension scheme deficits of the two defined benefit schemes measured on an IAS 19 basis has fallen over the financial period from £17.3m to £15.9m (before deferred tax), reflecting the deficit reduction payments made by the Group during the period. The table below shows the overall value of the schemes' assets which decreased by 7.3% in the period, whilst the schemes, liabilities decreased by 7.4%.

The IAS 19 pension valuation 2025	Staff Scheme	Works Scheme	Both schemes 2025	Both schemes 2024	Change %
Discount rate	5.65%	5.75%	5.71%	5.03%	
	£000s	£000s	£000s	£'000	
Assets	29,620	35,036	64,656	69,727	(7.3%)
Liabilities	(33,279)	(47,290)	(80,569)	(87,020)	(7.4%)
(Deficit)	(3,659)	(12,254)	(15,913)	(17,293)	
IAS 19 Funding level – %	89%	74%	80%	80%	

The schemes' liabilities fell during the period, primarily due to an increase in the discount rate of 0.65% for the Staff Scheme and 0.7% for the Works Scheme, reflecting the increase in corporate bond yields during the period. The schemes' assets fell during the period, primarily due to a reduction in the value of the liability-driven investments as a result of an increase in government bond yields.

In line with previous periods, the IAS 19 valuation includes a correction for sex inequalities inherent in Guaranteed Minimum Pensions (GMPs), along with the estimated cost of equalising GMPs for past transfer value payments. The 'true' cost of GMP equalisation will take a few years to fully evaluate. Variances against the original estimates will be recognised in the Other Comprehensive Income (OCI) statement.

A full retirement benefit disclosure is provided in note 20 to the financial statements.

IAS 19 ASSUMPTIONS

The bi-annual IAS 19 valuations are adopted for statutory reporting purposes and do not form part of the ongoing management of the pension schemes. IAS 19 requires the Group's actuaries to make assumptions on a different basis to the underlying valuations and to discount liabilities based on corporate bond yields, which does not reflect the investment strategy of the schemes that use government bonds (not corporate bonds) to partially hedge the impact of interest rate movements on future liabilities. As a result, the deficit under IAS 19 can be volatile across reporting periods and does not always move in line with the underlying valuations that are used to set the Group's contributions to the schemes.

The actuarial gains and losses arising from variances against previous actuarial assumptions are recognised in the Statement of Financial Position with corresponding movements in reserves. Actuarial changes in previous assumptions are recognised in the OCI statement.

THE IAS 19 IMPACT ON PROFITS

The Group's reported profit before tax is stated after the charge required by IAS 19 in respect of the two defined benefit schemes. In the period ended 29 March 2025, the IAS 19 charge amounted to £804,000 (prior period: £747,000), of which operating costs accounted for a small credit of £25,000 (prior period: credit of £6,000) and finance costs accounted for a charge of £829,000 (prior period: £753,000). The increase in IAS 19 finance costs in the period reflects the increase in interest rates since the start of the prior financial period.

Operating costs

The cost of providing pension benefits is included within 'employee benefits costs' in the Statement of Comprehensive Income and includes the costs of the defined contribution schemes, personal pension plans, defined benefit schemes, life assurance arrangements, government pension protection levies and the IAS 19 charge noted above. The IAS 19 charge comprises the cost of the benefits earned by members of the funded pension schemes in the current period net of employee contributions, the cost of changes to benefit entitlements, curtailment and settlement costs, and pension protection levies paid over the period.

Finance costs

Finance costs comprise the interest cost on the accrued pension scheme liabilities less the interest income on pension scheme assets. The cost and income figures are based on the discount rate at the start of the period.

The retirement benefits note to the financial statements can be found on pages 129–132.

DEFINED BENEFIT SCHEMES TRIENNIAL VALUATION

The Group is committed to agreeing a funding plan with the Scheme Trustee based on the triennial actuarial valuation with the aim of returning the two defined benefit pension schemes to full funding over an appropriate period of time, taking into account the circumstances of the Group and the pension schemes. The most recent triennial actuarial valuations were carried out at April 2022 and calculated the combined deficit of the schemes to be £16.6m. The previous triennial valuation at April 2019 calculated the combined deficit of the schemes to be £19.9m. The actuarial valuation at April 2025 is in progress.

THE APRIL 2022 TRIENNIAL VALUATIONS

	Staff Scheme £000s	Works Scheme £000s	Total £000s
Discount rate	2.75%	2.75%	2.75%
Assets	48,846	59,226	108,072
Liabilities	(48,277)	(76,378)	(124,655)
Surplus/(Deficit)	569	(17,152)	(16,583)
Funding level – %	101%	78%	87%

The valuations of the defined benefit 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 expected rate of future inflation, and the mortality assumptions for members of the schemes. The liabilities of the schemes decreased in the April 2022 valuation due to an increase in discount rates from 2.5% in April 2019 to 2.75% in April 2022, and a reduction in life expectancies based on a review of future mortality rates, partly offset by an increase in future inflation expectations.

Following the triennial valuation, the Group agreed with the Scheme Trustees to pay annual deficit recovery plan contributions of £1.4m per annum to reduce past service deficits. The Group will also continue to cover the cost of the annual Pension Protection Fund (PPF) levy.

Key risks relating to the pension schemes

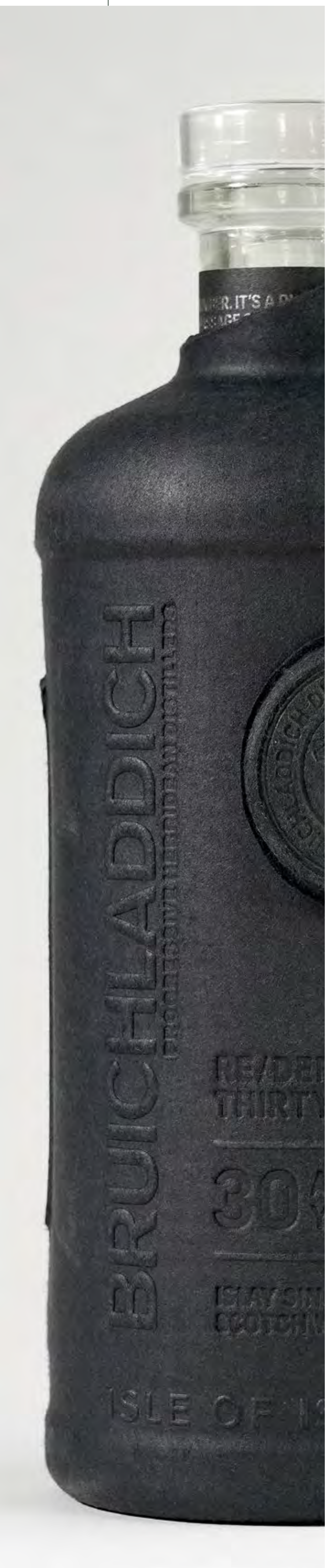
The Group is exposed to a number of risks in relation to the pension schemes, including investment risks, demographic and mortality risks, and inflation risks for those benefits linked to inflation. Risk management activity over the years includes the following:

- The Schemes were closed to new members in the year 2000 in order to contain the Group's exposure to rising pension costs and to safeguard the accrued benefits of existing members.
- Future annual increases in pensionable pay were capped at a maximum of 2% from 1 April 2011.
- In April 2014, employee contributions were increased.
- From 1 July 2017, the staff scheme rate of pensionable accrual was reduced from 1/60th to 1/75th for each future year of pensionable service.
- From 2017, for both the staff and the works schemes, increases in pension once it is in payment, for future benefits accrued, will be in line with the annual increase in the Consumer Price Index.
- In April 2018, a liability-driven investment strategy was adopted by the Trustee, aimed at reducing exposure to the impact of future changes in interest rates and inflation on scheme liabilities, whilst maintaining a similar level of overall return.
- In December 2021, the Trustee increased the level of hedging in place as part of the liability-driven investment strategy, from 80% of the value of scheme assets to 90%. Whilst improving long-term risk management, the timing of this increase in hedging percentage meant the overall scheme valuation did not benefit from the subsequent rise in interest rates to the extent it otherwise would have done.

Andrew Goody,
CFO

RISK MANAGEMENT

RISK MANAGEMENT



PURPOSE AND OBJECTIVE

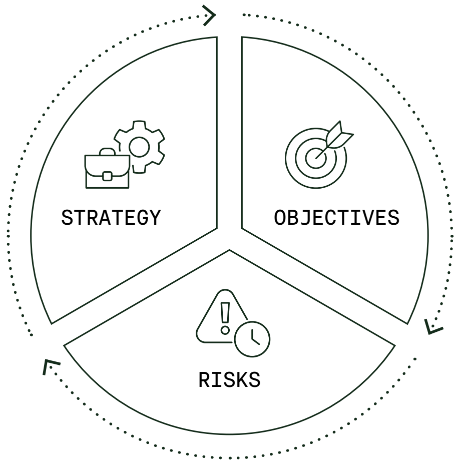
Strategic risk management at James Cropper is a core enabler of the Group's long-term vision to deliver innovation, sustainability and value creation across its Advanced Materials and Paper & Packaging businesses.

The objective of risk management is to proactively identify, assess and manage circumstances which could impact the achievement of strategic goals, ensuring the Group remains resilient, agile and responsive to events or economic and geopolitical changes.

In FY25, the Board and Executive team undertook a review of the Group's risk management practices and introduced an enhanced Group-wide framework for the management of risks. The framework directly links risk to the achievement of strategic objectives, applies consistent practices and drives greater accountability for the identification and management of risks at all levels of the organisation.

To provide more effective management and oversight of principal and emerging risks by the Board, the remit of the Audit Committee was expanded (now the Audit & Risk Committee), and now carries out detailed risk reviews and reports to the Board at least twice yearly.

The enhanced approach supports informed decision-making, enhances the Group's ability to achieve strategic goals, and builds stakeholder confidence.



CHALLENGE AND SUPPORT

BOARD/AUDIT & RISK COMMITTEE

Governance assurance and external reporting

EXECUTIVE COMMITTEE

Aggregation and group review/management

BUSINESS UNITS AND GROUP FUNCTIONS

Day-to-day review and management

REPORTING AND ACCOUNTABILITY

KEY RESPONSIBILITIES

01 Board Oversight

The Board plays a central role in overseeing risk management, ensuring that governance and controls are aligned with strategic objectives, stakeholder expectations and regulatory standards.

To ensure robust oversight, the Board regularly reviews principal and emerging risks together with control arrangements and mitigation plans. This is supported by the Audit & Risk Committee, which holds two risk-focused meetings each year to consider the strategic risk management framework (including risk identification and management systems), together with the principal and emerging risks, risk governance and accountabilities, and actions in place and planned to manage risks.

The Board also considers the internal controls in place across the Group (such as the Group's Delegation of Authority framework) and whether these provide appropriate levels of assurance.

02 Day-to-Day Management

Day-to-day responsibility for the management of risk and delivery of strategic objectives sits with the Executive Committee. The Group's strategic risk management framework is decentralised but strategically coordinated, with risks being identified and managed at various levels of the organisation. Risk review meetings take place quarterly. Information collected from each review is consolidated and reviewed centrally to enable principal and emerging risks to be identified, reviewed and managed by the Executive Committee.

03 Compliance and Reporting

The Group maintains robust compliance and reporting mechanisms to ensure adherence to legal, ethical and industry standards. Centralised functions such as Health and Safety, Environment, Human Resources, Legal and Finance provide oversight and ensure transparency across the organisation.

GOVERNANCE FRAMEWORK AND RISK CULTURE

- Risk management is a strategic tool, not merely a compliance obligation. It is designed to support the achievement of the Group's objectives by enabling proactive behaviours and informed decision-making.
- Risks are assessed in the context of current and proposed objectives. In turn, identified risks inform the setting and evolution of strategic goals, creating a dynamic feedback loop.
- The Group's structure—organised around two principal trading businesses and supported by centralised functions—facilitates cross-functional collaboration, knowledge sharing and governance consistency.

PRINCIPAL RISKS

On the following pages we have identified the risks we regard as most significant to the Group, together with steps taken to mitigate these risks where practicable. It is acknowledged that it is not possible to have certainty of the success of mitigating actions, and that where mitigation actions are not successful, the Group's performance, financial position and reputation could be materially adversely affected. Following a review of the approach to risk management in FY25, some of the risk categorisations have changed (compared to the prior year) to better reflect the nature of risks impacting the Group. Where there is a change to the risk in the year, this is indicated in the report.

EMERGING RISKS

Part of our approach to identifying risks involves horizon scanning, taking into consideration the Group's position and forward-looking strategy. In the year, the Group kept under consideration the physical and transitional risks associated with climate change, particularly the risks associated with extreme weather events, changes to climate policy, the transition to net zero, and the potential for impact on raw material availability. Further information is set out on the following pages and in our non-financial and sustainability information statement on pages 57–61.

RISK MANAGEMENT cont.

PRINCIPAL RISKS

HEALTH AND SAFETY

NO CHANGE –

Risk description and impact

The risk of accident or injury to people on our sites can never be eliminated entirely and the risks involved in manufacturing are inherently higher than many other industries. An accident or injury can cause significant distress and impact on wellbeing, as well as causing significant disruption and exposure to cost and penalties. Damage can also be caused to the Group's reputation.

Mitigation

Providing a safe environment across our sites, minimising the risk of injury, is of utmost priority. The company maintains safety protocols, training programmes and emergency response systems, and the Executive Committee and Board consider health and safety as a high-agenda item at every meeting. For more information regarding the Group's health and safety strategy and approach, please see page 56.

PEOPLE

NO CHANGE –

Risk description and impact

Our ability to deliver our strategy relies heavily on the knowledge, skills, experience and capability of our people. The nature of our products and services, combined with the customers and markets we serve, means we need highly skilled engineers, scientists, operators and commercial people. Our ability to attract and retain this talent is influenced by factors such as our culture and reputation, pay and benefits, working environment, company performance and location.

Mitigation

Our people policies and practices, and remuneration arrangements, are designed to attract and retain employees with the ability and experience to deliver the Group's strategy. We offer a variety of development opportunities at all levels of the organisation and encourage participation in our leadership development programme where appropriate. Our aim is to create desirable environments and a business our people are proud to be part of, and to ensure our employees are rewarded and recognised for their contributions. Leaders are encouraged to demonstrate positive behaviours to drive trust, cooperation and involvement. We also engage in regular dialogue with employees on key matters and provide support as may be requested in connection with organisational changes. For more information on our approach, please see page 54.

FINANCE AND TREASURY

NO CHANGE –

Risk description and impact

The Group is exposed to a range of financial risks, including liquidity and credit risks. These risks may arise from fluctuations in market conditions, changes in credit availability business performance, or volatility in working capital requirements. In addition, the Group's pension obligations and the availability of supplier credit insurance could impact financial flexibility and operational continuity.

Mitigation

The Group manages liquidity through regular cash flow forecasting and scenario analysis. Third party credit risk is managed by setting appropriate credit limits and using credit insurance where appropriate. The Group also maintains regular dialogue with lenders, insurers and pension trustees to ensure continued access to funding and to manage long-term obligations. In June 2025 the Group announced that repayments under its principal UK facility had been reprofiled resulting in greater near-term liquidity headroom.

MARKET

NO CHANGE –

Risk description and impact

The Group operates in a dynamic and competitive global environment and is exposed to a range of market-related risks including macroeconomic volatility, geopolitical uncertainty, technological disruption and competition (including the imposition of increased trading tariffs following the FY25 year-end). Certain customers of the Advanced Materials business also operate in nascent markets which, while presenting significant growth opportunity, are inherently volatile and difficult to predict. Market risks may impact demand patterns, cost structures and the Group's ability to maintain or grow market share. Failure to respond effectively could adversely affect revenue, profitability and long-term strategic positioning.

Risk management and mitigation

The Group targets a diverse range of markets where it holds established positions and differentiated capabilities. Market monitoring and change control processes are in place to support operational agility. Continued investment in innovation enhances adaptability and competitiveness. During FY25, the Group strengthened its strategic planning and risk governance framework, enabling more proactive responses to emerging trends. These measures are designed to build resilience and support sustainable growth in an evolving external landscape.

CUSTOMER

NO CHANGE –

Risk description and impact

The Group serves a broad and diverse customer base across global markets, which brings exposure to a range of customer-related risks. These include the potential for entering unfavourable contracts, failing to meet customer expectations, or experiencing customer credit issues. Additional risks arise from supply chain disruptions, operational challenges, and quality concerns, all of which can directly impact customer satisfaction and retention. If not effectively managed, these risks could lead to revenue loss, margin erosion, and reputational damage.

Risk management and mitigation

The Group maintains close engagement with its customers, fostering long-term relationships built on technical expertise and differentiated solutions. In many cases, particularly within the Advanced Materials business, its technologies and products are specified into customer supply chains, embedding long-term integration that supports revenue resilience. Commercial governance is underpinned by legal support and contracting tools, while quality risks are managed through established systems and continuous improvement. With the recent announcement that significant merchant customer of the Paper & Packaging business will no longer source certain coloured paper ranges from the Company, additional risk mitigations for other customers are being implemented in the short term. Strategic planning also incorporates supply chain resilience to ensure continuity of service and delivery.

SECURITY OF SUPPLY

NO CHANGE –

Risk description and impact

Disruption to access of critical raw materials due to shortages, logistical challenges or market forces, leading to insufficient volumes being available to support production operations or escalating costs, could lead to loss of business and penalties. Geopolitical or market forces could also impact energy supplies, impacting production.

Mitigation

The Group has identified and continues to work closely with its strategic suppliers. Diversified sourcing strategies, hedging arrangements, supplier monitoring and investment in supply chain resilience help ensure continuity and mitigate external shocks. The Paper & Packaging business continues to drive the identification and use of waste fibre streams to replace virgin fibre.

IT SYSTEMS AND NETWORK SECURITY

NO CHANGE –

Risk description and impact

The Group is dependent upon a range of IT systems which require periodic maintenance and updates. A targeted cyber-attack could result in significant loss, manipulation or destruction of critical information and operational capability, severely disrupting business operations.

Mitigation

The Group maintains a robust suite of IT security solutions which are reviewed and tested both internally and by specialist third parties where appropriate. We continuously review latest threats in conjunction with our protections and governance arrangements to ensure our programme remains effective. We also provide training programmes to employees to raise awareness. Business plans include appropriate investment in the development of IT systems to ensure these continue to support business requirements.

INPUT COSTS

NO CHANGE –

Risk description and impact

The Group is exposed to fluctuations in the cost of key inputs, including energy, raw materials and commodities. Volatility in global markets, supply chain constraints, and geopolitical developments can lead to increases in input prices, which may adversely affect operating margins and cash flow, and the Group's ability to maintain competitive pricing.

Mitigation

The Group actively monitors input cost trends and employs a range of mitigation strategies including long-term supply agreements, hedging arrangements and pricing mechanisms. The Group also deploys sourcing strategies to reduce supplier dependency and exposure to market volatility. Regular reviews of procurement practices and close collaboration with suppliers support cost stability and operational resilience.

LEGAL AND REGULATORY

NO CHANGE –

Risk description and impact

The Group manufactures products which are required to meet technical industry and regulatory requirements. It also employs over 500 people across various jurisdictions. Failures in quality and compliance management systems could result in financial claims and reputational damage. Failures to comply with ethical business practices and legal requirements could result in penalties or other financial losses, access to opportunities and damage to our reputation.

Mitigation

The Group employs highly skilled personnel and maintains robust quality and compliance management systems which are designed to minimise the risk of defective products and services. We also maintain close relationships with customers, and are the subject of regular compliance audits, and are well placed to respond in the event of an issue.

EMERGING RISKS
CLIMATE-RELATED RISKS: PHYSICAL

EXTREME WEATHER EVENTS

NO CHANGE –

Risk description and impact

Increased weather volatility presents an increased risk of both flooding and drought at the main Burneside site. Flooding events can impact safety on-site and adversely affect operations. Prolonged drought could result in limited water being available for abstraction and impact on business operations.

Mitigation

The Group maintains insurance policies providing cover for business continuity and flood-related losses, which mitigate the financial impact associated with extreme weather events.

In recent years, infrastructure at risk of flooding has been elevated on-site to significantly reduce the risk associated with a flooding event. Arrangements also exist to ensure the site can continue to operate safely.

Water supplies to the main site in Burneside are supplemented by private reservoirs over which the Company has longstanding rights, which enable the control of available water during periods of drought.

CLIMATE-RELATED RISKS: TRANSITIONAL

CLIMATE POLICY

NO CHANGE –

Risk description and impact

As an energy-intensive manufacturing business, the costs associated with energy supplies and carbon taxation can have a significant impact on the Group's financial performance.

Mitigation

The Group closely monitors the costs associated with carbon credits to ensure that favourable pricing is secured, avoiding any impact on performance expectations where practicable. In the longer term, the Group's ambition to decarbonise operations will reduce reliance on fossil fuels.

NET ZERO EMISSIONS

NO CHANGE –

Risk description and impact

The Group plans to progress to decarbonise operations in the long term to achieve net zero scope 1 and scope 2 emissions. Achieving this goal is dependent on investment in technologies. Failure to achieve decarbonisation in the long term would result in potentially higher cost penalties through carbon taxation, reputational damage, and compromise our ability to compete in key markets.

Mitigation

The Group has already invested in upgrades to machines and a new boiler system to drive efficiency improvements. The Group's long term decarbonisation strategy is to transition to green energy as part of its net zero ambition. For more information see the Carbon report on pages 52–53.

RAW MATERIAL AVAILABILITY

NO CHANGE –

Risk description and impact

Changes in supplier operations and logistics to address climate change, including forestry and mining practices, can impact on raw material availability or the costs associated with processing and production, which has the potential to cause increased costs or business interruption.

Mitigation

The Group works closely with its strategic suppliers and maintains multiple sourcing arrangements on key raw materials where practicable. Supply chains remain under continuous review in conjunction with policy horizon scanning to understand the likely impact of climate change.

S.172 STATEMENT

OUR APPROACH

The Board is ultimately responsible for ensuring meaningful engagement with our stakeholder groups.

We have a broad range of stakeholders across the globe and recognise that proper consideration of their interests and views produces better outcomes and enhances the sustainability of our business. Through engagement we strive to understand the interests, priorities and perspectives of our stakeholders and to provide information about developments across our businesses and in our markets.

We adopt various initiatives which focus on maintaining regular dialogue with our stakeholders, some of which are carried out directly by members of the Board, whereas others are built into day-to-day management across the Group. The Group's website is also regularly updated and provides additional information about the Group. Investing in the time to build relationships is a strong factor in our success.

Board and Committee papers relating to key decisions require the identification of relevant stakeholders to ensure that consideration is given to their interests as part of decision-making processes. Sometimes the interests of our stakeholders conflict, and in such circumstances we seek to ensure that those impacted are treated fairly.

On these pages, we identify certain of our stakeholders, explain how we engage as a business, and describe the outcomes during FY25. These disclosures demonstrate how we have regard to the matters set out in section 172(1) of the Companies Act 2006.

OUR EMPLOYEES

Stakeholder interests

Our employees are our biggest asset and fundamental to the success of the Group. The health and wellbeing of our employees is of the highest priority, and we strive to ensure that our people have opportunities to develop their skills and experiences and feel properly valued and rewarded for their contributions.

How we engage

We use a variety of methods to ensure that our people remain engaged, including regular town hall meetings, monthly newsletters, video briefings, and communications via our intranet Workvivo. We also run an annual employee survey, which can be completed anonymously, where outcomes and actions are communicated across the Group.

The Chair and Executive Directors regularly walk around site to engage with employees and understand issues, and small groups of employees are invited to attend Chair's lunches. We also maintain a constructive relationship with representatives of UNITE to ensure that any significant decisions impacting our people are made with collective support where practicable.

Outcomes in FY25

In FY25 we launched Workvivo, which saw strong adoption and over 85% of employees logging in within the first two months. This is now our primary internal communication tool, with regular content being issued from Executive Directors and members of the Executive Committee. Following the appointment of David Stirling in January 2025, a series of introductory town hall meetings took place which enabled employees to hear about plans for the business and to ask questions. We also run an annual employee survey, with feedback reported to the Board to better understand employee views and interests. After the year end, in May 2025, a consultation process was entered relating to a partial restructure of the business, with in-person meetings taking place with affected persons. The Board and Executive team recognise that implementing essential changes to the business involve disruption, and support was therefore offered throughout this process.

OUR INVESTORS

Stakeholder interests

Our shareholders trust us to manage their investments and execute the Board's strategy. In so doing, we must act ethically, in a sustainable manner and in accordance with good governance. Our investors expect us to remain open about the Group's current and expected performance so that they can properly assess risks and opportunities when making investment decisions.

How we engage

We maintain a regular calendar of announcements and events for investors. The Executive Directors frequently communicate with institutional investors to discuss strategy and broader markets. The Chair, Non-Executives and Company Secretary also engage with investors from time to time on governance issues and other matters concerning the Board. Shareholders also have the opportunity to meet with Directors at our AGM which is held in Burneside.

Outcomes in FY25

This has been a significant year for the Group, with a change in executive leadership brought by the appointment of David Stirling as CEO. Since joining the business in January 2025, David has been very active in meeting or speaking with a broad range of shareholders to understand external views and—following the year end—a Capital Markets Event took place on 18 June 2025 to set out strategic priorities for the Group looking forward. A recording of the event is available to view on the Company's website. Other members of the Board also engage with shareholders as may be required from time to time.

During 2025, the Group has been active in keeping investors updated through regular announcements, including the Group's strategic partnership with HOERBIGER (in April 2025), the sale of non-core intellectual property assets (in May 2025), announcing the Capital Markets Event (in June 2025), and the agreement to revise terms under the Group's principal banking facility (June 2025). Going forwards the Group plans to keep investors regularly appraised of developments within the Group. Investors will also be welcome to attend the AGM taking place in September 2025.

OUR CUSTOMERS, SUPPLIERS AND PARTNERS

Stakeholder interests

Our business model depends on strong relationships with third parties, based upon trust, open communication and delivering on commitments. As the Group has developed, we maintain relationships with increasingly international and diverse businesses who each rely upon our products, services and level of support, and expect us to act fairly, transparently, and ethically.

How we engage

Staying in touch with our key business partners has never been more important. Our management teams maintain regular and open dialogue with those we do business with, which helps build long lasting and trusted relationships. Updates on discussions with customers and opportunities to collaborate are considered by the Board regularly, together with any dialogue on key issues and challenges from time to time. Regular engagement helps us understand external perspectives, and manage risks and opportunities when they arise.

Outcomes in FY25

We are in constant dialogue with our customers, suppliers and partners to understand their evolving needs. This engagement enables us to manage our business effectively and maintain better control over input costs and selling prices. We enjoy very strong relationships with our partners, founded on innovation and technical collaboration, which have enabled the development of unique and innovative product ranges and are an essential element of the Group's continued success. During the year, we entered a significant strategic collaboration with HOERBIGER to launch Ready2Stack™, an integrated bipolar plate solution for the PEM electrolyser industry, which has been positively received by the industry. We also engaged closely with customers in the Paper & Packaging business to better understand their needs and help optimise the balance of production at our Burneside site.

After the year-end, the Board was notified that a significant merchant customer of the Paper & Packaging business had ceased to source certain product ranges from James Cropper. For more information, see the CEO Review on page 32.

OUR COMMUNITY

Stakeholder interests

We are the largest business in the Burneside area with a significant number of employees living locally. We also have businesses and employees in Crewe and Launceston (UK) and Schenectady (USA). We take an active interest in supporting our communities, schools, clubs and charities.

How we engage

The impact of our operations on our communities is an important consideration in decision-making processes. We have a Community Support Committee, which includes members of the Executive Committee, which regularly reviews opportunities to support schools, clubs, charities and other organisations, particularly where initiatives align with our purpose and values. We also enable our employees to offer support by providing them with two days' paid leave annually for charitable or community-related work.

Our vision for business is one that delivers growth whilst also serving society.

Outcomes in FY25

For information on specific community initiatives and investments during FY25, please see our ESG Report on pages 48–56. During the year, the Company received correspondence from members of the community expressing concern that certain nonwoven materials manufactured by our Advanced Materials business are sold into defence supply chains. At the AGM in September 2024, the Company read out a statement in this regard and addressed related questions. The Board welcomes feedback and constructive engagement from all stakeholders.

OUR AGM

At our AGM in September 2024, all resolutions were passed by shareholders with the requisite majority.

Feedback received in connection with the resolutions included concerns in relation to a payment made to the outgoing CFO in FY24 as compensation for loss of office. These concerns were provided to the business during engagement with shareholders and noted by the Remuneration Committee and the Board.

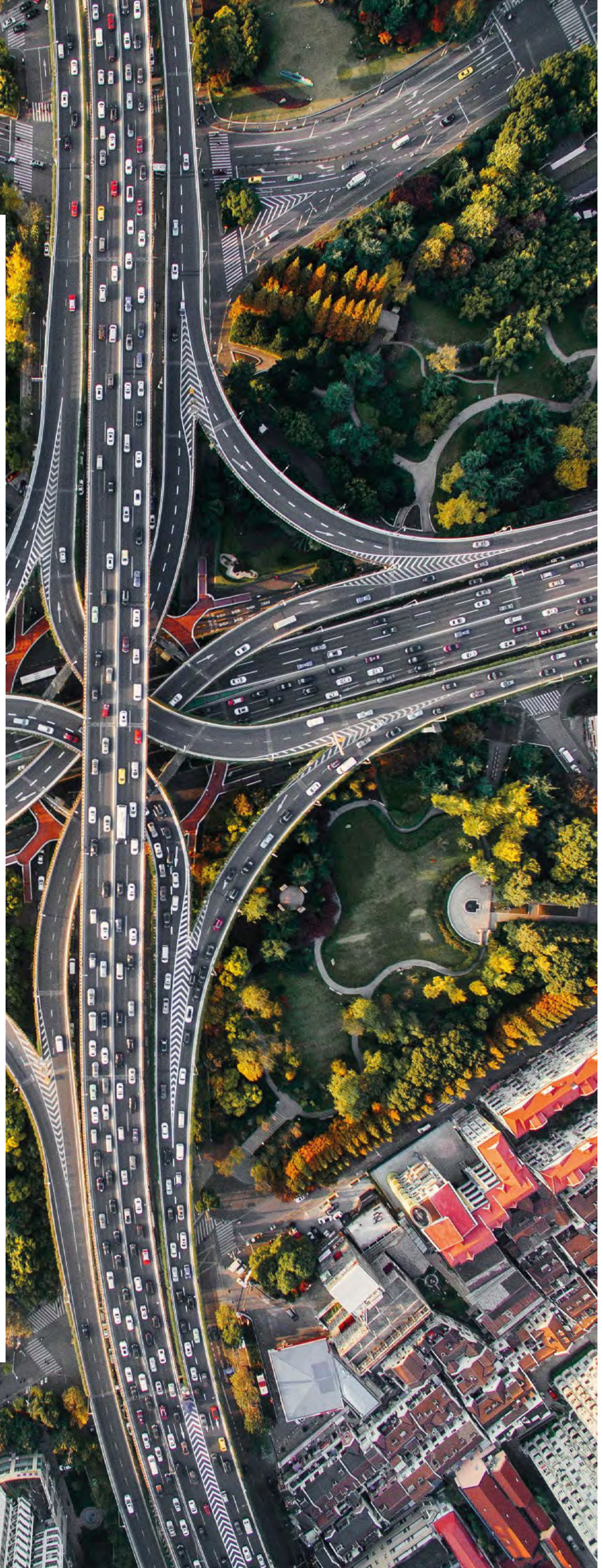
Due to the performance of the Company during the financial year, no interim dividends were paid and the Board is not recommending the payment of a final dividend at this year's AGM.

The Board encourages and welcomes feedback from shareholders and all stakeholders, and looks forward to meeting shareholders at the AGM which will be taking place in September 2025.

For and on behalf of the Board

Mark Cropper
Non-Executive Chair

16 July 2025



ESG REPORT

SUSTAINABILITY REPORT

Sustainability is integral to the way we add value for our stakeholders. Our materials and technologies are behind some of the world's most successful brands, and we recognise the importance of delivering a positive impact for our planet and society.

EXTERNAL RATINGS

We understand the value to our stakeholders of external ratings and regularly support our customers by providing feedback on our operations, commitments and progress in sustainability initiatives. We also use feedback from ratings agencies to enhance our approach and ensure that we align with best practice.

In May 2025, we received a 'Silver' medal rating by EcoVadis for our Paper & Packaging business, placing us in the top 15% of rated businesses globally.

ESG WORKING GROUP

In March 2024, we launched an ESG Working Group to coordinate our approach to sustainability. The Working Group is chaired by the Company Secretary and comprises representatives from across the Group's businesses at various levels and locations. In FY25, the Working Group met on a quarterly basis to monitor and drive key initiatives, aligned to our priorities.

OUR PRIORITIES

Our approach to ESG focuses on opportunities to make a difference and add value—whether internally or externally—under three pillars priority areas, and aligned with the United Nations Sustainable Development Goals:

- Sustainable Manufacturing
- People and Society
- Responsible Business Practices

SUSTAINABLE MANUFACTURING

We are committed to supporting the transition to a low carbon economy. Our approach is rooted in materials science, innovation and a deep understanding of fibre technology.

Key differentiators and initiatives

CIRCULARITY AND WASTE REDUCTION

We have extensive recycling capabilities and manufacture products using recovered fibres in both our Advanced materials and Paper & Packaging businesses. Our CupCycling® facility in Burneside was the world's first recycling process dedicated to upcycling takeaway coffee cups. It transforms used cups into premium paper products, demonstrating our leadership in fibre recovery and circular manufacturing. Our moulded fibre packaging solutions offer fully recyclable mono-material alternatives to plastics.

BIODIVERSITY AND HABITAT PROTECTION

Our main site is adjacent to the River Kent which supplies water for operations and is a site of special scientific interest. We are aware of our close connection with the environment and take a very active role in managing our impact, engaging closely with the Environment Agency. Our water supplies are also supplemented by private reservoirs which are carefully managed to avoid any impact on the river and its ecosystems.

ENERGY TRANSITION AND NET ZERO

Our Advanced materials business develops electrochemical coatings that reduce the cost of hydrogen production and technical veils which support battery technologies and carbon capture.

PEOPLE AND SOCIETY

Our people and communities are central to our success. We are committed to fostering a safe, inclusive and supportive environment.

Key differentiators and initiatives

EMPLOYEE WELLBEING AND SAFETY

We provide mental health support through trained first aiders, occupational health services, and an employee assistance programme provided through Health Assured. Our on-site gym and volunteering policy (two paid days per year) promote wellbeing and community engagement.

ENHANCING LIVELIHOODS

We offer apprenticeships, training and fair pay. In April 2024, we provided a 4.6% salary increase to our UK workforce (3% across leadership and senior management roles). In 2025, we are providing a 3% pay increase to our UK workforce (2% across leadership and senior management roles), which will be implemented in stages throughout the year.

COMMUNITY ENGAGEMENT

We support a range of schools, charities and youth sports clubs in and around the Burneside area, donating approximately £10,000 in FY25. We also continue to donate paper under our Paper for Schools initiative. In the year, members of our team in our Advanced Materials business in the USA supported the Schenectady Community Ministries Summer Meals programme, which provided over 6,000 free lunches to children in the local area during the summer months.

ESG REPORT cont.

RESPONSIBLE BUSINESS PRACTICES

As a Group we are committed to upholding the highest standards of governance, ethics and transparency.

Key differentiators and initiatives

CORPORATE GOVERNANCE

Our Group structure is designed to enable entrepreneurial leadership within each of our business units within a governance framework including structures, practices and controls. Central Group leadership and supporting functions (including Health, Safety and Environment, Finance, Human Resources, IT, Legal and Risk) ensure strategic alignment and appropriate allocation of capital.

SUPPLY CHAIN RESPONSIBILITY

We work closely with suppliers to ensure ethical sourcing and compliance with regulatory standards. We have robust supplier diligence practices in place and review processes regularly to ensure that we continue to demonstrate best practice. Throughout 2025, our Paper & Packaging team have worked to ensure that the business is ready for the EU Deforestation Regulations which take effect later this year.

ETHICAL BUSINESS CONDUCT

Our Code of Ethics sets clear expectations for all of our people, and regular training takes place on key topics to ensure that we continue to demonstrate positive and ethical behaviours throughout the organisation. We maintain an independent whistleblowing service in partnership with SafeCall to enable people to report any concerns in the workplace anonymously.

TRANSPARENT REPORTING

We are committed to clear and honest communication of our ESG performance, including through our annual report and other disclosures. In May 2025, our Speciality Papers business received a Silver EcoVadis rating, placing us in the top 15% of rated companies globally. We also regularly support our customers in carrying out supplier audits and work to ensure our practices continue to align with best practice.

LOOKING FORWARDS

In FY26, as the Group enters a new phase of its strategic journey (see pages 08–13), our focus has shifted towards stabilising performance in the Paper & Packaging business and positioning the Advanced Materials business for future growth. These priorities are essential to building a strong foundation and directly linked to ensuring long-term sustainability.

While we remain committed to responsible business practices and our broader ESG ambitions, and we continue to offer and develop products and solutions which support a low carbon economy, we are reviewing our approach to ESG to ensure that it is focused and aligned with the Group's strategic priorities. In FY26, we also plan to focus our data collection to monitor the progress we make and best ensure continuous improvement.

STREAMLINED ENERGY AND CARBON REPORT

ENERGY

ENERGY USE

The underlying energy data used to calculate carbon emissions includes electricity, natural gas and other fuels purchased for use on-site and for transport.

Energy used in the year across our global locations totalled 166,712,748 kWh, which compares to 151,203,785 kWh in the previous year.

RENEWABLE ENERGY

1.2 MW of Solar PV is currently installed across six different locations on or around our Burneside site. Most of these installations are subject to power purchase agreements with Burneside Community Energy Ltd, a community benefit society which uses the funds it generates to support local initiatives.

Over the year, total solar generation was 854,122 kWh, compared to 851,385 kWh in FY24 and 793,054 in FY23.

We saw a decrease in FY25 in the electricity generated by the hydroelectric plant adjacent to the site located on the River Kent. This was caused by river flow in the period. Electricity from this plant is supplied under a power purchase agreement with the Ellergreen Group. In the year, total generation was 233,458 kWh, compared to 301,309 kWh in FY24 and 210,627 kWh in FY23.

GRID ELECTRICITY

In FY25, we consumed 13,607,754 kWh of grid electricity globally, compared to 11,831,279 kWh in FY24. 94% of electricity from the Grid is purchased under Carbon Trust Certified Tariffs (categorised as A+) from wind and solar sources. For information on our carbon performance, see below.

ESG REPORT cont.

CARBON

NET ZERO STRATEGY

As shown by the data for Scope 1 and Scope 2 below, our carbon intensity metric has reduced by 27% in recent years from our baseline performance in 2021/22. This reduction has been driven by initiatives including changes to fuel inputs, engineering improvements which have reduced the level of heat and steam lost in paper manufacture, and the installation of a new efficient boiler in 2023.

The Group has previously set out an ambitious decarbonisation strategy, including a target to achieve net zero greenhouse gas emissions by 2030. While some progress has been made towards reducing carbon generation intensity (see above), and steps were taken during FY23 and FY24 to enable an engineering-led transition to full site electrification, this target has been reconsidered as part of the Company's broader review of strategy (see pages 08–13).

The Group remains firmly committed to decarbonisation over the long term. Management and the Board will continue to assess viable options to reduce emissions and decarbonise operations in a way that aligns with the Group's long-term strategic objectives and capital allocation priorities. As a result, the timeline for achieving net zero is expected to extend beyond 2030, but the Group's commitment to this goal remains unchanged. In parallel, the Group continues to develop and deliver products and services that support the transition to a low-carbon economy. Through innovation in sustainable materials, circular design and renewable fibre-based solutions, the Group's portfolio is increasingly aligned with the needs of customers seeking to reduce their environmental impact. This strategic alignment reinforces the Group's role as an enabler of decarbonisation across the value chain.

OUR PERFORMANCE IN FY25

Scope 1 and Scope 2 emissions

Our greenhouse gas emissions in FY25 across Scope 1 and Scope 2 were as set out in the tables below. Data is reported in accordance with the Greenhouse Gas Protocol Carbon Reporting and Accounting Standards. Data is reported against the prior year and baseline performance in 2021/22 to demonstrate progress made over time. All carbon data is collected internally and reviewed externally by MyCarbon (Carbon Green Limited).

LOCATION-BASED[1]		UK OPERATIONS			US OPERATIONS[2]			GLOBAL OPERATIONS		
		2021/22 (BASELINE)	2023/24 (RESTATED)[4]	2024/25	2021/22 (BASELINE)	2023/24 (RESTATED)[4]	2024/25	2021/22 (BASELINE)	2023/24 (RESTATED)[4]	2024/25
SCOPE 1 (DIRECT EMISSIONS)	tCO_2e	40,123.4	25,159.7	27,599.4	210.7	229.2	318.1	40,334.1	25,388.9	27,917.4
SCOPE 2 (INDIRECT EMISSIONS)	tCO_2e	1,235.4	2,278.5	2,264.5	78.9	179.5	176.8	1,314.3	2,458.0	2,441.2
TOTAL	tCO_2e	41,358.8	27,438.3	29,863.8	289.6	408.7	494.8	41,648.4	27,846.9	30,358.7
GLOBAL REVENUE	£'000							104,922	102,968	99,343
INTENSITY METRIC	tCO_2e/ £100K REVENUE							39.7	27.0	30.6
REDUCTION AGAINST BASELINE	%									-27%

1. Location-based method: This table reports emissions according to the GHG Protocol's 'location-based' reporting method, using grid-average emission factor data for all Scope 2 data (electricity consumption).
2. US Environmental Protection Agency methodologies are used to identify Scope 1 and Scope 2 emissions for our operations in Schenectady, USA.
3. Market-based method: This table reports emissions according to the GHG Protocol's 'market-based' reporting method, which accounts for renewable Scope 2 (electricity) purchases which are used to support operations. Market-based data is provided to demonstrate the impact of Green Tariff Electricity supply contracts.
4. Figures for 2023/24 have been restated in this year's report to correct minor errors, largely due to incorrect grid emission factors previously adopted.

STRATEGIC REPORT GOVERNANCE FINANCIALS

MARKET-BASED[3]		UK OPERATIONS			US OPERATIONS[2]			GLOBAL OPERATIONS		
		2021/22 (BASELINE)	2023/24 (RESTATED)[4]	2024/25	2021/22 (BASELINE)	2023/24 (RESTATED)[4]	2024/25	2021/22 (BASELINE)	2023/24 (RESTATED)[4]	2024/25
SCOPE 1 (DIRECT EMISSIONS)	tCO_2e	40,123.4	25,159.7	27,599.4	210.7	229.2	318.1	40,334.1	25,388.9	27,917.4
SCOPE 2 (INDIRECT EMISSIONS)	tCO_2e	25.4	65.1	1.9	78.9	179.5	176.8	104.3	244.6	178.7
TOTAL	tCO_2e	40,148.8	25,224.9	27,601.3	289.6	408.7	494.8	40,438.4	25,633.5	28,096.1

Scope 3 emissions

In FY25 we reviewed our approach to collecting Scope 3 carbon data, which currently includes reporting against selected upstream categories consistent with the GHG Protocol Corporate Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard.

Our Scope 3 emissions reporting currently includes upstream categories where we have access to reliable data, such as purchased goods and services, capital goods, fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting and upstream leased assets.

At present, downstream Scope 3 categories are not included in our footprint calculation due to data limitations and the complexity of value chain mapping beyond our operational control. However, we recognise the importance of a comprehensive value chain assessment and will continue to enhance the completeness of our emissions reporting over time.

Our Scope 3 emissions data for FY25 and FY24 are as set out below. These figures have been calculated using the Company's data and reviewed externally by MyCarbon (Carbon Green Limited).

CATEGORY		EMISSIONS (tCO_2e)			
		FY25			FY24
INCLUDED	Upstream category	UK	USA	Total	Total
YES	Purchased Goods & Services	27,122.28	433.32	27,555.60	26,092.61
YES	Capital Goods	533.53	2.99	536.52	1,125.53
YES	Fuel & Energy-Related Activities	4,595.86	111.76	4,707.62	4,293.68
YES	Upstream Transportation and Distribution	1,749.51	–	1,749.51	1,546.64
YES	Waste Generated in Operations	1,329.27	58.64	1,387.90	1,392.11
YES	Business Travel	308.42	64.67	373.09	290.90
YES	Employee Commuting	228.35	9.79	238.13	271.70
YES	Upstream Leased Assets	–	–	–	–
Total upstream Scope 3 emissions				36,548	35,013

ESG REPORT cont.

OUR PEOPLE

At James Cropper, we are proud of our colleagues and committed to fostering a workplace that recognises individual contributions, nurtures talent and enables everyone to perform at their best. Over the past year, we have introduced a range of initiatives to support our managers and employees as part of our evolving, modern people practices.

12.8%
Mean gender pay gap

7%
Median gender pay gap

Our People Strategy is aligned with the company's growth ambitions and is built around five strategic pillars:

- Responsible Leadership
- Talent, Development & Attraction
- Modern People Practices
- Organisational Design
- Engagement & Communications

These pillars guide our priorities and ensure that our HR function delivers meaningful value to the business.

RESPONSIBLE LEADERSHIP

We have made significant progress in developing accountable leaders who are aligned with our strategic goals. A key milestone was the launch of our Leadership Standards in July 2024, which established a consistent leadership framework across the organisation. Follow-up sessions have helped embed these standards and maintain momentum.

We are also developing a First Line Leaders Development Programme, focused on behavioural training and core management skills such as absence management. Supported by internal learning initiatives, this programme has contributed to a 6% improvement in employee engagement scores in our annual survey, reflecting a growing culture of empowered and capable leadership.

TALENT, DEVELOPMENT & ATTRACTION

We continue to invest in talent development through our 'Plan, Connect, Reflect' approach to performance and development, ensuring alignment with business strategy.

The implementation of a new applicant tracking system has streamlined recruitment, reduced administrative burden and improved time-to-hire. Our apprenticeship programmes remain strong, with 18 employees currently enrolled. We are also exploring new initiatives, including LEAN Manufacturing Apprenticeships, to ensure a steady pipeline of skilled talent.

STRATEGIC REPORT GOVERNANCE FINANCIALS

MODERN PEOPLE PRACTICES

We are modernising our HR policies and systems to support a positive workplace culture and attract top talent. Key updates this year include revised Anti-Bribery and Corruption and Bullying and Harassment policies, supported by comprehensive training for all employees.

In line with UK regulations, we published our 2024 Gender Pay Gap Report:

- Mean gender pay gap: 12.8%
- Median gender pay gap: 7%

This compares favourably to the UK median of 13.1%.

We remain committed to health & wellbeing, and diversity, equality & inclusion. Occupational health services have been expanded, particularly at our Launceston site, and usage of our Employee Assistance Programme continues to grow, with over 5% of employees accessing the service confidentially.

ORGANISATIONAL DESIGN

We are progressing with the implementation of a job levelling framework across both unionised and non-unionised populations. An Organisational Health Review was conducted during the year to ensure our structure remains competitive, affordable, transparent and aligned with business needs.

Looking ahead to FY26 and beyond, our focus will be on embedding an organisational design that supports accountability, alignment and responsiveness, underpinned by a robust reward and recognition framework, and continued investment in manager capability.

ENGAGEMENT & COMMUNICATIONS

We have revitalised internal communications through the launch of:

- JC Insights cascade briefings
- A new Group newsletter
- Cropper Conversations, a series of internal video briefings

These initiatives ensure consistent and aligned messaging across the business. We also launched Workvivo, our new engagement platform, which has seen strong early adoption with over 85% of employees logging in within the first two months.

Our annual WeThrive employee engagement survey remains a vital tool for understanding organisational sentiment. Our communications strategy is designed to foster two-way dialogue, ensuring employees feel both informed and heard.

SUPPORTING LOCAL COMMUNITIES

Supporting the communities where we operate is a core part of our purpose. Through charitable sponsorships, donations, employee fundraising and volunteering, our people continue to make a meaningful impact.

Our volunteering policy allows all employees to take up to two days of paid leave per year to volunteer in their local communities. This year, we:

- Donated paper to schools, community groups and arts clubs.
- Sponsored equipment for a local school's design and technology lab.
- Awarded approximately £10,000 in charitable donations.
- Supported youth sports by sponsoring junior football teams and cricket clubs.

ESG REPORT cont.

HEALTH, SAFETY AND ENVIRONMENT

The health and safety of our people remains paramount. We are committed to fostering a culture where safety is embedded in every aspect of our operations—from the moment our colleagues leave home to the end of each working day.

HEALTH AND SAFETY

This year, with the appointment of a new Head of Health and Safety for the Group, we have developed a refreshed strategy to define exemplary health and safety practices and to chart a path towards a transformative safety culture.

A robust safety strategy begins with strong foundations. Central to this is effective risk management—a clear understanding of operational risks and the controls required to mitigate them. We have continued to evolve our approach by embedding new safe systems of work across the organisation. While this transformation is ongoing, it represents a critical step towards long-term cultural change.

We are working closely with senior leaders and line managers to ensure that roles, responsibilities and accountabilities are clearly understood and upheld. Our approach emphasises the importance of driving safety both top-down and bottom-up, reinforcing shared ownership at every level of the business.

Our commitment to continuous improvement is further demonstrated through the ongoing success of our ISO certifications across four core management systems: Health and Safety, Environment, Quality and Energy. The next phase of our journey will focus on enhancing these systems to ensure they are fully integrated and aligned with operational practices. This includes embedding accountability across all departments and transforming our management systems into dynamic frameworks that support our business objectives.

While we have seen a reduction in the overall number of accidents, we acknowledge that lost time accident rates have not yet improved. In response, we have set clear and ambitious objectives:

- 50% reduction in RIDDOR-reportable incidents
- 50% reduction in lost time accident frequency rate

These targets reflect our unwavering commitment to reversing current trends and achieving a safer workplace. This effort is being led from the top, with strong sponsorship from the CEO and executive team.

ENVIRONMENTAL STEWARDSHIP

In an increasingly dynamic and regulated operating environment, maintaining control over our environmental impact is both a challenge and a responsibility we take seriously.

Our Environmental Management System (EMS) provides a structured and consistent framework for managing environmental performance across the business. While this system has historically delivered strong results, we recognise that some processes have lost momentum in recent months.

Looking ahead, our priority is to reinvigorate and embed environmental practices into daily operations. This renewed focus will strengthen our environmental performance, support long-term sustainability, and ensure continued compliance with evolving regulatory and stakeholder expectations.

OBJECTIVES

50%
reduction in RIDDOR-reportable incidents

50%
reduction in lost time accident frequency rate

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

INTRODUCTION

OUR APPROACH TO CLIMATE-RELATED RISKS

We are committed to identifying, managing and disclosing climate-related risks and opportunities to ensure compliance with the UK mandatory Climate-Related Financial Disclosures (CFD) under s414CA and CB of the Companies (Strategic Report) Regulations 2022. This section complements the disclosures in our Risk Report (pages 40–45) and ESG Report (pages 48–56).

The Board is accountable for the long-term success of the Group and has ultimate responsibility for overseeing climate-related risks and opportunities. Recognising the growing importance of climate change to our stakeholders—including shareholders, colleagues, customers and communities—climate considerations are embedded in our strategic decision-making.

In FY25, we launched an enhanced strategic risk management framework that integrates climate-related risks. For more information see our Risk Report on pages 40–45.

A GOVERNANCE

CFD REQUIREMENT	OUR APPROACH
Describe the governance arrangements of the Company in relation to assessing and managing climate-related risks and opportunities.	The Board is responsible for the Group's overall strategy and risk management, including climate-related matters. During the year, the Board launched an enhanced risk management framework and the Audit Committee's remit was expanded to form the Audit & Risk Committee, enhancing oversight of principal and emerging risks, including climate-related risks. The Committee meets at least twice annually, with findings reported to the Board. The Audit & Risk Committee also monitors compliance with risk reporting requirements and reviews the Group's CFD disclosures.
Describe how the Company identifies, assesses, and manages climate-related risks and opportunities.	The CEO holds overall accountability for climate-related risk management. The Company Secretary oversees the strategic risk management framework, which includes quarterly reviews of risk registers by leadership teams and the Executive Committee. The Group's Environmental Coordinator manages the Environmental Management System and leads improvement programmes aimed at reducing environmental impact. The Coordinator also liaises with the Environment Agency and the Confederation of Paper Industries to inform risk assessments and adaptation strategies. The Executive Committee reviews opportunities, including climate-related opportunities, as part of its strategic planning cycle. Strategy meetings take place three times annually on dates linked to the Group's financial calendar.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT cont.

B STRATEGY

CFD REQUIREMENT	OUR APPROACH
Describe the principal climate-related risks and opportunities arising in connection with the operations of the Company, and the time periods by reference to which those risks and opportunities are assessed.	**Risks** Climate-related risks could arise over the short (0–3 years), medium (3–5 years) and long (5+ years) term. The following physical and transitional risks have been identified:

PHYSICAL RISKS

RISK	DESCRIPTION	POTENTIAL IMPACT	TIMESCALE	POTENTIAL SEVERITY	MITIGATION
Extreme weather events	Flood or other significant weather impact	Safety risks Asset damage Business interruption	Short–medium term	Medium	Critical assets and materials have been relocated/elevated on-site, and arrangements are in place to ensure employee safety. River levels are constantly monitored and flood action response protocols are in place. Insurance arrangements are in place to further reduce exposure.
Drought	Reduced water availability for operations	Business interruption	Short–medium term	Medium	Water supplies can be supplemented by private reservoirs over which the Group has longstanding rights. Operational schedules can be adjusted and water-reduction and recycling initiatives are being explored.

TRANSITIONAL RISKS

RISK	DESCRIPTION	POTENTIAL IMPACT	TIMESCALE	POTENTIAL SEVERITY	MITIGATION
Climate policy	Increased costs from carbon taxes, energy and compliance (e.g. EUDR)	Higher operating costs	Short–medium term	High	The Group closely monitors and manages the cost of carbon tax credits and maintains energy hedging arrangements. Water recycling initiatives are being explored to reduce effluent discharge. The Group maintains compliance systems and has developed its arrangements to ensure EUDR readiness. In the longer-term the Group plans to achieve net zero for Scope 1 and Scope 2 emissions.
Net zero transition	Failure to reduce emissions and progress net zero transition	Reputational risk, financial penalties	Long term	Medium	The Group draws electricity from solar and hydroelectric plant linked to the Burneside site and purchases Grid electricity through certified green tariffs. Longer term, the Group plans to transition to net zero for Scope 1 and Scope 2 emissions.

Opportunities

Products and services across the Group's businesses align with developing end-user trends which address climate change. Short–medium term opportunities include:

- Growth in demand for sustainable materials and plastic alternatives.
- Increased levels of recycling and material substitution.
- Advanced coatings to increase the efficiency and lower the cost of hydrogen production.
- Coated technical fibres used in carbon capture.
- Lightweight materials to support certain industries, e.g. aerospace.

B STRATEGY CONT.

CFD REQUIREMENT	OUR APPROACH
Describe the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the Company.	Climate-related risks and opportunities are accordingly integrated into: — Financial planning — Strategic development — Product development — Governance and decision-making processes (including capital investment decisions)
Analyse the resilience of the business model and strategy of the Company, taking into consideration different climate-related scenarios.	The Group considers its exposure to climate-related risks to be low in the medium term. Flood risk at the Burneside site is actively managed, with critical assets elevated and emergency protocols in place. The site is not considered at significant risk from sea-level rise under a 2°C warming scenario. Water supply is safeguarded through river monitoring and access to private reservoirs. Climate-related supply chain risks are regularly reviewed as part of our strategic risk management process.

C RISK MANAGEMENT

CFD REQUIREMENT	OUR APPROACH
Disclose a description of how processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management process of the Company.	Our enhanced strategic risk management framework adopts a tiered approach. Risk identification is embedded across all levels of the organisation and aligned with strategic objectives. Climate-related risks are assessed for likelihood and severity, with mitigation plans developed where necessary. Climate Change Risk Adaptation assessments are conducted in line with Environment Agency guidelines and ISO 14091. These assessments feed into the Group's consolidated risk review, overseen by the Executive Committee and reported to the Audit & Risk Committee. Climate-related risks are fully integrated into the Group's broader risk management framework, ensuring they are considered alongside commercial, operational, financial, safety and reputational risks.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT cont.

D METRICS AND TARGETS

CFD REQUIREMENT	OUR APPROACH
Disclose a description of the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and of performance against those targets; and the key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.	Various metrics are considered to support the assessment of climate-related risks and opportunities, including carbon emissions, carbon taxation levels, water supply stress and abstraction levels, effluent and waste levels, raw material costs, energy usage, and the proportion of recycled content utilised in production. The Group plans to achieve net zero emissions for Scope 1 and Scope 2. The timescale for achieving this target remains under review as the Group continues to establish the most cost-effective solution. Water stress is managed actively with no requirements in FY25 for reservoirs to supplement flow in the River Kent. Water abstraction and effluent discharge in the year was all within consent limits.
Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	Please see the ESG Report on pages 48–56.

The Strategic Report has been approved by the Board of Directors and signed on its behalf by:

David Stirling
Chief Executive Officer
16 July 2025

GOVERNANCE

BOARD OF DIRECTORS

A Audit & Risk Committee
E Executive Committee
N Nomination Committee
R Remuneration Committee
Committee Chair

Mark is the sixth generation of the Cropper family to hold this position. Following university, he pursued a career in environmental finance and renewable energy. Mark was first appointed to the Board in 2006 and became Chair in 2010. Mark also chairs the Board's Nomination Committee.

External appointments

- Paper Foundation (Director)
- Kendal Futures CIC (Director)
- Ellergreen Group LLP (Designated Member)

David joined James Cropper from Zotefoams plc where he was CEO for 24 years. During this time, Zotefoams developed a range of technical materials to serve a diverse global customer base and grew from a single UK site to multiple manufacturing operations across the UK, Europe, North America and Asia. David began his career as a chartered accountant with KPMG in the UK and PricewaterhouseCoopers in the USA and Europe, before transitioning into industry. He brings a wealth of leadership, strategic, commercial, operational and technical experience, and is well positioned to lead the Group into its next phase of growth and development.

External appointments

- Macfarlane Group plc (Non-Executive Director)

Andrew has spent over 20 years in leadership roles across a variety of sectors and brings extensive financial, commercial, M&A and business transformation experience. Andrew joined James Cropper from Bibby Marine, where he was Finance Director. Prior to this he worked as Finance Director for TJ Hughes. Andrew is a chartered accountant and started his career at KPMG.

External appointments

None

Martin has a strong track record as both an Executive and Non-Executive in the chemicals and materials sectors. Martin was previously Chief Commercial Officer at Victrex plc and brings a wealth of strategic, technical, innovation, and commercial experience which aligns with the Group's strategic plans.

External appointments

- Material Insights Ltd (Director)
- Food Freshness Technology Ltd (Director)

BOARD OF DIRECTORS cont.

A Audit & Risk Committee
E Executive Committee
N Nomination Committee
R Remuneration Committee
Committee Chair

Lyndsey has spent most of her career in multi national organisations and management consultancy across different sectors, most recently with International Personal Finance plc as Chief Human Resources Officer (a role from which she retired in May 2024). Lyndsey brings experience in strategy creation, planning, and delivery of large scale cultural and performance change. Lyndsey chairs the Board's Remuneration Committee.

External appointments

— Billington Holdings plc (Non-Executive Director)

Sarah brings strong leadership, strategic and commercial experience. She is currently CEO at hush, was CEO at Feelunique and Sephora UK, and has held executive roles in Amazon and Diageo. Sarah will step down from the Board at the Company's AGM taking place in September 2025.

External appointments

— hush (CEO)

— Lick Home Ltd (Director)

Prior to his appointment at James Cropper, Jon spent 11 years at LGC Science Group in various leadership roles, including Group Finance Director and COO/Managing Director of its £400m Standards division. Jon is a chartered accountant and spent 16 years at PwC LLP working extensively with listed businesses across audit and transaction projects, including financing and M&A.

External appointments

— Cricket Dorset Ltd (Director)

— Fera Science Ltd (Non-Executive Director and Audit & Risk Committee Chair)

— Charterpath (Advisory Board Member)

Matt is a solicitor with broad commercial, corporate and regulatory experience. He joined James Cropper from Carr's Group plc where he was Group Legal Director and Company Secretary for seven years. Prior to this he was in commercial legal practice having started his career with Pinsent Masons LLP.

External appointments

None

CORPORATE GOVERNANCE REPORT

CHAIR'S INTRODUCTION

"Robust corporate governance is central to the delivery of our long-term strategic objectives. The Board is committed to maintaining high standards and effective practices which complement the Group's operations.

Mark Cropper
Non-Executive Chair

DEAR SHAREHOLDER

On behalf of the Board, I am pleased to present our Corporate Governance Report for the period ended 29 March 2025. This statement provides an overview of our governance framework and how the Board discharges its responsibilities.

The Board recognises the fundamental importance of effective governance to long-term value creation and is committed to continuous improvement.

We report against the QCA Corporate Governance Code. FY25 is our final year of reporting against the 2018 version of the Code, and I am pleased to report that we complied with its principles in full. During the year the Board undertook a thorough review of the 2023 Code in readiness for reporting next year.

In addition to the QCA Code, the Board monitors the FRC's Corporate Governance Code, and developing best practice, to ensure our approach remains robust.

FY25 saw significant change on the Board, with the appointment of David Stirling who joined the business in January 2025 and was appointed CEO from 3 February 2025 in succession to Steve Adams, who retired from James Cropper in March.

In September 2024 we also saw Jon Yeung join the Board as an independent Non-Executive Director and as Chair of the Audit Committee (now the Audit & Risk Committee) in succession to Jim Sharp who stood down from the Board following the AGM on 4 September 2024.

In January 2025 we announced that Patrick Willink would step down from the Board at the end of FY25 after 35 years at James Cropper and 27 years on the Board. Patrick remains with James Cropper as Strategic Advisor and a member of the Executive Committee until his retirement in April 2026.

Finally, in July 2025, we announced that Sarah Miles had notified the Board that she would step down as a Non-Executive Director at the Company's AGM in September 2025.

For more information on these changes, please see my letter on pages 04–05.

Subject to the election and re-election of Directors by shareholders, following the AGM in September 2025, the Board will comprise myself (as Non-Executive Chair) together with two Executive Directors (CEO and CFO) and three independent Non-Executive Directors, which presents a good balance of experience, skills and knowledge, together with robust independent challenge.

In late 2024, the Board carried out an internal evaluation led by Senior Independent Director Martin Court as part of its commitment to continuous improvement. The findings and agreed actions resulting from that review are summarised on the pages which follow.

During the year, the Group implemented an enhanced risk management framework to enhance our ability to identify and manage circumstances which could adversely impact our ability to deliver the Board's strategic plan. The Board also expanded the remit of the Audit Committee — to become the Audit & Risk Committee — to increase the Board's level of oversight. Further details are set out in the report of the Audit & Risk Committee on pages 71–73.

The Board remains committed to open dialogue with shareholders and, throughout 2024 and 2025, members of the Board met with some of our largest shareholders to discuss strategy and business performance together with strategic plans and changes during the year, and generally to provide the opportunity to ask questions. Feedback from shareholders is always welcomed and provides welcome insight into the views of our investors. As a Board we are keen to understand the interests of our investors, and I am very grateful to those who took the time to speak this year.

Mark Cropper
Non-Executive Chair

GOVERNANCE STRUCTURES

QCA CODE AND STATEMENT OF COMPLIANCE

The Company's shares are listed on the Alternative Investment Market (AIM) of the London Stock Exchange and subject to AIM rules. We continue to adopt the QCA Corporate Governance Code (the 'Code') which provides an appropriate and practical governance framework and is implemented through robust practices and systems of control aligned to our business model. We consider that meaningful compliance with the principles of the Code should provide shareholders with confidence in how the Group operates. We are a member of the QCA and, during the year, complied with all principles of the 2018 Code in full. The Board also undertook an assessment of evolving requirements under the 2023 version of the QCA Code, which we will report against from next year, as part of its commitment to best practice.

THE BOARD

The Board is responsible for promoting the long-term sustainable success of the Group for the benefit of its shareholders and supporting all stakeholders. The Board establishes the Group's purpose and sets its strategic direction, ensuring that these remain aligned with the Group's culture and values.

The Board consists of Senior Executive Management together with experienced Non-Executive Directors (details of Board members can be found on pages 63–64). The Board meets regularly in accordance with its planned calendar and otherwise as may be required. Meetings take place in person or where necessary by video conferencing. All Directors have full and timely access to relevant information. The Board maintains a schedule of matters reserved for its approval, which is regularly reviewed and made available on the Group's website.

BOARD COMMITTEES

The Board delegates certain matters to its Audit & Risk, Remuneration and Nomination Committees which are comprised of Non-Executive Directors. Written terms of reference govern the responsibilities of the Committees, which are reviewed regularly by the Board and made available on the Group's website.

The Committees ensure that there is independent oversight of the matters within their remit and assists the Board in fulfilling its responsibilities. Where appropriate, each Committee has the power to appoint external advisors to support the performance of its duties. Full reports from each of the Committees, detailing their responsibilities, key considerations and actions during the year, are set out from pages 71, 74 and 76.

EXECUTIVE COMMITTEE

The Executive Committee is responsible for developing strategy recommendations to the Board, executing the Board's approved strategy, day-to-day management of the Group's operations, and developing and implementing the Group's safety, environmental, social and governance framework.

The Executive Committee consists of the Executive Directors, Divisional Managing Directors, and senior managers including the People and Culture Director and General Counsel and Company Secretary. Written terms of reference govern the responsibilities of the Committee, which are reviewed regularly and made available on the Group's website.

Committee meetings to discuss progress towards the Group's strategic plan, together with business performance and key developments, take place monthly. Focused strategic discussions take place three times yearly. Feedback from meetings is shared with the Board.

DIVISIONAL SENIOR LEADERSHIP TEAMS

The Senior Leadership Teams within each of our Advanced Materials and Paper & Packaging businesses have day-to-day responsibility for managing operations, monitoring performance and commercial developments, and delivering business strategy.

The Senior Leadership Teams comprise Divisional Managing Directors together with divisional senior management, supported by members of Group functional teams for Finance and HR.

Meetings take place monthly, with feedback being shared with the Executive Committee.

OTHER GOVERNANCE STRUCTURES

Other key governance structures within the Group include:

Pensions Steering Committee

The Pensions Steering Committee is responsible for supporting the Board in the discharge of the Company's obligations and powers in connection with the Company's defined benefit pension schemes. It closely monitors performance of the schemes with the Trustee and investment managers, engages with the Trustee in connection with investment strategy, and ensures that appropriate governance arrangements exist.

The Committee is chaired by the CFO and comprises other Board members and senior management. It meets quarterly and as required from time to time.

ESG Working Group

In 2024, we launched our ESG Working Group, which meets quarterly to support the development and delivery of ESG objectives. The Working Group is chaired by the General Counsel and Company Secretary, and comprises a diverse range of knowledgeable and passionate people from across the Group at all levels and from a range of sites who actively participate. For more information on the ESG Working Group, see our ESG report on pages 48–56.

DIVISION OF RESPONSIBILITIES

The roles of the Chair and CEO are separate, clearly understood and agreed by the Board.

Non-Executive Chair

The Chair leads the Board, ensuring its effectiveness while taking account of the interests of the Group's various stakeholders, promoting high standards of corporate governance. Key responsibilities include:

- Chairing the Board, its Nomination Committee and General Meetings.
- Ensuring the Directors effectively contribute and engage in constructive debate.
- Setting the Board's agenda in conjunction with the CEO and Company Secretary.
- Ensuring that the Board's effectiveness is reviewed annually and leading the performance evaluation of the CEO and Non-Executive Directors.
- Ensuring that effective induction and training programmes exist and encouraging the continued development of Directors and the Board as a whole.
- Serving as an ambassador for the Group and its products and services, culture and values.
- Engaging with shareholders and other stakeholders, and ensuring that the Board develops an understanding of external views and interests.

Chief Executive Officer

The CEO is responsible for developing the Group's strategy and the operating performance of the Group. Key responsibilities include:

- The effective management of the Company's businesses.
- Leading development of the Company's strategic direction and implementing the agreed strategy.
- Developing objectives for the Executive team.
- Managing the Company's risk profile and maintaining an effective framework of controls.
- Ensuring effective succession plans are in place and leading in the development of people.
- Ensuring effective communication with shareholders and key stakeholders on business strategy and performance.
- Providing regular operational updates to the Board.

Senior Independent Director

The responsibilities of the Senior Independent Director include:

- Providing a sounding board for the Chair and acting as an intermediary for Non-Executive Directors where necessary.
- Working closely with the Chair and other Directors, and/or shareholders to resolve issues as may be required from time to time.
- Leading the appraisal of the performance of the Chair.

Non-Executive Directors

The Non-Executive Directors bring insight and experience to the Board. They have responsibility for:

- Constructively challenging the strategies proposed by the Executive Directors.
- Scrutinising the performance of management in achieving agreed goals and objectives.
- Devoting time to developing and refreshing knowledge and skills, and being well-informed about the Company.
- Playing a leading role in the functioning of the Board Committees.
- Meeting with the Senior Independent Director to review the Chair's performance and other matters.

The Board is supported by the Company Secretary, who assists in upholding corporate governance standards. The Company Secretary ensures compliance with Board procedures and provides support to the Chair. He advises the Board on corporate governance developments and ensures that the Board receives information in a timely manner.

BOARD ACTIVITIES

The Board held 8 scheduled Board meetings during FY25, which were scheduled to coincide with key dates in the Group's financial calendar. In addition to regular scheduled meetings, a number of additional meetings took place during the year in order to deal with specific business arising from time to time. Principal considerations at Board meetings include:

- Health, safety and environment
- Strategy
- Financial performance
- Risk
- People and culture
- Stakeholder engagement
- Governance

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS IN FY25

Board member	Board	Nomination Committee	Audit & Risk Committee	Remuneration Committee
Mark Cropper	8	3	4[5]	3[5]
Steve Adams[1]	7	2[5]	3[5]	2[5]
David Stirling[2]	1	0	1[5]	1[5]
Andrew Goody	8	2[5]	4[5]	3[5]
Patrick Willink	7	0	0	0
Martin Court	8	3	4	4
Lyndsey Scott	8	3	4	4
Sarah Miles	8	3	3	3
Jon Yeung[3]	5	1	2	3
Jim Sharp[4]	3	1	2	1

1 Stood down 3 February 2025
2 Appointed 3 February 2025
3 Appointed 4 September 2024
4 Stood down 4 September 2024
5 Attended all or part of meeting by invitation

CORPORATE GOVERNANCE REPORT cont.

In advance of all Board meetings the Directors are supplied with papers covering the matters to be addressed. Members of the Executive Committee, senior management, or third parties may also attend meetings, or parts of meetings, by invitation from time to time. Executive Directors may attend Committee meetings (or parts of such meetings) by invitation where required. The Company Secretary is responsible to the Board for the timeliness and quality of information.

BOARD COMPOSITION

At the date of this report, the Board comprises two Executive Directors,[1] a Non-Executive Chair and four independent Non-Executive Directors.[2]

Biographies for all Board members are set out on pages 63–64.

For information on changes to the Board during the year, see the Nomination Committee report which can be found from page 74.

SKILLS AND EXPERIENCES

The Board recognises the importance of Directors bringing a strong balance of skills, knowledge, and experience to delivery of the Company's strategic objectives. During the year, the Nomination Committee reviewed its assessment of the knowledge, skills, experience, and diversity on the Board. Updated outcomes from this exercise were reviewed by the Board and used to inform succession planning. This process is the subject of regular review to best ensure the Board remains well balanced.

DIRECTOR INDEPENDENCE

The Board reviews the independence of its Non-Executive Directors regularly. Taking into account all circumstances, the Board considers Non-Executive Directors Martin Court, Sarah Miles, Lyndsey Scott and Jon Yeung to be independent. Mark Cropper, David Stirling and Andrew Goody are not considered by the Board to be independent.

The Board considers that its composition represents a good balance of operational, commercial, technical and financial knowledge, entrepreneurial leadership and robust independent challenge.

CONFLICTS OF INTEREST

The Companies Act 2006 and the Company's Articles of Association require the Board to consider actual or potential conflicts of interest. The Board has policies for managing and, where appropriate, authorising actual or potential conflicts of interest and related party transactions. Directors are required to declare any interests they or their close family members have in third-party organisations, as well as other circumstances which could give rise to a conflict of interest. Registers of related parties and third-party interests are regularly reviewed by the Board. Directors are required to seek clearance from the Chair before taking on any new appointments to ensure that any potential conflicts of interest can be identified and addressed appropriately. At the outset of every Board and Committee meeting, Directors are required to declare any actual or potential conflicts in relation to matters on the agenda.

EFFECTIVENESS

The Board adopts an inclusive and open style which encourages collaboration and the free flow of information between Executive and Non-Executive Directors. Board members are encouraged to discuss matters openly and add value by sharing personal skills and experiences. No individual or group of individuals dominate the Board's decision-making process. All Directors communicate regularly, and contact with senior executives within the Group is sought and encouraged. Separate meetings of the Non-Executive Directors are scheduled throughout the year to discuss strategy and performance, and enhance independent oversight and stakeholder accountability.

In the year the Board undertook an internal effectiveness review, which was led by the Senior Independent Director (SID). The review involved a series of one-to-one discussions held by the SID with each Board member. These conversations were framed around themes including strategy, papers and administration, and dynamics and culture. The effectiveness of Board committees was also considered. The inputs from Directors and outcomes from those conversations were reviewed by the SID, Company Secretary and the Chair, and developed into recommendations which were presented to the Board.

It was noted that FY25 had seen a continuation of the difficult trading seen in FY24 and that there was a need to review and develop a clear business strategy, particularly for the Paper & Packaging business. Despite this, it was recognised that engagement amongst Board members had been positive in the year and that improvements to the structure of Board meetings had enhanced the quality of debate and discussion. Recommendations from the review included a review of strategic planning and strategic delivery, reducing the volume of Board papers to enhance focus, expanding the remit of the Audit Committee to enhance oversight of risk, and continuing to develop Board and Committee meeting planning.

Recommendations from the previous review in FY24 included the development of new KPIs to enhance financial reporting, increasing the Board's focus on strategy, and expanding the remit of the Remuneration Committee to broader workforce considerations. During the year, good progress was made against each of these recommendations.

The Board recognises the importance of regular reviews with a view to continuously improving how it operates.

DIVERSITY

The Board recognises the benefits of diversity at all levels of the organisation. Diversity on the Board was reviewed in the year by the Nomination Committee and this approach will help support effective future succession planning. Our female representation on the Board is 29%. For more information on the Group's approach to diversity, see the Nomination Committee Report from page 74.

1 David Stirling (CEO) and Andrew Goody (CFO).

2 Martin Court, Lyndsey Scott, Sarah Miles and Jon Yeung (Sarah Miles will step down from the Board at the Company's AGM in September 2025 at which point the Board will include three independent Non-Executive Directors).

INDUCTION AND PROFESSIONAL DEVELOPMENT

Upon joining the Group, Directors are provided with an induction which ensures that they are fully informed and have the necessary support to perform their roles effectively. This typically involves meetings with members of the Board together with senior management, visits to operational sites and the provision of information on the Group's products, markets and strategy, and key governance arrangements.

The Chair ensures that Directors receive information to enable them to perform their duties properly. Briefings are provided to the Board on governance, regulatory, financial and legal matters by the Company Secretary, CEO and CFO and external advisors where required. Directors are aware of their responsibility to regularly update their skills and knowledge.

SUPPORT

Directors can obtain independent professional advice at the Group's expense in performance of their duties. None of the Directors obtained independent professional advice in the period under review. All Directors have access to the advice and the services of the Company Secretary and access to senior management across the Group where required.

ELECTION AND RE-ELECTION OF DIRECTORS

In accordance with best practice, all Directors continuing in office will stand for election (or re-election) annually at the Company's AGM.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises that the delivery of the Board's strategy requires the adoption of an appropriate level of risk. Effective risk management is therefore fundamental to achieving the Group's strategic objectives. In the year, the Group implemented an enhanced Group-wide strategic risk management framework, building upon previous risk management processes, and aligned to the achievement of strategic objectives. The framework adopts a tiered approach, with leaders across the organisation being responsible for the management of risks in conjunction with their strategic objectives. The framework was accompanied by guidance and tools to support the consistent identification and management of risks across the Group, and to enable consolidated reviews and improved management of principal and emerging risks by the Executive Committee and Board. At the same time, the Board broadened the remit of the Audit Committee (now Audit & Risk Committee) to enhance the level of Board oversight.

GOING CONCERN

In carrying out their duties in respect of going concern, the Directors carry out a review of the Group and Company's financial position and cash flow forecasts for at least 12 months from the date of approval of the financial statements. These are based on a comprehensive review of revenue, expenditure and cash flows, taking into account specific business risks and the current economic environment.

For further details on going concern, please refer to the Directors' Report on pages 83–85.

RELATIONS WITH SHAREHOLDERS

The Board recognises the importance and benefits of regular engagement with shareholders and the Group's other stakeholders. Further information is contained in the s.172 Statement on pages 46–47.

ANNUAL GENERAL MEETING (AGM)

Our AGM will be taking place on 3 September 2025. Following the meeting to consider the proposed resolutions, there will be, an opportunity for shareholders to meet the Directors informally.

I very much look forward to the event which serves as a useful opportunity to engage with our investors, answer questions, and provide further insight into the James Cropper business.

Mark Cropper
Non-Executive Chair

16 July 2025

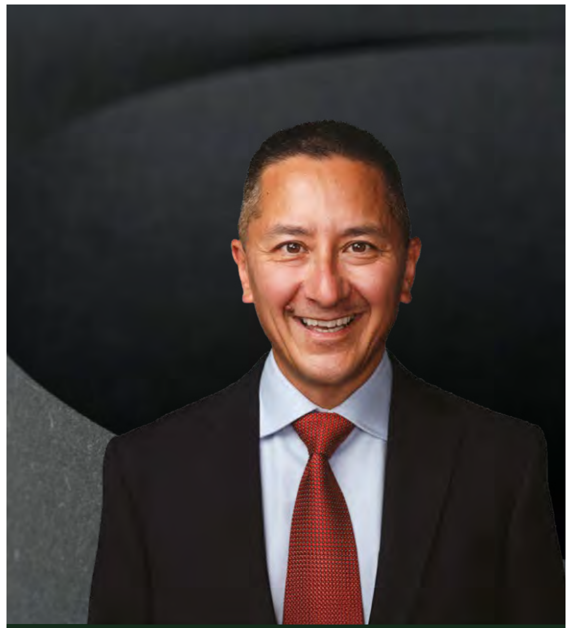
CORPORATE GOVERNANCE REPORT cont.

HOW WE APPLY THE QCA CODE

	PRINCIPLE	HOW WE APPLY THE CODE
01	Establish a strategy and business model which promote long-term value for shareholders.	— Information regarding the Group's strategy and business model can be found in the Strategic Report and particularly on pages 08–13 and 14–27. — Information regarding the governance structures responsible for the establishment of the Group's strategy can be found in the Corporate Governance Report on pages 65–68.
02	Seek to understand and meet shareholder needs and expectations.	— Information regarding the Board's arrangements for engaging with shareholders and considering shareholder interests, including engagement during the year in question, can be found in the s.172 Report on pages 46–47.
03	Take into account wider stakeholder and social responsibilities, and their implications for long-term success.	— Information regarding the Board's arrangements for engaging with stakeholders and considering stakeholder interests, including engagement during the year in question, can be found in the s.172 Report on page 46.
04	Embed effective risk management, considering both opportunities and threats, throughout the organisation.	— Information regarding the Group's arrangements for identifying, reviewing and managing risks can be found in the Risk Report on pages 40–45 and the Group's Non-financial and sustainability information statement on pages 57–61.
05	Maintain the Board as a well-functioning, balanced team led by the Chair.	— Information regarding the operation of the Board and its Sub-Committees, and the division of responsibilities between Board members, can be found in the Corporate Governance Report on pages 65–68. — Information regarding Board activities in the year, principal considerations at Board meetings and Board meeting attendance, can be found in the Corporate Governance Report on pages 65–68. — Information regarding the independence of Board members can be found in the Corporate Governance Report on page 68. — Information regarding the support of the Company Secretary to the Board can be found in the Corporate Governance Report on page 69.
06	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities.	— Information regarding the skills and experiences of each individual Director can be found on pages 63–64. — Information regarding the skills and capability assessment carried out by the Board in the year can be found in the Corporate Governance Report on page 68. — Information about Board succession processes in the year can be found in the Nomination Committee Report on page 74–75. — Information regarding Non-Executive Director inductions and continuous professional development can be found in the Corporate Governance Report on page 68 and the Nomination Committee Report on page 74.
07	Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement.	— Information regarding the effectiveness review carried out by the Board in the year, including the review process together with identified recommendations, and progress made in the year against previous recommendations, can be found in the Corporate Governance Report on pages 65–68.
08	Promote a corporate culture that is based on ethical values and behaviours.	— Information regarding the Company's purpose and business model can be found in the Strategic Report on pages 01–27. — Information regarding the Company's approach to culture (including people, safety, diversity, ethics and sustainability) can be found in the ESG Report on pages 48–56.
09	Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board.	— Information regarding the operation of the Board and its Sub-Committees, and the division of responsibilities between Board members, can be found in the Corporate Governance Report on pages 65–68.
10	Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.	— Information regarding the Board's arrangements for engaging with shareholders and other stakeholders, including engagement during the year in question, can be found in the s.172 Report on pages 46–47.

REPORT OF THE AUDIT & RISK COMMITTEE

AUDIT & RISK COMMITTEE REPORT



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This was my first year as Chair of the Committee, in which we have taken the step of expanding its remit to provide greater oversight in relation to the Group's arrangements for risk management.

Jon Yeung
Audit & Risk Committee Chair

ROLE OF THE COMMITTEE

The Audit & Risk Committee is constituted by the Board and is responsible for assisting the Board in discharging its responsibilities for monitoring the integrity of the Company's financial statements, the effectiveness of the systems of internal controls and risk management, and the effectiveness, performance and objectivity of the external auditor.

COMMITTEE MEMBERSHIP

The Committee comprises only independent Non-Executive Directors and currently includes me (Jon Yeung) as Chair together with Lyndsey Scott, Martin Court and Sarah Miles. I was appointed as Committee Chair upon joining the Board in September 2024, succeeding Jim Sharp who stood down as Committee Chair and from the Board following the Company's 2024 AGM.

Members of the Committee collectively have a deep understanding of the Group's operations and sectors, together with knowledge and understanding of financial matters and risk management. See pages 63–64 for a summary of the skills and experiences of Committee members. As Chair, I am a chartered accountant having spent 16 years at PwC LLP and more recently in various finance and leadership roles. I also serve as a Non-Executive Director and Audit & Risk Committee Chair at Fera Science.

MEETINGS IN THE YEAR

There were three scheduled meetings in FY25. Details of Director attendance at meetings is shown on page 67. A further meeting also took place during FY25 to review the Group's strategic risk management framework and principal risks following the Board's decision to expand the remit of the Committee.

RESPONSIBILITIES OF THE COMMITTEE

The Committee operates under terms of reference which are reviewed annually and published on the Company's website (www.jamescropper.com/investors/subcommittees). Key responsibilities of the Committee include:

- Monitoring the integrity of the Group's financial statements and results announcements.
- Reviewing the effectiveness of the Group's systems of internal financial control and risk management.
- Reviewing the Annual Report and Accounts, and advising the Board on whether, taken as a whole, it is fair, balanced and understandable.
- Reviewing and approving statements to be included in the Annual Report concerning internal controls and risk management.
- Reviewing the Group's arrangements for employees to raise concerns about possible wrongdoing.
- Making recommendations to the Board in relation to the appointment, re-appointment and removal of the external auditor.
- Overseeing the relationship between the external auditor, including approving remuneration arrangements and engagement terms, and evaluating the auditor's independence.

To support the Committee in effectively discharging its obligations, reports from the external auditor and senior finance personnel led by the Chief Financial Officer, are considered and constructively challenged.

REPORT OF THE AUDIT & RISK COMMITTEE cont.

KEY ACTIVITIES IN FY25

This was the third year working with Grant Thornton UK LLP as external auditor. Key activities included:

- Reviewing the external auditor's audit plan and the completion of work against that plan.
- Reviewing key reporting estimates and judgements, and the Group's financial statements to ensure these were fair, balanced and understandable.
- Reviewing the Group's strategic risk management framework, principal risks and risk-mitigation strategies.
- Reviewing the Group's disclosures concerning risk, including mandatory Climate-Related Financial Disclosures (CFD) under s414CA and CB of the Companies (Strategic Report) Regulations 2022.
- Agreeing terms of engagement for the external auditor, including the external audit fee.
- Considering the independence of the external auditor.
- Reviewing and approving the Group's policy for non-audit services.
- Reviewing the Group's going concern statement, including the assumptions made in support of such statement.

KEY ESTIMATES AND JUDGEMENTS

An important responsibility of the Committee is to review and agree significant estimates and judgements made by management. To discharge this responsibility, the Committee reviewed detailed written reports from the Chief Financial Officer and the external auditor in connection with the Group's results. The Committee considered the content of these reports, providing appropriate challenge, in evaluating the appropriateness and robustness of the estimates and judgements adopted.

Key estimates and judgements considered in relation to the Group's FY25 full year results included the following (for more information please see note 1 to the financial statements):

Liabilities in connection with the Group's defined benefit pension schemes

The Committee reviewed a valuation of the schemes' assets and liabilities, together with key actuarial assumptions used to value the scheme liabilities including but not limited to rates of inflation, discount rates and life expectancies. The assumptions made were reviewed, supported by independent actuarial specialists, to assess their appropriateness, and the disclosures regarding the sensitivity of the obligations to changes in such assumptions were reviewed. The Committee also considered estimates of potential liabilities related to gender-based retirement age differences. The Committee was satisfied that the scheme's assets were appropriately valued, that the assumptions and allowances adopted in relation to the scheme's liabilities were appropriate, and that disclosures made in relation to the scheme were appropriate. For further information, see note 20 to the financial statements.

Impairment

The Committee reviewed the future business performance assumptions adopted by management for the Paper & Packaging business following sustained operating losses and challenging market conditions. Taking into consideration and challenging the assumptions around future revenue expectations and the discount rate applied to future cash flows (which included considering external specialist advice), the Committee concurred with management that it would be appropriate to recognise an impairment of £7.2m against the carrying value of the fixed assets in the Paper & Packaging business (see notes 10 and 11 of the financial statements). Similar assessments were made for investments in and receivables from subsidiary undertakings, leading to further impairment in accordance with IAS 36 (see notes 12 and 13 to the financial statements).

Deferred tax assets

In line with IAS 12, deferred tax assets are recognised only to the extent it is reasonable to assume they will be recovered in the foreseeable future. The Committee considered management's assessment of deferred tax assets including £4.0 million (2024: £4.3 million) in respect of the Group's defined benefit pension scheme deficit, which is expected to be recovered in full given the Company's obligation to eliminate the deficit, together with £1.2 million (2024: £1.3 million) recognised in respect of brought forward tax losses, supported by forecast taxable profits over the next three years. The Committee was satisfied with these assessments and determined that it would be appropriate to recognise such deferred tax assets.

GOING CONCERN

The Committee assessed the Group's ability to continue as a going concern over the period to 26 September 2026, based on the approved annual budget and plan. This included updated forecasts reflecting the anticipated revenue decline from a key Paper & Packaging customer. The Committee evaluated base case and severe downside scenarios, including reverse stress testing, and considered mitigating actions such as cost reductions. Reviewing and challenging these scenarios, the Committee was satisfied that planned performance improvements and cost mitigations were sufficient to maintain compliance with bank covenants and adequate liquidity and that it was appropriate to adopt the going concern basis in preparing the financial statements.

EXTERNAL AUDITOR AND INDEPENDENCE

The reappointment of Grant Thornton UK LLP as the Group's external auditor was recommended by the Board and approved by shareholders at the AGM on 4 September 2024.

In the year, the Committee considered the expertise and independence of Grant Thornton, as well as the terms of engagement and remuneration. In addition, Grant Thornton confirmed its compliance with regulatory and professional standards (including ethical standards), and that its objectivity and independence was not compromised. Grant Thornton's audit partner is David White, and this is his third year in that role.

The Committee considers Grant Thornton to remain independent and recommended to the Board that Grant Thornton be reappointed as the Group's external auditor at the AGM in September 2025.

NON-AUDIT SERVICES

Since first being appointed as external auditor in 2022, Grant Thornton has provided no non-audit services to the Group. During FY25, the Committee reviewed and approved the Group's Non-Audit Services Policy, which contains a control framework to protect the ongoing independence of the external auditor.

INTERNAL CONTROLS AND RISK MANAGEMENT

During the year, the Committee monitored the effectiveness of the Group's internal controls. Following the expansion of the Committee's remit, the Committee also convened a separate meeting to review the Group's strategic risk management framework which was redeveloped in 2025. This session included a detailed consideration of risk identification and management systems across the Group, a review of principal and emerging risks, risk governance and accountabilities, and actions in place and planned to manage risks. Following this review, the Committee considered disclosures in relation to internal controls, principal and emerging risks, including those designed to meet CFD requirements.

WHISTLEBLOWING

The Board is committed to building a responsible culture where individuals can report concerns confidently and without fear of retaliation. In addition to maintaining its Code of Ethics and Whistleblowing Policy, the Group retains an independent agency – Safecall – which enables employees to report concerns in the workplace completely anonymously should they wish to do so. Whistleblowing reports are considered as a standing item on every Committee agenda, and the Committee considers the Group's whistleblowing arrangements regularly to ensure these remain effective.

AGM 2025

I will be available at the forthcoming AGM in September 2025 to respond to any shareholder questions that might be raised on the Committee's activities.

Jon Yeung
Audit & Risk Committee Chair

REPORT OF THE NOMINATION COMMITTEE

NOMINATION COMMITTEE REPORT

"This was an important year for the committee with the completion of a succession process for the group's Chief Executive Officer."

Mark Cropper
Nomination Committee Chair

ROLE OF THE COMMITTEE

The Nomination Committee is constituted by the Board. Its primary responsibility is to identify and nominate candidates to fill vacancies arising on the Board from time to time. The Committee also keeps under review the balance of skills, knowledge and experience on the Board, and monitors and supports senior management succession planning.

COMMITTEE MEMBERSHIP

The Committee consists only of Non-Executive Directors and currently comprises Mark Cropper (Chair), Jon Yeung, Lyndsey Scott, Martin Court and Sarah Miles.

Jim Sharp stood down from the Board and the Committee on 4 September 2024 and was succeeded by Jon Yeung as a member of the Committee on the same date.

MEETINGS IN THE YEAR

There were three scheduled meetings in FY25. Details of Director attendance at meetings is shown on page 67. Unscheduled Committee meetings also take place from time to time on matters such as succession planning.

RESPONSIBILITIES OF THE COMMITTEE

The Committee operates under terms of reference which are reviewed annually and are published on the Company's website (www.jamescropper.com/investors/sub-committees).

Key responsibilities of the Committee include:

— Reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes.

— Ensuring plans are in place for the orderly succession of Board and senior management positions and overseeing leadership development across the Company.

— Leading Board succession processes and making recommendations to the Board on proposed appointments.

— Setting the Company's policy on diversity and inclusion, and overseeing its implementation in succession planning.

KEY ACTIVITIES IN FY25

This was an important year for the Committee and the Group. There were significant changes on the Board, including as follows:

— During the year, the Committee oversaw a significant leadership transition. In October 2024, the Board announced that Steve Adams would step down from the Board and retire in early 2025. At the same time, following a rigorous search process supported by search consultants at 6 Group, it was announced that David Stirling would be appointed as CEO Designate from January 2025 and to the Board as Chief Executive Officer following a handover period.

— In July 2024, following an external search led by the Committee and supported by consultants at Nurole, the Company announced that Jon Yeung would be appointed to the Board as an independent Non-Executive Director and Audit Committee Chair. Jon was appointed on 4 September 2024 in succession to Jim Sharp who stood down from the Board on the same date.

— In January 2025, the Board announced the planned retirement of Patrick Willink after 35 years with James Cropper and 27 years on the Board. Whilst Patrick stepped down from the Board on 29 March 2025, he continues to support the business as Strategic Advisor and member of the Executive Committee until April 2026.

— Following the year end, the board announced that Sarah Miles would step down from the Board at the conclusion of the Company's AGM in September 2025.

During the year, the Committee also undertook an evaluation to ensure that the Board continues to contain the balance of skills, knowledge and experience required to deliver the Board's strategy.

BOARD APPOINTMENT PROCESSES

The Committee regularly reviews the skills, knowledge, experience and diversity of the Board to ensure that it continues to operate effectively and is suitably balanced against the Company's strategic priorities. When considering succession processes, the Committee builds upon this assessment to identify requirements and build a role profile with the support of external specialist search consultants. An initial pool of candidates is typically identified by search consultants for consideration, taking into account the requirements of the role and desire to ensure levels of diversity. A short list of candidates is then further assessed and subjected to interviews including with members of the Board. Following this process, and the identification of a suitable candidate, the Committee makes a recommendation to the Board. Throughout the process, the Nomination Committee works closely with the Remuneration Committee to ensure that remuneration arrangements for proposed Board members align with the Directors' Remuneration Policy and are appropriate taking into consideration all circumstances, including the skills and experience of candidates and market factors.

DIVERSITY AND INCLUSION

The Company's principal concern when making employment decisions is ensuring that candidates possess (or have the potential to develop) the skills, knowledge and experience required to meet the requirements of the Company. All appointments, whether external recruitments or internal promotions, are based on merit, and are not influenced or affected by race, colour, nationality, religion or belief, gender, marital status or civil partnership, family status, pregnancy or maternity, sexual orientation, gender reassignment, disability or age.

The Nomination Committee recognises that diversity strengthens the Board, and that it is important to ensure the Board is not solely comprised of like-minded individuals with similar backgrounds. The Board is also committed to diversity and inclusive practices which provide equality of opportunity. It is recognised that successful delivery of the Company's strategy depends on the recruitment and retention of motivated and skilled people in an increasingly competitive labour market, and that steps taken to improve diversity increase the attractiveness of the Company and enhance the available talent pool.

Further work will be carried out in FY25 to support the Company's policy and approach to diversity and inclusion, including the development of objectives.

TRAINING

All Directors are committed to ongoing development and remaining current on relevant issues in areas such as governance, industry and market trends, legal developments and evolving areas of risk. The Directors are supported to undertake professional development identified as necessary or desirable. An induction programme is in place for new Board members, including meeting with Directors and senior managers, and visiting sites.

EFFECTIVENESS REVIEW

The Board also undertook an internal effectiveness review (see the Corporate Governance Report on page 65–68 for more information).

DIRECTOR INDEPENDENCE

Details of the independence of Directors together with biographical information can be found in the Board of Directors section (on pages 63–64) and the Corporate Governance Report (on pages 65–68).

THE AGM

In accordance with best practice, at the forthcoming AGM to take place in September 2025, each of myself, Andrew Goody, Lyndsey Scott and Martin Court will stand for re-election to the Board. David Stirling and Jon Yeung will stand for election to the Board, having been appointed since the previous AGM. As set out in my letter on pages 04–05, Sarah Miles will stand down from the board at the conclusion of the AGM.

I will be available at the meeting to respond to any shareholder questions that might be raised on the Committee's activities.

Mark Cropper
Nomination Committee Chair
16 July 2025

REPORT OF THE REMUNERATION COMMITTEE

REMUNERATION COMMITTEE REPORT

“

The year ended 29 March 2025 saw a change in leadership with the appointment of a new Group Chief Executive Officer, leading to a rigorous assessment of business strategy and bringing important remuneration considerations.

Lyndsey Scott
Remuneration Committee Chair

Please note that as an AIM-listed entity, the Group is not required to comply with Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 or the principles relating to Directors' remuneration in the UK Corporate Governance Code. The information contained in this report is disclosed to fulfil the requirements of AIM Rule 19. The Board recognises the importance of providing shareholders with information with respect to Director remuneration, and follows the guidance issued by the Quoted Companies Alliance. The information is unaudited except where stated.

01 ANNUAL SUMMARY ON REMUNERATION

Dear Shareholder

I am pleased to present the Directors' Remuneration Report for the period ended 29 March 2025.

This report is designed to enable shareholders to understand our remuneration strategy and its alignment to performance and shareholder interests. The report is split into three sections:

(i) This annual summary which highlights key considerations for the Committee in the year.

(ii) A summary of the Directors' Remuneration Policy.

(iii) The Annual Report on Remuneration, which explains how the Directors' Remuneration Policy was applied in FY25. The Annual Report on Remuneration will be subject to an advisory vote at our forthcoming AGM, as it was at our 2024 AGM.

ROLE OF THE COMMITTEE

The primary role of the Remuneration Committee is to make recommendations to the Board on the Group's policy for Director remuneration. The Committee also has delegated responsibility for setting remuneration for the Executive Directors and Non-Executive Chair, and oversees remuneration arrangements for senior management.

COMMITTEE MEMBERSHIP

The Remuneration Committee currently comprises Lyndsey Scott (Chair), Martin Court, Sarah Miles and Jon Yeung. During the period, Jim Sharp stood down from the Board and as a member of the Remuneration Committee. Jim was succeeded by Jon Yeung who was appointed to the Board as an independent Non-Executive Director following the Company's AGM in September 2024. The Committee is comprised solely of independent Non-Executive Directors. Details of the skills and experience of Committee members is set out on pages 63–64.

Other Directors (and members of senior management or advisors) may attend Committee meetings by invitation only. No person attends any part of a meeting during which their own remuneration is discussed. The Non-Executive Chair and Executive Directors determine the remuneration of the other Non-Executive Directors. The Committee operates under terms of reference which are published on the Company's website (www.jamescropper.com/investors/subcommittees) and reviewed annually.

RESPONSIBILITIES OF THE COMMITTEE

Key responsibilities of the Committee include:

— Determining and keeping under review the Directors' Remuneration Policy, ensuring that it promotes delivery of the Board's strategy, is consistent with the Company's purpose and values, and aligns with long-term shareholder interests.

— Determining the remuneration arrangements for each Executive Director, the Non-Executive Chair and senior managers, considering an appropriate balance of fixed, performance-related and long-term structures.

— Monitoring remuneration trends and wider workforce arrangements.

— Reviewing the design of any share incentive plans for approval by the Board.

— Determining targets and outcomes for performance-related remuneration schemes, ensuring that discretion is retained to exercise independent judgement and avoid inappropriate formulaic outcomes.

— Engaging with shareholders on matters within its remit.

MEETINGS IN THE YEAR

There were 4 scheduled meetings in FY25. Details of Director attendance at meetings is shown on page 67. Unscheduled Committee meetings also take place from time to time.

PERFORMANCE AND REMUNERATION

The Group's performance in the year is reflected in the remuneration received by Executive Directors, based upon financial and non-financial targets. The financial and non-financial targets set by the Committee, together with the resulting remuneration payable to the Executive Directors, are detailed in the Annual Report on Remuneration which follows.

As described in the Strategic Report, financial performance in the year was below the Board's original expectations. As a result, no payments were made to Executive Directors in respect of the financial performance targets set by the Committee. Some non-financial targets were met, with the result that limited payments were awarded under the Annual Incentive. Awards made in FY23 under the Group's Long-Term Incentive Plan were subject to performance targets which would be measured over the three financial years FY23, FY24 and FY25. Targets relating to growth in adjusted Earnings Per Share (EPS) and operating cash flow were not met. A 27% reduction in the company's carbon intensity metric, which accounted for 30% of the total award, led to total vesting at 11.76% for one participant.

The Committee is satisfied that the Remuneration Policy operated as intended in the year, and that outcomes were aligned with Group strategy and shareholder interests.

KEY MATTERS CONSIDERED IN FY25

Executive Director Succession

On 29 October 2024, the Board announced the appointment of David Stirling as Chief Executive Officer Designate. David joined James Cropper on 2 January 2025 and was subsequently appointed to the Board and as CEO on 3 February 2025 following a handover of responsibilities from Steve Adams who, on the same date, stood down from the Board and as CEO. Steve Adams remained employed by James Cropper in a supporting role until the end of March 2025. Details of the remuneration arrangements for David Stirling are set out in the Annual Report on Remuneration.

Information about the Board's processes for identifying and appointing Jon Yeung and David Stirling is included in the Nomination Committee Report.

Discretionary share schemes

During the year, the Committee undertook a review of the Company's discretionary share plans, following changes made in the prior year including amendments to the James Cropper Long-Term Incentive Plan and the establishment of the James Cropper Deferred Bonus Share Plan, to ensure that these remain aligned to best practice and the Directors' Remuneration Policy.

QCA Corporate Governance Code 2023

The QCA's Corporate Governance Code 2023 came into effect for companies with financial periods commencing from 1 April 2024. The QCA indicated that the first 12 months would be treated as a transitional period, enabling Boards to achieve alignment. The new Code guided that Remuneration Reports be put to an advisory shareholder vote, a practice which the company adopted several years ago.

During the year, the Committee undertook a review of the 2023 Code. Material changes impacting the Remuneration Committee include the recommendation that changes to share plans be put to shareholders for approval at the Company's AGM, and that the Company's Remuneration Policy be put to shareholders for a vote on an advisory basis. The new guidance will be considered further during FY26.

DIRECTORS' REMUNERATION FOR FY26

Inflationary increases of 1% were applied to Executive Director salaries and Non-Executive fees with effect from 1 April 2025, with a further 1% being applied from 1 October 2025. This compares to staged inflationary increases totalling 3.0% applied to the broader UK workforce following an agreement with the trade union and local ballot. Note that due to the timing of David Stirling's appointment, he was not eligible for an inflationary increase in FY26.

In 2025, the Committee undertook a review of performance-related incentives which focused on the determination of appropriate incentives and performance measures linked to the delivery of business strategy.

For FY26, targets under the Annual Incentive Plan will be split, with 80% of opportunity linked to financial targets based upon Group adjusted EBITDA and cash flow. The remaining 20% of opportunity is linked to the achievement of strategic objectives. Awards under the Long-Term Incentive Plan will be linked to stretching financial performance targets measured over FY26, FY27 and FY28. Incentive plans will be operated in accordance with the remuneration table on pages 78–79.

ANNUAL GENERAL MEETING

At the Group's AGM on 4 September 2024, the Committee's Remuneration Report was approved by shareholders (on an advisory vote) with 98.47% of votes being cast in favour. The Committee noted however that one significant shareholder abstained from voting in connection with the Remuneration Committee Report, due to a payment reflecting compensation for loss of office made to an Executive Director who stood down from the Board in June 2023.

At the AGM in September 2025, the Remuneration Committee Report will be placed before shareholders and subject to an advisory vote. I hope that shareholders will be able to offer their support.

Lyndsey Scott
Remuneration Committee Chair

16 July 2025

1 The Company adopted a staged approach to employee pay inflation in the UK in FY25, with an increase of 1% applied to basic pay at 31 March 2025 ('year-end pay') from 1 April 2025, a further increase equal to 1% of year-end pay in October 2025 and a final increase equal to 1% to year-end pay applied from March 2026.

STRATEGIC REPORT
GOVERNANCE
FINANCIALS

02 SUMMARY OF THE DIRECTORS' REMUNERATION POLICY

OVERVIEW OF POLICY

The Directors' Remuneration Policy is designed to:

- Attract and retain individuals with the talent, experience and leadership required to fulfil the Board's strategic objectives.
- Motivate behaviours designed to meet strategic objectives, aligned to the Company's purpose and values.
- Provide fair and transparent reward where this is justified and appropriate.

The Remuneration Committee recognises that a significant proportion of remuneration should be aligned with stakeholder interests and encourage long-term sustainable growth in shareholder value. With this in mind, remuneration for Executive Directors comprises:

- Fixed remuneration in the form of basic salary, benefits and pension.
- Performance-related remuneration in the form of an annual incentive and awards made under the Company's Long-Term Incentive Plan. The stretch element of the annual incentive is also deferred in the form of shares under the Company's Deferred Bonus Share Plan.

Targets under performance-related remuneration are fixed by the Committee which retains discretion to ensure that outcomes remain appropriate.

POLICY SUMMARY TABLE

REMUNERATION ELEMENT & LINK TO STRATEGY	OPERATION	PERFORMANCE METRICS	OPPORTUNITY
BASE SALARY To reflect market value of the role and individual's performance and contribution, and enable the Group to recruit and retain Directors of sufficient calibre required to support achievement of both short- and long-term goals.	— The salary of each Executive Director will be reviewed annually by the Remuneration Committee without any obligation to increase such salary. — Base salaries are benchmarked against companies of a comparable size with a targeted approach of median positioning against the market, subject to satisfactory performance. — There may be reviews and changes to base salary during the year if considered appropriate by the Remuneration Committee.	N/A	There is no prescribed maximum annual base salary or salary increase.
BENEFITS ALLOWANCE To attract and retain the right individuals and level of talent required to support achievement of both short- and long-term goals.	— Each Executive Director is awarded a benefit allowance which allows individuals to select from a range of personal benefits including, but not limited to, private medical insurance and a company car. — Any unused monetary sum is paid to the individual at the end of the tax year via the PAYE system. — The benefit allowance is reviewed periodically by the Remuneration Committee.	N/A	No prescribed maximum value.
PENSION To attract and retain the right individuals and level of talent required to support achievement of both short- and long-term goals.	— All current Executive Directors are members of the Company's defined contribution pension scheme or receive an equal allowance in lieu of this.	N/A	Director pension arrangements align with the defined contribution pension arrangements for the broader UK workforce at 6% of salary.
ANNUAL INCENTIVE PLAN To reward the delivery of the Group's annual financial and strategic goals. To align the interests of the Executives and shareholders in the short and medium term.	— The Annual Incentive is earned on the achievement of performance targets ordinarily set by the Committee at the start of each financial year. — The Annual Incentive incorporates financial and non-financial performance targets. — To the extent that any payments exceed 25% of base salary, payments are deferred for three years in the form of shares via the Group's Deferred Bonus Share Plan (DBSP). — Awards which vest under the DBSP to Executive Directors are subject to a post-vesting holding period of two years.	Performance measures are determined by the Committee linked to achievement of financial targets and strategic targets linked to progress against the Board's strategic plan. In FY25: — Financial targets accounted for 80% of the available incentive, and measures include a basic target and a stretch target. — Non-financial targets accounted for 20% of the available incentive.	Maximum opportunity is currently 50% of base salary.
LONG-TERM INCENTIVE PLAN (LTIP) To incentivise the delivery of key performance measures over the long term. To retain key executives and increase their share ownership in the Company, aligning their interests with those of shareholders.	— Under the LTIP, nil cost options to acquire ordinary shares in the Company (or to receive cash of equivalent value) can be awarded to Executive Directors and other employees within the Group, at the discretion of the Committee. — The vesting of awards is subject to performance conditions measured over a period of three financial years. — Awards which vest to Executive Directors are subject to a post-vesting holding period of two years.	Performance measures are determined by the Committee linked to achievement of long-term objectives and aligned to shareholder interests. Awards made in FY25 were subject to two performance measures, with 80% of the total opportunity linked to growth in adjusted Profit Before Tax and 20% of the total opportunity linked to a reduction in the company's carbon intensity metric. Awards in FY26 will be made subject to stretching financial targets which align with delivery of the Board's strategic plan.	Currently 150%[2] of base salary for the CEO and 50% of base salary for other Directors.
SHAREHOLDING GUIDELINE Alignment of the Executive Directors' interests with those of the Group's shareholders.	Operation — Requirement to purchase a minimum of 500 Company shares upon joining the Company and to be retained during service.	N/A	Not applicable.
NON-EXECUTIVE DIRECTOR REMUNERATION To attract and retain the right individuals required to support the achievement of the Company's strategic goals.	Operation — Remuneration comprises a single base fee for services to the Company. Non-Executive Directors are entitled to reimbursement of reasonable expenses. — Non-Executive Director remuneration reflects the time commitment and responsibility of their roles, consideration of increases made elsewhere in the Group, market rates, and that Non-Executives do not participate in performance-related, pension or share-based schemes.	N/A	Fees are reviewed annually by the Executive Directors and Non-Executive Chair. Under the Company's Articles of Association, the maximum aggregate amount that can be paid to all Non-Executive Directors for their services is £400,000 per annum (or such other amount approved by ordinary resolution).

2 See page 81 for more information.

REPORT OF THE REMUNERATION COMMITTEE cont.

SERVICE CONTRACTS

DIRECTOR	NOTICE PERIOD
D Stirling	9 months
A Goody	6 months

The Non-Executive Chair has a notice period of 12 months. Other Non-Executive Directors are engaged on terms requiring one month's notice of termination to be given by either party.

MALUS AND CLAWBACK

Performance-related remuneration is subject to malus and clawback in certain circumstances, including material financial misstatement, reputational damage, gross misconduct, fraud, error in the assessment of performance measures and corporate failure. Malus and clawback apply during the following periods:

— Annual incentive payments (both cash payments and deferred share payments) are subject to malus and clawback during the period ending on the third anniversary of payment being made of the cash element.

— LTIP awards are subject to malus and clawback during the period ending on the third anniversary of the vesting date.

REMUNERATION COMMITTEE DISCRETION

In accordance with its Remuneration Policy the Remuneration Committee retains discretion when assessing the Company's performance against the measures to avoid formulaic outcomes and to reduce the above awards as it sees fit to avoid windfall gains. The Remuneration Committee also retains discretion to adjust awards in the event of corporate activity.

Leavers

Ordinarily, an Executive Director leaving the business would forfeit any accrued entitlements under the Company's Long-Term Incentive Plan and Annual Incentive Plan. The Remuneration Committee however retains the discretion to afford good leaver status to Executive Directors departing under favourable circumstances, which may include retirement, redundancy, ill health or mutual agreement. An Executive Director afforded good leaver status may be entitled to retain certain benefits under the Long-Term Incentive Plan and/or Annual Incentive Plan, subject to the following conditions:

— Unvested share awards: Any unvested share awards will vest according to the original vesting schedule, or may be subject to accelerated vesting at the discretion of the Committee.

— Performance conditions: Any performance conditions attached to share awards will continue to apply, and the Committee will assess whether these conditions have been met at the time of vesting.

— Pro-rata vesting: Share awards may vest on a pro-rata basis, reflecting the proportion of the vesting period completed prior to departure.

CONSIDERATION OF NEW EXECUTIVE DIRECTORS OR SENIOR EXECUTIVES

When recruiting or promoting any senior executive, we seek to apply consistent policies on fixed and variable remuneration components in line with the remuneration policy set out above. Where applicable, the Committee may seek to compensate new Executive Directors for remuneration forfeited on leaving previous employers.

SHAREHOLDER CONSULTATION

The Committee's policy is to consult with major shareholders in respect of significant decisions on executive remuneration. The Chair of the Remuneration Committee is available for contact with investors concerning the Company's approach to remuneration.

03 ANNUAL REPORT ON REMUNERATION 2025

This part of the Directors' Remuneration Report outlines the key considerations of the Committee during the year and sets out a summary of how the Directors' Remuneration Policy was applied during FY25.

DETAILS OF DIRECTORS' REMUNERATION

	Salary/fees		Benefits		Annual Incentive		LTIP		Pension		Total	
£'000	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024[3]	2025	2024
EXECUTIVE												
S Adams	241	234	29	28	–	6	–	–	15	14	285	282
D Stirling[1]	88	–	7	–	–	–	–	–	–	–	95	–
A Goody[2]	186	62	24	8	7	3	–	–	11	3	228	73
P Willink	174	168	24	24	7	6	2[3]	–	0[4]	0[4]	207	198
NON-EXECUTIVE												
M Cropper	134	130	–	–	–	–	–	–	–	–	134	130
M Court	38	37	–	–	–	–	–	–	–	–	38	37
L Scott	38	37	–	–	–	–	–	–	–	–	38	37
S Miles	38	37	–	–	–	–	–	–	–	–	38	37
J Yeung[5]	22	–	–	–	–	–	–	–	–	–	22	–
J Sharp[6]	16	37	–	–	–	–	–	–	–	–	16	37

1 Joined 2 January 2025 (FY25 reflecting three months).
2 Joined 27 November 2023 (FY24 reflecting four months).
3 Calculated on basis of closing share price on 9 July 2025.
4 P Willink accrues defined benefit pension entitlements based upon a pensionable salary.
5 Joined 3 September 2024 (FY25 reflecting seven months).
6 Stood down 3 September 2024 (FY25 reflecting 5 months).

CEO REMUNERATION

David Stirling was appointed as Chief Executive Officer Designate from 2 January 2025 and was appointed to the Board and as CEO from 3 February 2025. Following a review in conjunction with the succession process led by the Nomination Committee, the Committee determined that David Stirling would be awarded a base salary of £350,000 per annum, and an award under the Company's LTIP equal to 150% of base salary. This was considered consistent with market practice and appropriate, recognising the level of skill and experience brought to the Company and the Board as a consequence of the appointment.

ANNUAL INCENTIVE

The annual incentive is calculated using a combination of stretching but realistic financial and non-financial targets which are set by the Committee considering performance expectations, historic performance, market outlook and strategy.

For FY25, 80% of the annual incentive for Executive Directors was determined by financial performance both at a Group and divisional level. The remaining 20% was determined by the achievement of key individual strategic objectives.

For the year ended 29 March 2025, the financial targets set by the Committee for Executive Directors were not met. The Committee however determined that it would be appropriate to award limited payments recognising the achievement of certain non-financial targets met in the year, the details of which are set out in the table on page 80.

LONG-TERM INCENTIVE PLAN

Share awards

Share awards outstanding and made during the financial period to 29 March 2025 under the James Cropper plc Long-Term Incentive Plan (LTIP) to Executive Directors were as follows:

£'000	Year of grant	Options at 30 March 2024	Options awarded in period	Mid-market price (£) at date of award	Options vesting in respect of period	Options lapsed in period	Options at 29 March 2025
S Adams	FY23	13,640	–	10.37	–	13,640	–
	FY24	27,110	–	6.46	–	27,110	–
	FY25	–	71,452	2.53	–	71,452	–
A Goody	FY24	13,977	–	6.46	–	–	13,977
	FY25	–	36,840	2.53	–	–	36,840

Cash awards

Conditional cash awards ('Cash Awards') grant participating employees a conditional right to be paid a cash amount based upon the market value of a specified number of ordinary shares following vesting. Cash Awards outstanding and made during the year under the LTIP were in accordance with the table below (which describes awards made to members of the Concert Party – see page 85 for more information).

£'000	Year of grant	Options at 30 March 2024	Options awarded in period	Mid-market price (£) of options awarded	Options vesting in respect of period	Options lapsed in period	Options at 29 March 2025
P Willink	FY23	7,825	–	10.37	917	6,908	–
	FY24	13,037	–	6.46	–	–	13,037
	FY25	–	34,360	2.53	–	–	34,360

AWARDS UNDER THE LTIP IN FY25

Share and cash awards made on 9 September 2024 were awarded as nil cost options and subject to performance targets as follows:

Performance measure	Weighting
Growth in adjusted Profit Before Tax ('PBT')	80%
Reduction in carbon emissions intensity ratio	20%

Each performance measure was structured with a threshold target (resulting in 10% vesting) and a maximum target (resulting in 100% vesting). Vesting is adjusted on a straight-line basis between threshold and maximum targets. Awards will lapse to the extent that performance is below the threshold target for each performance measure.

REPORT OF THE REMUNERATION COMMITTEE cont.

The adjusted PBT performance targets were set from a base-adjusted PBT of £4.5m, being the average adjusted PBT achieved by the Group during the previous five financial years (except for the FY2023/24 financial year which was excluded due to low performance, as follows:

	Threshold	Maximum
Target	Compound annual growth in adjusted PBT of 5% (from base of £4.5m)	Compound annual growth in adjusted PBT of 25% (from base of £4.5m)
Vesting	10%	100%

The carbon emissions performance targets were set from the performance in FY2023/24 (being 27.0 tonnes of CO_2 generated per £100k of revenue) as follows:

	Threshold	Maximum
Target	Reduction of 10% in carbon intensity ratio over the three-year performance period	Reduction of 25% in carbon intensity ratio over the three-year performance period
Vesting	10%	100%

AWARDS UNDER THE LTIP IN FY23

Share and cash awards made on 22 September 2022 were awarded as nil cost options and subject to performance targets as follows:

Performance measure	Weighting
Growth in adjusted EPS	40%
Cumulative operating cash flow	30%
Carbon intensity reduction	30%

Each performance measure was structured with a threshold target (resulting in 10% vesting) and a maximum target (resulting in 100% vesting). Vesting is adjusted on a straight-line basis between threshold and maximum targets. Awards will lapse to the extent that performance is below the threshold target for each performance measure.

The Company's performance under each of the adjusted EPS and cumulative operating cash flow metrics was below the threshold target, meaning that, under these measures, awards lapsed in full. The Company's carbon intensity metric reduced by 27% in the period. This equated to 30.9% vesting under the carbon intensity reduction target, and overall vesting at 11.67% of the total award.

DIRECTORS' INTERESTS

	Shareholding			
Director	Beneficial	Non-Beneficial*	Unvested LTIP awards	Unvested DBSP awards
Mark Cropper	2,012,999	559,571	0	0
David Stirling	9,250	0	0	0
Andrew Goody	1,564	0	50,817	0
Patrick Willink	61,705	108,058	47,397**	0
Jon Yeung	12,750	0	0	0
Lyndsey Scott	500	81,571	0	0
Sarah Miles	500	81,571	0	0
Martin Court	500	81,517	0	0

* Non-beneficial holdings include shares held jointly as trustee with other Directors.

** Cash Awards

ADVISORS TO THE COMMITTEE

In FY25, the Committee engaged the services of h2g Remuneration Advisory in connection with the preparation of the Remuneration Report.

Lyndsey Scott
Remuneration Committee Chair

16 July 2025

DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements of James Cropper Group for the financial year ended 29 March 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Group comprises the manufacture of advanced materials and specialist papers and packaging products. There have not been any significant changes in the Group's principal activities in the year under review.

The Directors are not aware, at the date of this report, of any likely major changes in the Group's activities in the next year.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

The Strategic Report on pages 01–60 report on the performance of the Group for the period ended 29 March 2025 and its prospects for the future. The Strategic Report has been prepared to provide information to shareholders on the performance of the Group and to assess the Group's strategies and the potential for those strategies to succeed.

These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report, and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

THE BOARD

The Directors who served during the year under review were:

- Mark Cropper (Non-Executive Chair)
- David Stirling (CEO) (appointed 3 February 2025)
- Andrew Goody (CFO)
- Martin Court (Senior Independent Director)
- Sarah Miles (Non-Executive Director)
- Lyndsey Scott (Non-Executive Director)
- Jon Yeung (Non-Executive Director) (appointed 4 September 2024)
- Jim Sharp (Non-Executive Director) (stood down 4 September 2024)
- Steve Adams (CEO) (stood down 3 February 2025)
- Patrick Willink (Chief Innovation Officer) (stood down 29 March 2025)

The biographies of the Directors as at the date of this report are on pages 63–64.

Details of the Directors' remuneration are shown in the Remuneration Committee Report on pages 76–82. Details of the Directors' interests in the share capital of the Company are set out on page 82.

RESULTS AND DIVIDENDS

The results for the period are shown in the Statement of Comprehensive Income on page 97.

No interim dividend was declared by the Board during the year ended 29 March 2025 (2024: 3.0p per share).

The Directors are not recommending the payment of any final dividend (2024: nil).

CORPORATE GOVERNANCE

A report on Corporate Governance is set out on pages 65–68, and forms part of this report by reference.

HEALTH & SAFETY

The Group is committed to providing a safe working environment for all employees. Group policies are reviewed regularly to ensure that policies relating to training, risk assessment and accident management are appropriate.

Health & safety considerations are reported and discussed as a high agenda item at every Board and Executive Committee meeting.

CHARITABLE AND POLITICAL DONATIONS

It is the Group's policy not to make any donations to, or incur expenditure on behalf of political parties, other political organisations or independent election candidates, and the Board does not intend to change this policy.

Donations totalling £9,462 (2024: £10,529) were made during the year for various charitable purposes.

ENGAGEMENT WITH KEY STAKEHOLDERS

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Company's statement on engagement with, and having due regard to, the interests of key stakeholders is contained within the Section 172(1) Statement in the Strategic Report on pages 46–47 (also known as the s.172 Statement).

The s.172 Statement also summarises how the Directors have had regard to the need to foster the Group's business relationships.

DIRECTORS' REPORT cont.

EMPLOYEE INVOLVEMENT AND POLICY REGARDING DISABLED PERSONS

The Group's employees are its most important asset. The Group operates an equal opportunities policy that aims to treat individuals fairly and not to discriminate in any way.

For information on how Directors engage with and have regard to employee interests, and on our approach to diversity and inclusion, please see the s.172 Statement on pages 46–47 and our People Report on page 54–55.

ENVIRONMENTAL POLICY

James Cropper Group recognises the importance of its environmental responsibilities, and designs and implements policies to reduce any damage that might be caused by the Group's activities.

Initiatives designed to minimise the Group's impact on the environment include the safe disposal of waste, recycling and the use of recycled materials, and reducing energy consumption.

Further details can be found in the ESG Report on pages 48–56.

FINANCIAL INSTRUMENTS

Disclosure around financial risks, financial instruments and hedging is included in note 19 to the annual financial statements.

RESEARCH AND DEVELOPMENT

The Group invests in research projects and the development of new technology.

Research and development expenditure and the related tax credits are disclosed in note 4 to the annual financial statements.

SHARE CAPITAL

Full details of the issued share capital of the Company are set out in note 22 to the consolidated financial statements.

The holders of ordinary shares are entitled to one vote per share at the Company's general meetings.

AUTHORITY TO ALLOT SHARES

A resolution will be proposed at the forthcoming AGM, to renew an existing authority which expires at the AGM, to give the Directors authority to exercise the powers of the Company to allot unissued shares.

DIRECTORS' POWER TO DISAPPLY PRE-EMPTION RIGHTS

A resolution will be proposed at the AGM which disapplies statutory pre-emption rights on the allotment of shares by empowering the Directors to allot shares for cash without offering them to existing shareholders first.

GOING CONCERN

The Group sets an annual budget and longer-term plan against which performance is compared. The Board operates a monthly reporting and quarterly forecasting cycle, which it uses to monitor profitability and liquidity and ensure the Group has sufficient debt facilities to enable its ongoing viability.

The Board believes that a 14-month planning horizon to 26 September 2026, based on the Board approved annual budget and plan, is an appropriate period over which to evaluate the Group's ability to continue as a going concern.

In carrying out its going concern evaluation the Board prepared base case profit and loss account, balance sheet and cash flow forecasts for the period to 26 September 2026 reflecting the Board approved annual budget and plan, updated to include the expected decline in revenue with a significant merchant customer of the Paper & Packaging business that the Group was notified of recently. The base case forecasts reflect initiatives to improve performance of the Paper & Packaging business that have been implemented and are currently progressing as planned. These initiatives include improved raw material management, more efficient energy usage, streamlining of the indirect management structure and improved procurement.

The Board assessed various downside sensitivities, including modelling a severe but plausible downside forecast that reduced revenue and gross margins significantly below the levels assumed in the base case forecast. The Board also carried out a reverse stress test to identify the extent to which revenue, profit and cash generation would have to fall in order to cause challenges to liquidity or bank covenant compliance.

In carrying out these assessments the Board considered recent trading and cash flow performance, market and customer risks and the potential impact of US tariffs on future revenue, as well as opportunities to improve revenue, reduce costs and increase profit and cash performance and the likely level of capital expenditure required across the forecast period. As a result the severe but plausible downside forecast and reverse stress test included a number of direct and indirect cost mitigations, including savings in labour, repair and maintenance and overhead costs, in addition to the underlying performance improvements included in the base case forecasts.

While additional revenue opportunities have been and are being developed in the Paper and Packaging business these may not fully offset the expected decline in revenue with the significant merchant customer referred to above. In preparing the severe but plausible downside forecast and reverse stress test the Board made the judgment that, in the event additional revenue does not offset the lost business, the operating and overhead cost mitigations available will allow the Group to remain compliant with bank covenants and retain adequate liquidity.

As part of its risk mitigation strategy and to provide additional headroom in potential downside scenarios the Group has agreed a reduction in quarterly amortisation on its UK bank loan from £750,000 to £400,000 for the six quarterly payments falling due from June 2025 to September 2026 inclusive. This has been included in the base case forecast, the severe but plausible downside forecast and the reverse stress test.

Based on this evaluation the Directors consider that the Group and company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Therefore the Directors have adopted the going concern basis in preparing the financial statements.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Grant Thornton UK LLP has expressed its willingness to continue in office.

Its appointment and authority for the Directors to agree its remuneration will be proposed at the AGM.

Each of the Directors as at the date of approval of this Annual Report confirms that:

— So far as the Director is aware there is no relevant audit information of which the Company's Auditor is unaware.
— The Director has taken all steps he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

ANNUAL GENERAL MEETING

Notice of AGM, which sets out the resolutions to be proposed at the forthcoming AGM, will be posted to shareholders at 21 clear days before the date of the AGM.

The meeting will be held at The Bryce Institute, Burneside, Kendal, Cumbria, LA9 6QZ on 3 September 2025.

DETAILS OF DIRECTORS' INTERESTS

Information on the interests of Directors (serving at the date of this report) in the share capital of the Company, and over options over ordinary shares in the Company, are detailed in the Remuneration Committee Report on page 80.

Any material-related party transactions between the Directors and the Company are set out in note 27 to the consolidated financial statements.

Non-beneficial interests include shares held jointly as trustee with other Directors.

The Company has purchased and maintained throughout the period Directors' and officers' liability insurance in respect of the Directors.

Approved by the Board of Directors on 16 July 2025.

Mark Cropper
Non-Executive Chair

SUBSTANTIAL INTERESTS TABLE

Shareholdings in excess of 3% of the Company's issued share capital at 30 June 2025 were as set out in the table below:

Shareholder	Number of shares	% of issued share capital
Cropper family* – beneficial and non-beneficial holdings	3,113,366	32.58
Willink family* – beneficial and non-beneficial holdings	358,122	3.75
Acland family* – beneficial and non-beneficial holdings	52,386	0.55
Liontrust Asset Management Limited	1,415,002	14.81

* The Cropper, Willink and Acland families are deemed to be acting in concert with a total holding of 36.88% of the issued share capital of the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have to prepare the financial statements in accordance with UK-adopted international accounting standards and have elected to prepare the Parent Company financial statements in accordance with UK Generally Accepted Accounting Practice (UK accounting standards and applicable law) including FRS 101 'Reduced Disclosure Framework'.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

— select suitable accounting policies and then apply them consistently.
— make judgements and accounting estimates that are reasonable and prudent.
— for the Group financial statements, state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
— for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
— prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company, and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors confirm that:

— so far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware.
— the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

To the best of the Directors' knowledge:

— The Group financial statements, prepared in accordance with UK-adopted international accounting standards, and the Parent Company financial statements, prepared in accordance with UK accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the undertakings included in the consolidation taken as a whole.
— The Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved by the Board of Directors on 16 July 2025 and signed on its behalf by

M Ratcliffe

Matthew Ratcliffe
General Counsel and Company Secretary

FINANCIALS

GROUP INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAMES CROPPER PUBLIC LIMITED COMPANY

OPINION

Our opinion on the financial statements is unmodified

We have audited the financial statements of James Cropper Public Limited Company (the 'parent company') and its subsidiaries (the 'Group') for the 52 week period ended 29 March 2025, which comprise the Group Statement of Comprehensive Income, the Group and Company's Statements of Financial Position, the Group's Statement of Cash Flows, the Group and Company's Statements of Changes in Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group's financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 29 March 2025 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.

A description of our evaluation of management's assessment of the ability to continue to adopt the going concern basis of accounting, and the key observations arising with respect to that evaluation is included in the Key Audit Matters section of our report.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

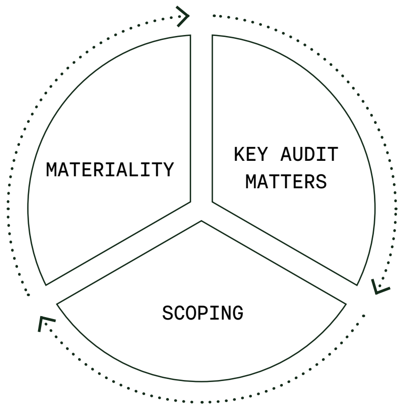
Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OVERVIEW OF OUR AUDIT APPROACH

Overall materiality:

Group: £765,000, which represents approximately 0.75% of the Group's revenue.

Parent company: £485,000, which represents approximately 1% of the parent company's total assets.



Key audit matters were identified as:

- Valuation of pension benefit obligation (same as previous period);
- Impairment of fixed assets in the Creative Paper & Luxury Packaging division (same as previous period);
- Valuation of intra-Group loans (same as previous period, however in the prior period, this risk also included the valuation of investments which is no longer considered to be a key audit matter following the impairment charge in the prior period); and
- Going concern basis of accounting (new for the current period).

Scoping has been determined to ensure appropriate coverage of the significant risks as well as coverage of the key results in the financial statements and specifically we performed the following audit work:

- Group revenue: 93%
- Group total assets: 89%

We performed an audit of the financial information of two components using component materiality (full-scope audit) and specified audit procedures on four components.

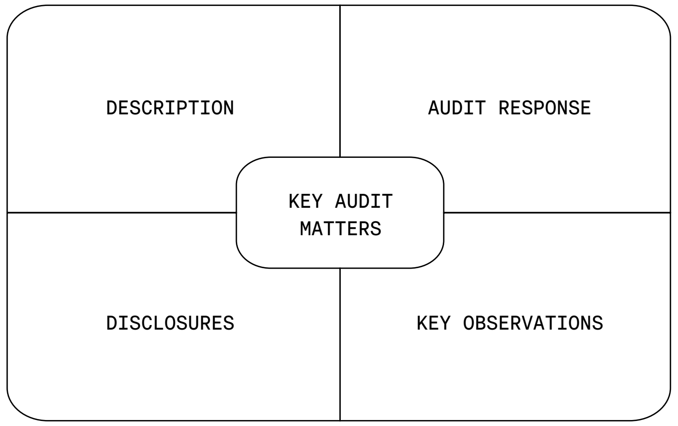
We performed analytical procedures at Group level on the financial information of all the remaining ten components.

In the previous period, we performed full-scope audits on two components, specified audit procedures on three components and analytical procedures on eleven components. The change in scope is as a result of change in the relative contribution of the components in scope.

GROUP INDEPENDENT AUDITOR'S REPORT cont.

KEY AUDIT MATTERS

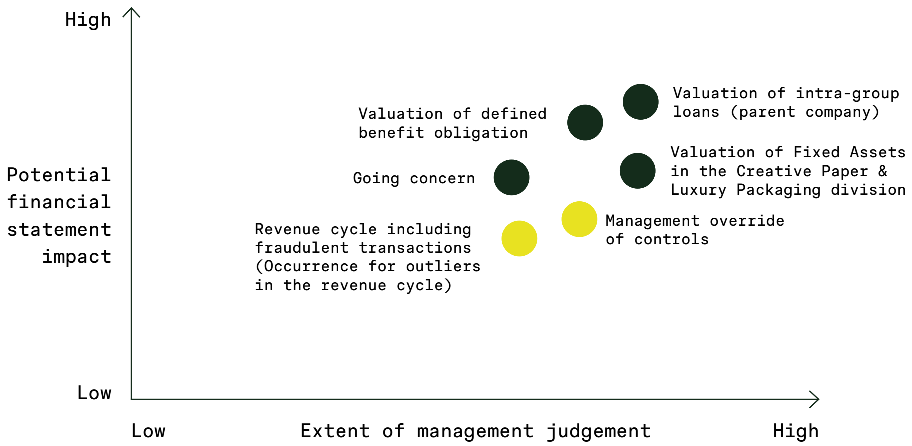
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In the graph opposite, we have presented the key audit matters and significant risks relevant to the audit. This is not a complete list of all risks identified by our audit.

Key audit matter

Significant risk



Key Audit Matter – Group	How our scope addressed the matter – Group
Valuation of defined benefit obligation We have identified the defined benefit obligation valuation within the financial statements as one of the most significant assessed risks of material misstatement due to error. The Group has two funded pension schemes providing defined benefits for a number of its employees; the James Cropper PLC Pension Scheme ('Staff Scheme') and the James Cropper PLC Works Pension Plan ('Works Scheme'). As at 29 March 2025, the net pension obligation amounts to £15.9m (2024: £17.3m), the actuarial gains recognised in other comprehensive income amount to £0.7m (2024: loss of £1.8m), the fair value of the plan assets is £64.7m (2024: £69.7m), and the present value of the defined benefit obligation is £80.6m (2024: £87.0m). Our assessed area relates solely to the valuation of the gross defined benefit obligation. The valuation of the obligation is dependent on the underlying assumptions and inputs made from the actuary, as well as movements within market conditions, specifically being the discount rate, inflation expectations and life expectancy assumptions. The inputs surrounding these assumptions are considered to be complex, and as such, require significant management judgement to be made, with the support of third-party actuaries. A minor change within any of the underlying assumptions and estimates used to calculate the Group's pension obligation could have a significant impact on the Group's net pension deficit.	In responding to the key audit matter, our audit procedures included: — Understanding the design and evaluating the implementation of the processes and controls through which the business initiates, records, processes and reports the period-end benefit obligation; — Reviewing the actuarial assumptions of the scheme liabilities – we engaged our internal actuarial specialists to review the reasonableness of assumptions made in relation to the schemes focussing primarily on the discount rate, inflation, and mortality assumptions; — Considering the competence, capabilities and objectivity of the pension scheme actuary in addition to the completeness and reliability of the data provided; — Obtaining and reviewing the pension report directly from the actuary and comparing the report disclosures to those in the financial statements; — Considering the nature and scope of the work of the actuary and the appropriateness of the assumptions used in the calculation of the estimate; — Testing the movement in the member data by agreeing to information provided by the scheme administrator, to ensure that there have not been any material or abnormal movements in the membership profile; and — Assessing the completeness and accuracy of the disclosures included within the financial statements.

Key Audit Matter – Group	How our scope addressed the matter – Group
Relevant disclosures in the Annual Report — Financial statements; Use of Estimates and Judgements; Retirement Benefits — Financial statements; Note 20; Retirement Benefits	**Our results** Based on our audit work, we have determined that the valuation methodologies and the actuarial assumptions inherent within them to be balanced and consistent with the expectation of our actuarial expert. We consider that the Group's disclosures within Note 20 of the Group financial statements appropriately describe the significant degree of inherent precision in the assumptions and estimates and the potential impact on future periods of revisions to these estimates. No material misstatements were identified within the calculation.
Valuation of fixed assets in the Creative Paper & Luxury Packaging division We have identified the impairment of fixed assets within the Creative Paper & Luxury Packaging division as one of the most significant assessed risks of material misstatement due to error. Within the Paper & Packaging division, management have identified three cash generating units. When assessing the cash-generating units, we have pinpointed our key audit matter to James Cropper Converting Limited and James Cropper Speciality Papers Limited. The carrying value of fixed assets subjected to an impairment review across the two in-scope cash generating units were £10.8m (2024: £14.8m) in James Cropper Speciality Papers Limited and £1.2m (2024: £1.3m) in James Cropper Converting Limited. There are key judgements made by management in assessing the recoverable amount when assessing non-current assets for impairment, including margin improvement and discount rates applied in the discounted cash flow calculations, as well as the identification of CGUs. We recognise that these judgements may be subject to management bias and error and can also significant impact the results of the impairment assessment.	In responding to the key audit matter, our audit procedures included: — Assessing the design and implementation of relevant control associated with management's impairment analysis; — Assessing and challenging management's identification of CGUs in accordance with the requirements of IAS 36; — Assessing and challenging management's short, medium and long-term revenue growth rates used in the forecast, including comparison to economic and industry forecasts, where appropriate; — Assessing and challenging management's impairment review, including determining whether appropriate costs are included, and that these costs appropriately factor in the current economic climate, and corroborated medium and long-term increases to relevant evidence, such as external market data; — Utilising valuation experts to independently determine a weighted average cost of capital, to assess whether the weighted average cost of capital (WACC) used by management, as determined by their expert, is appropriate; — Evaluating historical forecasting accuracy by comparing results achieved in prior periods to budgets; — Performing sensitivity analysis on the key assumptions, including the forecasted cash flows, the long-term growth rates and discount rates and assessing the impact on the carrying value of fixed assets; and — Assessing whether the disclosures regarding impairment within the financial statements are appropriate.
Relevant disclosures in the Annual Report — Financial statements; Use of Estimates and Judgements; Impairment of Property, Plant and Equipment — Financial statements; Note 10; Property, Plant and Equipment	**Our results** From the work performed, we did not identify any material misstatements in the valuation of the fixed assets related to the Creative Paper & Luxury Packaging division.

GROUP INDEPENDENT AUDITOR'S REPORT cont.

Key Audit Matter – Group	How our scope addressed the matter – Group
Going concern We have identified the going concern assumption as one of the most significant assessed risks of material misstatement due to error as a result of the judgement required to conclude whether there is a material uncertainty related to going concern. Significant judgements are applied in developing cashflow forecasts, including considering recent trading and cash flow performance, market and customer risks, the potential impact of US tariffs on future revenue and opportunities to improve revenue, reduce costs, increase profit and cash performance. We also note the impact of the net expected loss of revenue with a significant merchant customer that has been considered within the cashflow forecasting process. The directors have concluded, based on the various scenarios developed, that the Group and the parent company have sufficient resources available to meet their liabilities as they fall due and have concluded that there are no material uncertainties that may cast significant doubt over the Group's and the parent company's ability to continue as a going concern.	In responding to the key audit matter, our audit procedures included: — Obtaining management's assessment, including management's revised base case, severe but plausible test and reverse stress test covering the going concern assessment period to 26 September 2026, including the impact of the loss of a significant merchant customer subsequent to the period end; — Assessing the funding agreements in place to ensure sufficient funding availability within the going concern assessment period. This included corroborating the existence of the Group's loan facilities and related covenant requirements, including confirming the restructure of the amortisation profile for the period covered by management's forecasts. We have analysed and considered the level of headroom on covenants throughout the going concern period; — Reviewing subsequent events following the period-end in order to establish any areas that could affect the Group's and parent company's ability to report as a going concern; including a review of the board minutes in relation to strategic business plans; — Assessing the accuracy of management's past forecasting by comparing management's forecasts for the previous three financial periods to the actual results, considering the impact on the going concern forecasts (including assessing the accuracy of management's original base case for the period to June 2025 and comparing to the actual results for this period); — Evaluating management's reverse stress test over the forecast period, considering the impact of changing key assumptions and the implausibility of the scenario; — Sensitising revenue and EBITDA to account for each assessment scenario performed by management, including assessing the impact on cash flow and covenants; — Assessing the movement in net debt and assumptions in respect of working capital; and — Assessing the adequacy of the going concern disclosure included within the financial statements.
Relevant disclosures in the Annual Report — The Group's basis for adopting the going concern assumption are shown in note 1, within the summary of significant accounting policies. — Additional disclosure is included in the Audit & Risk Committee Report on page 71 and the Directors' Report on page 82.	**Our results** We have nothing to report in addition to that stated in the 'Conclusions relating to going concern' section of our report.

Key Audit Matter – Parent company	How our scope addressed the matter – Parent company
Valuation of intra-Group loans We have identified the valuation of intra-Group loans as one of the most significant assessed risks of material misstatement due to error. There is an increased risk surrounding the recoverability of intra-Group loans as per International Financial Reporting Standards ('IFRS') 9 'Financial Instruments' due to estimation uncertainty of the Group's future performance. We have pinpointed this significant risk to the intra-Group loans from those entities within the Creative Paper & Luxury Packaging division. This is on the basis that actual performance has been below budget in the current financial period for these companies.	In responding to the key audit matter, our audit procedures included: — Assessing the design and implementation of relevant controls associated with management's recoverability analysis; — Obtaining and challenging management's assessment of the expected credit loss provision against amounts owed by Group undertakings; — Assessing the accuracy of the expected credit loss calculated; — Evaluating historical forecasting accuracy by comparing results achieved in prior periods to budget; and — Assessing whether the disclosure regarding expected credit losses within the financial statements is appropriate.
Relevant disclosures in the Annual Report — Financial statements; Use of Estimates and Judgements; Impairment of Amounts Owed by Group Undertakings — Financial statements; Note 13; Amounts Owed by the Group Undertakings	**Our results** From the work performed, we did not identify any material misstatements in the valuation of intra-Group loans.

OUR APPLICATION OF MATERIALITY

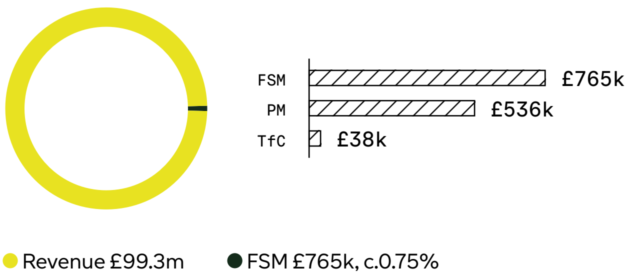
We apply the concept of materiality both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the financial statements and in forming the opinion in the auditor's report.

Materiality was determined as follows:

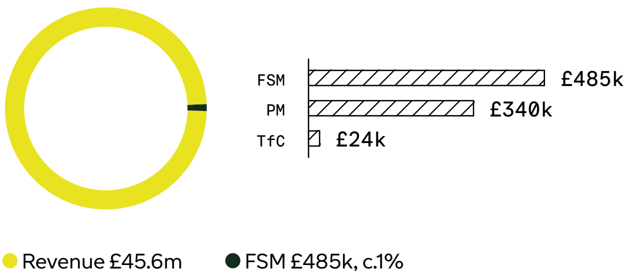
Materiality measure	Group	Parent company
Materiality for financial statements as a whole	We define materiality as the magnitude of misstatement in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of these financial statements. We use materiality in determining the nature, timing and extent of our audit work.	
Materiality threshold	£765,000 (2024: £802,000) which represents approximately 0.75% of the Group's revenue.	£485,000 (2024: £480,000) which represents approximately 1% of the parent company's total assets.
Significant judgements made by auditor in determining materiality	In determining materiality, we made the following significant judgements: — We determined revenue to be the most appropriate benchmark for the Group due to this having importance in both external financial reporting and internal management reporting. This is a key driver of business activity and is a measure on which growth is monitored. — We determined a percentage of 0.75% to be appropriate based on the Group's size and complexity. Materiality for the current period is lower than the level that we determined for the period ended 30 March 2024 as a result of a decrease in the benchmark amount.	In determining materiality, we made the following significant judgements: — We determined total assets to be the most appropriate benchmark due to the parent company not being a trading company. — We determined a percentage of 1% based on the risk profile of the parent company as a component within a listed entity Group. The parent company materiality is reflective of the materiality required for both the Group audit and the statutory audit for the standalone entity.
Performance materiality used to drive the extent of our testing	We set performance materiality at an amount less than materiality for the financial statements as a whole to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.	
Performance materiality threshold	£535,500 (2024: £561,400) which is 70% (2024: 70%) of financial statement materiality	£339,600 (2024: £336,000) which is 70% (2024: 70%) of financial statement materiality.
Significant judgements made by auditor in determining performance materiality	In determining performance materiality, we made the following significant judgements: — We assessed the effectiveness of the control environment from the procedures performed in the planning stage of the audit; and — The nature, size and volume of misstatements identified in the previous audit.	In determining performance materiality, we made the following significant judgements: — We assessed the effectiveness of the control environment from the procedures performed in the planning stage of the audit; and — The nature, size and volume of misstatements identified in the previous audit.
Specific materiality	We determine specific materiality for one or more particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.	
Specific materiality	We determined a lower level of specific materiality for the following areas: — Directors' remuneration; and — Identified related party transactions outside of the normal course of business.	We determined a lower level of specific materiality for the following areas: — Directors' remuneration; and — Identified related party transactions outside of the normal course of business.
Communication of misstatements to the audit committee	We determine a threshold for reporting unadjusted differences to the audit committee.	
Threshold for communication	£38,300 (2024: £40,100) which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£24,250 (2024: £24,000) which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the threshold for communication to the audit committee.

OVERALL MATERIALITY – GROUP



OVERALL MATERIALITY – PARENT COMPANY



FSM: Financial statement materiality, PM: Performance materiality, TfC: Threshold for communication to the audit committee

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

We performed a risk-based audit that requires an understanding of the Group's and the parent company's business and in particular matters related to:

Understanding the Group, its components, their environments, and its system of internal control including common controls

— The engagement team obtained an understanding of the Group and its environment, including Group-wide controls and specific controls in each division, and assessed the risks of material misstatement at the Group level;

— The engagement team obtained an understanding of the Group's organisational structure and considered its impact on the scope of the audit, including assessing the level of centralisation of the Group control function; and

— The engagement team performed walkthroughs of key areas of focus, including significant risks and other significant classes of transactions, in order to confirm their understanding of the control environment across the Group.

Identifying components at which to perform audit procedures

— The engagement team evaluated the identified components to assess their significance and determined the planned audit response based on a measure of materiality. Significance was determined after taking into account relative contribution to the Group's revenue and total assets, and by considering qualitative factors, such as the component's specific nature or circumstances.

Type of work to be performed on financial information of parent and other components (including how it addressed the key audit matters)

— Of the group's 16 components, we have identified two which, in our view, required an audit of their financial information using component materiality (full scope audit), due to being assessed as having a risk of material misstatement to the group.

— Specified audit procedures were carried out on four components using component materiality.

— For the ten components that were not individually significant to the Group, or assessed as requiring specific-scope audits, analytical procedures were carried out at Group level, using Group materiality.

— The full-scope and specified-procedures audits included all our audit work on the identified key audit matters as described in the key audit matters section of our report.

Performance of our audit

— Together, the components subject to full-scope and specified-procedures audits covered 89% of the group's revenue and 93% of the group's total assets.

— All audit procedures to support the Group audit opinion were performed by the Group engagement team. Our audit procedures were performed by a combination of remote and in-person auditing, including attending the Group's primary location in Kendal to perform audit procedures.

— As part of planning procedures, an evaluation was completed over the Group's internal control environment including its IT systems and controls to inform our risk assessment. Our audit testing approach was wholly substantive.

Further audit procedures performed on components subject to specific scope and specified procedures may not have included testing of all significant account balances of such components, but further audit procedures were performed on specific accounts within that component that we, the Group auditor, considered had the potential for the greatest impact on the Group financial statements either due to risk, size or coverage.

The components within the scope of further audit procedures accounted for the following percentages of the Group's results, including the key audit matters identified:

Audit approach	No. of components	% coverage of total assets	% coverage of revenue
Full-scope audit	2 (2024: 2)	84 (2024: 66)	81 (2024: 68)
Specific scope procedures	4 (2024: 3)	5 (2024: 19)	12 (2024: 11)
Analytical procedures	10 (2024: 11)	11 (2024: 15)	7 (2024: 21)

Changes in approach from previous period

— There has been an increase in the number of components with specified audit procedures, this is due to the changes in the relative contribution of the components in scope.

OTHER INFORMATION

The other information comprises the information included in the annual report and accounts, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report and accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OUR OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006 IS UNMODIFIED

In our opinion, based on the work undertaken in the course of the audit:

— the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

— the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006

In the light of the knowledge and understanding of the Group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

— adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

— the parent company financial statements are not in agreement with the accounting records and returns; or

— certain disclosures of directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the statement of directors' responsibilities set out on page 84, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

GROUP INDEPENDENT AUDITOR'S REPORT cont.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and parent company, and the industry in which it operates. We determined that the most significant are UK-adopted international accounting standards (for the Group), United Kingdom Generally Accepted Accounting Practice (for the parent company), the Companies Act 2006 and relevant UK tax regulations;
- We corroborated our understanding of the legal and regulatory framework applicable to the entity by discussing relevant frameworks with Group management and reviewed Board minutes and papers provided to the Audit Committee to support this;
- We assessed the susceptibility of the Group's and the parent company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - Material transactions impacting EBITDA around each quarter end, in line with covenant requirements;
  - Material post-close journal entries;
  - Potential management bias in determining accounting estimates, especially in relation to their assessment of the valuation of intra-group loans; and
  - Transactions with related parties.
- Audit procedures performed by the engagement team included:
  - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
  - Journal entry testing, in particular those journals determined to be in respect of our principal risks documented above; and
  - Challenging assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the Group and the parent company operate; and
  - understanding of the legal and regulatory requirements specific to the Group and the parent company.
- We issued engagement team communications in respect of potential non-compliance with laws and regulations and fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David White
Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

16 July 2025

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note	52-week period to 29 March 2025 £'000	52-week period to 30 March 2024 £'000
Revenue	2	99,343	102,968
Expected credit loss provision		(83)	130
Other income		310	1,970
Changes in inventories of finished goods and work in progress		502	(2,604)
Raw materials and consumables used		(35,912)	(34,785)
Energy costs		(5,982)	(7,130)
Employee benefit costs	23	(32,709)	(34,547)
Depreciation and amortisation	4	(4,086)	(4,619)
Impairment of fixed assets	4	(7,229)	(4,427)
Write-off of assets on restructuring	4	–	(469)
Other expenses	4	(18,750)	(19,514)
OPERATING LOSS	2	(4,596)	(3,027)
Interest payable and similar charges	3	(2,093)	(2,234)
Interest receivable and similar income	3	1	–
LOSS BEFORE TAXATION	4	(6,688)	(5,261)
Tax income	5	1,419	1,264
LOSS FOR THE PERIOD		(5,269)	(3,997)
Loss per share – basic and diluted	6	(55.1)p	(41.8)p

OTHER COMPREHENSIVE INCOME

	Note	52-week period to 29 March 2025 £'000	52-week period to 30 March 2024 £'000
Loss for the period		(5,269)	(3,997)
ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Exchange differences on translation of foreign operations		(90)	(196)
Cash flow hedges – effective portion of changes in fair value	14	(441)	(258)
Cash flow hedges – cost of hedging	14	127	109
ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS			
Retirement benefit liabilities – actuarial gains/(losses)	20	678	(1,787)
Deferred tax (expense)/income on actuarial gains/losses retirement benefit liabilities		(169)	447
Other comprehensive income/(expense) for the period		105	(1,685)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(5,164)	(5,682)

The accompanying notes form part of the financial statements.

STATEMENT OF FINANCIAL POSITION

	Note	Group as at 29 March 2025 £'000	Group as at 30 March 2024 £'000	Company as at 29 March 2025 £'000	Company as at 30 March 2024 £'000
ASSETS					
Goodwill	8	1,264	1,264	–	–
Intangible assets	9	819	1,210	281	564
Property, plant and equipment	10	19,445	27,667	1,952	1,696
Right-of-use assets	11	5,393	6,028	330	270
Investments in subsidiary undertakings	12	–	–	2,350	2,350
Amounts owed by group undertakings	13	–	–	14,819	32,002
Other financial assets	14	–	341	–	341
Deferred tax assets	21	5,155	5,400	4,084	4,384
TOTAL NON-CURRENT ASSETS		32,076	41,910	23,816	41,607
Inventories	15	15,284	15,796	–	–
Trade and other receivables	16	17,854	17,723	12,015	3,275
Provision for impairment	16	(596)	(513)	–	–
Other financial assets	14	384	478	384	478
Cash and cash equivalents		10,614	9,211	8,836	5,021
Corporation tax		1,466	1,345	575	585
TOTAL CURRENT ASSETS		45,006	44,040	21,810	9,359
TOTAL ASSETS		77,082	85,950	45,626	50,966
LIABILITIES					
Trade and other payables	17	16,061	15,570	5,273	6,896
Loans and borrowings	18	3,181	1,610	1,749	155
TOTAL CURRENT LIABILITIES		19,242	17,180	7,022	7,051
Long-term borrowings	18	20,322	23,138	13,425	14,944
Retirement benefit liabilities	20	15,914	17,293	15,914	17,293
Deferred tax liabilities	21	1,197	2,772	175	98
TOTAL NON-CURRENT LIABILITIES		37,433	43,203	29,514	32,335
TOTAL LIABILITIES		56,675	60,383	36,536	39,386
EQUITY					
Share capital	22	2,389	2,389	2,389	2,389
Share premium		1,588	1,588	1,588	1,588
Translation reserve		489	579	–	–
Reserve for own shares		(1,407)	(1,407)	(1,407)	(1,407)
Cash flow hedging reserve		341	782	335	776
Cost of hedging reserve		(119)	(246)	(119)	(246)
Retained earnings		17,126	21,882	6,304	8,480
TOTAL SHAREHOLDERS' EQUITY		20,407	25,567	9,090	11,580
TOTAL EQUITY AND LIABILITIES		77,082	85,950	45,626	50,966

As permitted by Section 408 of the Companies Act 2006, a separate profit and loss account of the Parent Company has not been presented.

The Parent Company reported a loss for the period ended 29 March 2025 of £(2,689)k (2024: loss of £(22,623)k).

The financial statements on pages 97-136 were approved by the Board of Directors on 16 July 2025 and were signed on its behalf by:

M A J Cropper
Chairman
Company Registration No: 00030226

The accompanying notes form part of the financial statements.

GROUP STATEMENT OF CASH FLOWS

For the period ended 29 March 2025 (2024: for the period ended 30 March 2024)

	Note	Group 2025 £'000	Group 2024 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period		(5,269)	(3,997)
ADJUSTMENTS FOR:			
Tax income	5	(1,419)	(1,264)
Depreciation and amortisation	4	4,086	4,619
Impairment of property, plant and equipment	4	6,914	4,427
Impairment of right-of-use assets	4	315	–
Write-off of assets on restructuring	4	–	469
Earn out adjustment on contingent consideration on business acquisition	4	(27)	(422)
Net IAS 19 pension adjustments within profit		(25)	(6)
Past service pension deficit payments		(1,505)	(1,381)
Foreign exchange differences		207	(40)
Loss/(profit) on disposal of fixed assets	4	4	(40)
Interest payable and similar charges	3	2,092	2,234
Share-based payments		4	(152)
CHANGES IN WORKING CAPITAL:			
Decrease in inventories		498	2,352
(Increase)/decrease in trade and other receivables		(573)	6,110
Increase/(decrease) in trade and other payables		2,287	(5,576)
Tax received/(paid)		57	(163)
NET CASH GENERATED FROM OPERATING ACTIVITIES		7,646	7,170
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	9	(268)	(965)
Purchase of property, plant and equipment	10	(1,742)	(3,220)
Proceeds on disposal intangible assets		–	120
Contingent consideration on business acquisition paid	17	(1,236)	(250)
NET CASH USED IN INVESTING ACTIVITIES		(3,246)	(4,315)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new loans	18	–	2,000
Repayment of borrowings	18	(499)	(429)
Repayment of lease liabilities	18	(1,338)	(1,449)
Interest paid		(961)	(941)
Dividends paid to shareholders	7	–	(664)
NET CASH USED IN FINANCING ACTIVITIES		(2,798)	(1,483)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,602	1,372
Effects of exchange rate fluctuations on cash held		(199)	160
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,403	1,532
Cash and cash equivalents at the start of the period		9,211	7,679
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		10,614	9,211

The accompanying notes form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY – GROUP

All figures in £'000	Share capital	Share premium	Translation reserve	Reserve for own shares	Cost of hedging reserve	Cash flow hedging reserve	Retained earnings	Total
AT 1 APRIL 2023	2,389	1,588	775	(1,407)	(355)	1,040	28,035	32,065
Comprehensive expense for the period	–	–	–	–	–	–	(3,997)	(3,997)
Total other comprehensive (expense)/income	–	–	(196)	–	109	(258)	(1,340)	(1,685)
Dividends paid	–	–	–	–	–	–	(664)	(664)
Share-based payment charge	–	–	–	–	–	–	(152)	(152)
Total contributions by and distributions to owners of the Group	–	–	–	–	–	–	(816)	(816)
AT 30 MARCH 2024	2,389	1,588	579	(1,407)	(246)	782	21,882	25,567
Comprehensive expense for the period	–	–	–	–	–	–	(5,269)	(5,269)
Total other comprehensive (expense)/income	–	–	(90)	–	127	(441)	509	105
Share-based payment charge	–	–	–	–	–	–	4	4
Total contributions by and distributions to owners of the Group	–	–	–	–	–	–	4	4
AT 29 MARCH 2025	2,389	1,588	489	(1,407)	(119)	341	17,126	20,407

STATEMENT OF CHANGES IN EQUITY – COMPANY

All figures in £'000	Share capital	Share premium	Reserve for own shares	Cost of hedging reserve	Cash flow hedging reserve	Retained earnings	Total
AT 1 APRIL 2023	2,389	1,588	(1,407)	(355)	1,092	33,259	36,566
Comprehensive expense for the period	–	–	–	–	–	(22,623)	(22,623)
Total other comprehensive income/(expense)	–	–	–	109	(316)	(1,340)	(1,547)
Dividends paid	–	–	–	–	–	(664)	(664)
Share-based payment charge	–	–	–	–	–	(152)	(152)
Total contributions by and distributions to owners of the Group						(816)	(816)
AT 30 MARCH 2024	2,389	1,588	(1,407)	(246)	776	8,480	11,580
Comprehensive expense for the period	–	–	–	–	–	(2,689)	(2,689)
Total other comprehensive income/(expense)	–	–	–	127	(441)	509	195
Share-based payment charge	–	–	–	–	–	4	4
Total contributions by and distributions to owners of the Group	–	–	–	–	–	4	4
AT 29 MARCH 2025	2,389	1,588	(1,407)	(119)	335	6,304	9,090

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

STATEMENT OF COMPLIANCE

These financial statements are consolidated financial statements for the Group consisting of James Cropper plc, a company registered in the UK, and all its subsidiaries. The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements of the parent company have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ('FRS 101') and the following disclosure exemptions have been adopted:

- A statement of cash flows has not been presented.
- An analysis of revenue from contracts with customers has not been given.

The Group has taken advantage of the exemption not to disclose intra-group transactions that are eliminated on consolidation.

CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

(a) Standards and amendments that are effective for the first time in 2024 and could be applicable to the Group:

- Classification of liabilities as current or non-current and non-current liabilities with covenants – Amendments to IAS1

The change to the accounting standard does not have a material impact on the Group.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

- Lack of Exchangeability – Amendments to IAS21
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and 7
- IFRS 18 Presentation and Disclosure in Financial Statements

None of the above accounting standard changes are expected to have a material impact on the Group.

BASIS OF PREPARATION

The accounting 'year' for the Group is a 52-week accounting period ended 29 March 2025 (2024: 52-week accounting period ended 30 March 2024).

The consolidated financial statements have been prepared on a going concern basis under the historical cost convention except for the revaluation of certain financial instruments to fair value.

The financial statements are presented in pounds sterling, being the currency of the primary economic environment in which the Group operates. All values are rounded to the nearest thousand pounds, except where otherwise indicated.

On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual Statement of Comprehensive Income and related notes that form a part of these approved financial statements.

GOING CONCERN

The Group sets an annual budget and longer-term plan against which performance is compared. The Board operates a monthly reporting and quarterly forecasting cycle, which it uses to monitor profitability and liquidity and ensure the Group has sufficient debt facilities to enable its ongoing viability.

The Board believes that a 14-month planning horizon to 26 September 2026, based on the Board approved annual budget and plan, is an appropriate period over which to evaluate the Group's ability to continue as a going concern.

In carrying out its going concern evaluation the Board prepared base case profit and loss account, balance sheet and cash flow forecasts for the period to 26 September 2026 reflecting the Board approved annual budget and plan, updated to include the expected decline in revenue with a significant merchant customer of the Paper & Packaging business that the Group was notified of recently. The base case forecasts reflect initiatives to improve performance of the Paper & Packaging business that have been implemented and are currently progressing as planned. These initiatives include improved raw material management, more efficient energy usage, streamlining of the indirect management structure and improved procurement.

The Board assessed various downside sensitivities, including modelling a severe but plausible downside forecast that reduced revenue and gross margins significantly below the levels assumed in the base case forecast. The Board also carried out a reverse stress test to identify the extent to which revenue, profit and cash generation would have to fall in order to cause challenges to liquidity or bank covenant compliance.

In carrying out these assessments the Board considered recent trading and cash flow performance, market and customer risks and the potential impact of US tariffs on future revenue, as well as opportunities to improve revenue, reduce costs and increase profit and cash performance and the likely level of capital expenditure required across the forecast period. As a result the severe but plausible downside forecast and reverse stress test included a number of direct and indirect cost mitigations, including savings in labour, repair and maintenance and overhead costs, in addition to the underlying performance improvements included in the base case forecasts.

While additional revenue opportunities have been and are being developed in the Paper and Packaging business these may not fully offset the expected decline in revenue with the significant merchant customer referred to above. In preparing the severe but plausible downside forecast and reverse stress test the Board made the judgment that, in the event additional revenue does not offset the lost business, the operating and overhead cost mitigations available will allow the Group to remain compliant with bank covenants and retain adequate liquidity.

As part of its risk mitigation strategy and to provide additional headroom in potential downside scenarios the Group has agreed a reduction in quarterly amortisation on its UK bank loan from £750,000 to £400,000 for

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont.

the six quarterly payments falling due from June 2025 to September 2026 inclusive. This has been included in the base case forecast, the severe but plausible downside forecast and the reverse stress test.

Based on this evaluation the Directors consider that the Group and company will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements. Therefore the Directors have adopted the going concern basis in preparing the financial statements.

BASIS OF CONSOLIDATION

The financial statements of the Group consolidate the accounts of the parent company and all of its subsidiaries. All subsidiaries have the same reporting date.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses or intra-group asset sales are reversed on consolidation, the asset is also tested for impairment from a Group perspective.

Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies of the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the date of acquisition, or up to the effective date of disposal as applicable.

(a) Revenue recognition

Revenue represents income derived from contracts for the provision of goods or services by the Company and its subsidiary undertakings to customers in exchange for consideration in the ordinary course of the Group's business.

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service, or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer.

Revenue from the sale of goods is recognised when control of the goods has been transferred to the buyer. Goods are identified as products made from either natural fibres (e.g. paper or moulded paper products) or human-made fibres (e.g. highly technical nonwoven products made by the Advanced Materials division).

Revenue is recognised when:

- the Group has transferred control to the buyer.
- all significant performance obligations have been met.
- the Group retains neither continuing managerial involvement nor effective control over the goods.
- it is probable that the economic benefits associated with the transaction will flow to the Group.
- the amount of revenue can be measured reliably.

Transfer of control varies depending on the individual terms of the contract of sale. For sales in the UK, transfer of control occurs when the goods are despatched to the customer. However, for some international shipments, transfer of control occurs either upon loading the goods onto the relevant carrier or when the goods have arrived in the overseas port. The point of transfer of control for international shipments is dictated by the terms of each sale.

Although the majority of the Group's contracts with customers are not complex, with revenue being fixed for a specific quantity of goods, the Group has identified a number of contracts in which customers are given volume rebates and/or other promotional rebates based on quantities purchased over a contractually agreed period of time. Rebates payable to customers are contingent on the occurrence or non-occurrence of a future event, e.g. the customer meeting certain agreed criteria. Rebates are recorded using the most likely method (the single most likely amount in a range of possible consideration amounts).

Management makes estimates on an ongoing basis, primarily based on current customer spending and historic data, in order to assess customer revenues and to calculate the value of rebates to be deducted from revenue. Where rebates are expected to be given to customers, the rebates are quantified and charged directly to the Consolidated Statement of Comprehensive Income over the period to which they relate and are recognised as a deduction from revenue.

Revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. The estimated volume discount is revised at each reporting date.

(b) Operating segments

IFRS 8 Operating Segments requires that entities reflect 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. This committee considers the business principally based on three operating segments. Operating segments are those components of the Group that are engaged in providing a group of related products that are subject to risks and returns that are different to other operating segments.

Geographical areas are components where the eventual product destination is in a particular geographic environment which is subject to risks and returns that are different from other such areas. Costs are allocated to segments based on the segment to which they relate. Central costs are recharged on an appropriate basis.

(c) Emission quotas

The Group participates in the UK Emissions Trading Scheme. The Group has adopted an accounting policy which recognises the emission allowances as an intangible asset and an associated liability.

The intangible asset is valued at the market price on the date of issue. The liability is valued at the market price on the date of issue.

Should emissions exceed the annual allowance, any excess of liability above the level of the allowances held is valued at the market price ruling at the Statement of Financial Position date and charged against operating profit.

Allowances not utilised are maintained against a potential future shortfall. When allowances are utilised, both the intangible asset and liability are amortised to the Statement of Comprehensive Income.

Emission allowances are assessed annually for impairment based on latest market prices.

(d) Foreign currencies

The consolidated financial statements are presented in pounds sterling, which is the Group's presentation currency. Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

Non-monetary assets and liabilities that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The assets and liabilities of foreign operations are translated at foreign exchange rates ruling at the Statement of Financial Position date. The revenues and expenses of foreign operations are translated at an average rate for the period where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from translation of foreign operations are taken directly to the translation reserve; they are released into the Statement of Comprehensive Income upon disposal.

(e) Intangible fixed assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairments losses, if any. The following useful lives have been determined for intangible assets.

Customer relationships	10 years
Technology*	10 years
Computer software	3–10 years

* Internally developed hydrogen production technology related to platinum group materials coatings and electrolysis.

Goodwill is tested annually for impairment, whereby the recoverable amount of the respective CGU, determined through a value in use calculation, is compared to its carrying amount.

(f) Property plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost less residual value of each asset evenly over its expected useful life, as follows:

Freehold buildings	14–40 years
Plant and machinery	2–20 years

Residual values and useful lives are reviewed annually. Land is not depreciated.

(g) Impairment of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes an estimate of recoverable amount.

Where the carrying value of an asset exceeds its recoverable amount, the carrying value of the asset is written down to its recoverable amount. Recoverable amount is the higher of fair value less costs to sell and value in use and is calculated for individual assets. If an asset does not generate cash flows that are largely independent of those from other assets or groups of assets, the recoverable amount of the CGU to which the asset belongs is determined.

Discount rates reflecting the asset-specific risks and the time value of money are used for the value in use calculation.

(h) Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when all of the following criteria are met:

- It is demonstrable that the asset will generate future economic benefits.
- It is the intention to complete the intangible asset so that it will be available for use or sale.
- Adequate resources are available to complete the development.
- The asset can be used or sold.
- It is technically feasible to complete the asset.
- The expenditure attributable to the asset during development can be reliably measured.

Other development expenditures are recognised as an expense as incurred. Development costs with a finite useful life that have been capitalised are amortised from the commencement of the commercial production of the product on a straight-line basis over the period of its expected benefit.

Research and development expenditure credit (RDEC) is recognised within other operating income on an accrual basis.

(i) IFRS 16 'leases'

The Group leases various warehouses, machinery, production lines and motor vehicles. Lease terms are negotiated on an individual basis and contain a range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for other borrowing purposes.

Assets and liabilities arising from an lease are initially measured on a present value basis. Lease liabilities are secured on the assets leased. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that are based on an index or rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

The liability is subsequently stated at amortised cost using the effective interest rate method.

Right-of-use assets are measured at cost comprising the following:

(i) the amount of the initial measurement of the lease liability

(ii) any lease payments made at or before the commencement date less any lease incentives received

(iii) any initial direct costs

(iv) restoration costs

Right-of-use assets are subsequently carried at cost less accumulated depreciation and impairment losses.

Depreciation is provided on all right-of-use assets at rates calculated to write off the cost less residual value of each asset evenly over the lease term.

There are no short-term leases, and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of consolidated income. The Group has no short-term, low-value leases, or leases with variable payments.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Engineering spares are included within inventories.

(k) Grants

Capital grants are credited to a deferral account and released to income over the expected useful lives of the relevant assets. Grants of a revenue nature are credited to the Statement of Comprehensive Income in the period to which they relate.

(l) Investments in subsidiary undertakings and amount owed by Group undertakings

Investments in subsidiary undertakings are stated at cost less any impairment in value.

Amounts owed by Group undertakings are recognised initially at fair value and are subsequently carried at amortised cost using the effective interest method, less any impairment.

(m) Trade receivables

Trade receivables are recorded at their initial transaction price after appropriate revision for impairment. A provision for impairment is calculated using an expected credit loss impairment model.

Under this impairment model approach, in line with IFRS 9, it is not necessary for a credit event to have occurred before credit losses are recognised. Instead, the Group accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses is updated at each reporting date.

To measure expected credit losses, the Group assesses historic credit loss experiences and adjusts for current and forward-looking information on macroeconomic factors affecting the Group's customers, including the state of the economy and industry-specific factors in countries where the Group operates. Trade receivables are held at amortised cost using the effective interest method, less any impairment.

(n) Trade payables

Trade payables are stated at their fair value. Trade payables are subsequently recorded at amortised cost using the effective interest method.

(o) Other income

Other income includes the research and development expenditure credit (RDEC), royalties received and grants received for funded projects.

(p) Hedge accounting

Cash flow hedge:
Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or

Liability, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in the Statement of Comprehensive Income.

Hedging relationships are classified as cash flow hedges where the hedging instrument hedges exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, such as interest payments on variable rate debt.

(q) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown as borrowings within current liabilities on the Statement of Financial Position.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the Statement of Cash Flows.

(r) Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

(s) Interest

Interest is recognised in the Statement of Comprehensive Income on an accrual basis using the effective interest method.

(t) Share-based payments and own shares held

The Group operates an equity settled share-based payment scheme, being a Long-Term Incentive Plan (LTIP) for certain Directors and senior managers.

The Employee Benefit Trust (EBT) holds shares for the granting and vesting of shares under the LTIP scheme. The cost of purchasing and transferring own shares held by the EBT are shown as movements against equity.

The EBT is not treated as an extension of the parent and is therefore not included in the parent's individual accounts and is only consolidated in the Group accounts. The costs of purchasing own shares held by the EBT are shown as a deduction within shareholders' equity in the consolidated statement of changes in equity.

The Group recognises an expense to the Statement of Comprehensive Income representing the fair value of outstanding equity settled share-based payment awards to employees which have not vested as at the period end.

The fair values are charged to the Statement of Comprehensive Income over the relevant vesting period adjusted to reflect actual and expected vesting levels.

(u) Capital management

The Group and Company's capital includes share capital, reserves and retained earnings. The Group and Company's

policies are designed to ensure the ability to continue as a going concern, in order to provide returns to the shareholders and benefits to other stakeholders. The Group and Company invest in financial assets to provide an adequate level of return to the shareholders commensurate with the level of risk.

The Group and Company manage the capital structure and adjust this in light of changes in the economic conditions and risks associated with the underlying assets. In order to maintain or adjust the capital structure, the Group and Company may adjust the amount of any dividend paid to the shareholders, return capital to the shareholders, issue new shares, or sell assets to reduce debt. Details of borrowings are set out in note 18 and details of shares are set out in note 22. The Group and Company are not subject to any externally imposed capital requirements. There have been no material changes in the management of capital during the period.

(v) Taxation

Tax on the Statement of Comprehensive Income for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, according to the accounting treatment of the related transaction.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they are not expected to reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profit will be available against which the asset can be utilised.

(w) Retirement benefits

The Group operates various pension schemes. The schemes are generally funded through payments to trustee-administered funds, determined by periodic actuarial valuations. The Group has both defined benefit and defined contribution plans. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement. A defined contribution plan is a pension plan under which the Group pays fixed contributions.

The liability recognised in the Statement of Financial Position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the Statement of Financial Position date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows at a rate based on the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

If there is a net surplus on the schemes, the value of the asset is measured at the economic benefit, calculated as the difference between the expected value of future service costs to the Staff Scheme and the total contributions required from the Company under the Schedule of Contributions.

If a material surplus occurs, the Company will seek external legal advice to determine whether the Company has an unconditional right to a refund of surplus in the future.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur in Other Comprehensive Income and in the Statement of Changes in Equity.

Past service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

For defined contribution plans, the Group pays agreed contributions to the schemes. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due.

(x) Non-GAAP performance measures

In the reporting of financial information, the Group has adopted certain non-GAAP measures of historic or future financial performance, position or cash flows other than those defined or specified under International Financial Reporting Standards (IFRS).

Where non-GAAP measures have been used, it is the belief of the Group that such measures help provide a clearer understanding of the underlying performance, removing the impact of exceptional items and IAS 19 adjustments that can distort core operating profitability of the Group and make year-on-year comparison of performance challenging.

Non-GAAP measures should be considered in addition to, and are not intended to be a substitute for, or superior to, IFRS measures.

Exceptional items are material income or costs which derive from events or transactions which are unusual or infrequent in their nature and are disclosed separately in the notes to the financial statements.

Exceptional items are presented in the Statement of Comprehensive Income in the income or expense to which they relate.

(y) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of estimates and judgements that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Group's key sources of significant estimates are as detailed below:

(i) Retirement benefits

NOTES TO THE FINANCIAL STATEMENTS cont.

IAS 19 Employee Benefits requires the Group to make assumptions including, but not limited to, rates of inflation, discount rates and life expectancies.

The use of different assumptions, in any of the above calculations, could have a material effect on the accounting values of the relevant Statement of Financial Position assets and liabilities, which could also result in a change to the cost of such liabilities as recognised in profit or loss over time.

These assumptions are subject to periodic review. The Group takes specialist advice and seeks to follow the most appropriate method, applied consistently from year to year.

See note 20 for additional information and a sensitivity analysis highlighting the impact of a change in key assumptions.

(ii) Contingencies

The Group has 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 Staff Scheme.

An estimate of the additional liability has been included in the financial statements since year ended 31 March 2019. An allowance of 0.15% of liabilities has been included in the valuation. If the ultimate impact is greater or lesser, the difference will be taken as an experience adjustment through the Other Comprehensive Income in the relevant year.

The impact on the liability as at the reporting date for a range of reasonable sensitivities is set out below.

Scheme Liabilities

All figures in '£000	
0.05%	80,488
0.15%	80,568
0.25%	80,648

(iii) Impairment of property plant and equipment, right-of-use assets, investments in subsidiary undertakings and amounts owed by group undertakings.

IAS 36 requires an entity to assess whether there is any indication that an asset may be impaired. The Group considers that four successive years of operating losses and the underlying market conditions that have contributed to those losses are an indication of potential impairment of the fixed assets in the Paper & Packaging CGUs. Therefore an impairment review was carried out, which resulted in an impairment of £7.2m being recognised against the carrying value of the property plant and equipment and right-of-use assets in the Paper & Packaging CGUs.

The impairment review required the Group to make assumptions including, but not limited to, future revenue growth rates and the discount rate to apply to future cash flows. The use of different assumptions could have a material effect on the impairment charge included in the Group Statement of Comprehensive income and the fixed asset carrying value included in the Statement of Financial Position.

The Group considered various scenarios and market sensitivities in assessing the future revenue growth rate assumptions to use in the impairment calculation. The Group took specialist advice to determine the discount rate to apply to future cash flows.

In accordance with IAS 36, the likely loss of a proportion of revenue with a significant customer of the Paper & Packaging business, as set out in note 25, was not reflected in the impairment calculation as the company was notified of this after the balance sheet date and is considered to be a non-adjusting post balance sheet event.

Similar judgements were made by the parent company in relation to the investments in subsidiary undertakings and amounts owed by group undertakings, resulting in impairments in accordance with IAS 36 and IFRS 9 as set out in notes 12 and 13.

(iv) Recognition of deferred tax asset

IAS12 permits a deferred tax asset to be recognised to the extent that it is reasonable to assume the asset will be recovered in the foreseeable future. At 29 March 2025 the Group recognised a deferred tax asset of £5.2m (30 March 2024: £5.4m). A deferred tax asset of £4.0m (30 March 2024: £4.3m) has been recognised in respect of the deficit on the Group's defined benefit pension schemes as the Board considers this asset will be realised in full as the Group has an obligation to eliminate the underlying pension scheme deficit. A deferred tax asset of £1.2m (30 March 2024: £1.1m) has been recognised in respect of brought forward tax losses, based on forecast taxable profits over the next three years.

2 SEGMENTAL REPORTING

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. This committee considers the business principally via three segments, principally based in the UK:

— James Cropper Paper & Packaging (Paper & Packaging): comprising James Cropper Speciality Papers Limited, a manufacturer of specialist paper and boards, James Cropper Converting Limited, a converter of paper and James Cropper 3D Products Limited, a manufacturer of moulded fibre products.

— James Cropper Advanced Materials (Advanced Materials): comprising Technical Fibre Products Limited and its subsidiaries – manufacturers of advanced materials.

— Group Services and Eliminations – comprise central functions providing services to the subsidiary companies, and the elimination of inter-segment revenue, profit and investments.

'Adjusted Operating Profit before exceptional items and IAS 19' refers to operating profit prior to exceptional items and the IAS 19 pension adjustment.

The 'IAS 19 pension adjustment' refers to the impact on operating profit of the pension schemes' operating costs, as described in the IAS 19 section of the Financial Review.

Inter-segment transactions are performed in the normal course of business and at arm's length.

OPERATING SEGMENTS PERIOD ENDED 29 MARCH 2025

All figures in £'000	Paper & Packaging	Advanced Materials	Group services And eliminations	Continuing operations
REVENUE				
External	63,657	35,686	–	99,343
	63,657	35,686	–	99,343
SEGMENT PROFIT/(LOSS)				
Adjusted operating (loss)/profit before exceptional items and IAS 19	(4,142)	8,992	(2,242)	2,608
Exceptional costs	(7,229)	–	–	(7,229)
IAS 19 pension adjustment	–	–	25	25
OPERATING (LOSS)/PROFIT	(11,371)	8,992	(2,217)	(4,596)
Interest payable and similar charges				(2,092)
LOSS BEFORE TAX				(6,688)
Tax income				1,419
LOSS FOR THE PERIOD				(5,269)
TOTAL ASSETS	37,951	66,663	(27,532)	77,082
TOTAL LIABILITIES	85,537	49,005	(77,867)	56,675

PERIOD ENDED 30 MARCH 2024

All figures in £'000	Paper	TFP	Group services And eliminations	Continuing operations
REVENUE				
External	68,465	34,503	–	102,968
SEGMENT PROFIT/(LOSS)				
Adjusted operating (loss)/profit before exceptional items and IAS 19	(5,138)	7,715	(600)	1,977
Exceptional costs	(6,308)	354	944	(5,010)
IAS 19 pension adjustments to loss	–	–	6	6
OPERATING (LOSS)/PROFIT	(11,446)	8,069	350	(3,027)
Interest payable and similar charges				(2,234)
LOSS BEFORE TAX				(5,261)
Tax income				1,264
LOSS FOR THE PERIOD				(3,997)
TOTAL ASSETS	62,663	68,482	(45,195)	85,950
TOTAL LIABILITIES	89,353	50,282	(79,252)	60,383

In arriving at operating loss the following significant costs have been charged in individual operating segments. The cost of raw materials and consumables used in the year ended 29 March 2025 in the Advanced Materials operating segment was £7.5m (2024: £8.7m) and in the Paper & Packaging operating segment was £28.4m (2024: £26.1m). The cost of employee benefit costs in the year ended 29 March 2025 in the Advanced Materials operating segment was £9.2m (2024: £9.3m), in the Paper & Packaging operating segment was £17.4m (2024: £20.3m) and in the Group services and eliminations segment £6.1m (2024: £4.9m).

The Group's country of domicile is the UK. Revenue from external customers is based on the customers' location. Non-current assets are based on the location of the assets and exclude financial assets, deferred tax assets and post-employment benefit net assets.

	Revenue from external customers		Non-current assets excluding deferred tax	
All figures in £'000	2025	2024	2025	2024
UK	42,934	39,468	22,964	32,063
Europe	26,012	29,681	–	–
US	23,260	24,155	3,957	4,447
Asia	5,234	8,660	–	–
Rest of the Americas	1,176	440	–	–
Australasia	524	405	–	–
Africa	203	159	–	–
TOTAL	99,343	102,968	26,921	36,510

Included in revenue is the following amount, which accounted for more than 10% of total revenue:

All figures in £'000	2025	2024
Customer A – Paper & Packaging	13,610	11,521

All figures in £'000	Paper & Packaging	Advanced Materials	Group Services	Total
Additions to non-current assets	794	971	580	2,345

3 FINANCE COSTS

Finance costs include costs in respect of interest payable on borrowings and on defined benefit pension schemes.

Finance income includes interest received from short-term deposits.

All figures in £'000	2025	2024
FINANCE COSTS		
Interest payable on bank borrowings	835	782
Interest payable in relation to lease liabilities	198	219
Net finance costs arising on defined benefit schemes	829	753
Other finance charges	104	109
Fair value adjustment on contingent consideration	–	262
Fair value adjustments on derivatives	127	109
TOTAL FINANCE COSTS	2,093	2,234
FINANCE INCOME		
Finance income in respect of cash and short-term investments	(1)	–
TOTAL FINANCE INCOME	(1)	–
NET FINANCE COSTS	2,092	2,234

4 LOSS BEFORE TAXATION

All figures in £'000 The following items have been charged/(credited) in arriving at loss before tax:	Note	2025	2024
Employee benefit costs	23	32,709	34,547
Depreciation and amortisation			
— Intangible assets	9	245	195
— Property, plant and equipment	10	2,975	3,494
— Right-of-use assets	11	866	930
Write-off of assets on restructuring		–	469
Impairment of property, plant and equipment	10	6,914	4,427
Impairment of right-of-use assets	11	315	–
		11,315	9,515
Other income:			
— Government grants received		(20)	(36)
— Pension settlement		–	(1,404)
— Rental income		–	(40)
— Research and development tax credits		(255)	(490)
— Sale of scrap material		(35)	–
		(310)	(1,970)
Other expenses:			
— Administration costs		10,231	10,771
— Distribution costs		2,342	2,724
— Earn-out adjustment on contingent consideration on business acquisition		(27)	(422)
— Environmental taxation		173	(317)
— Foreign exchange differences		100	(194)
— Loss/(profit) on disposal of property, plant and equipment and intangible assets		4	(40)
— Repairs and maintenance expenditure on property, plant and equipment		4,938	5,948
— Sales and marketing costs		989	1,044
		18,750	19,514
Provision for impairment charge/(credit) – trade receivables		83	(130)

Government grants relate to assistance received for research projects and the development of new technology. Research and Development expenditure across the Group for the year ended 29 March 2025 was £1,284k (2024: £2,526k) and is recognised in other expenses and employee benefit costs.

SERVICES PROVIDED BY THE GROUP'S AUDITOR AND NETWORK FIRMS

During the year the Group obtained the following services from the Group's auditor at costs as detailed below:

All figures in £'000	2025	2024
AUDIT SERVICES		
Fees payable to the Company's auditor for the audit of parent Company and consolidated accounts	90	90
Remuneration payable to the Company's auditor for the auditing of subsidiary accounts and associates of the Company pursuant to legislation (including that of countries and territories outside Great Britain)	243	230
Expenses billed	16	16
	349	336
Other non-audit services	–	–

5 TAXATION

Analysis of Group tax charges in the period.

All figures in £'000 Continuing operations	Note	2025	2024
Current tax		51	122
Adjustments in respect of prior period current tax		26	(6)
TOTAL CURRENT TAX		77	116
Deferred tax		(1,464)	(1,320)
Adjustments in respect of prior period deferred tax		(32)	(60)
Effects of changes in tax rate		–	–
TOTAL DEFERRED TAX	21	(1,496)	(1,380)
TAX PER STATEMENT OF COMPREHENSIVE INCOME		(1,419)	(1,264)
TAX ON ITEMS CHARGED TO OTHER COMPREHENSIVE INCOME			
Deferred tax on actuarial gains/(losses) on retirement benefit liabilities		169	(447)
TAX ON ITEMS CHARGED TO EQUITY			
Deferred tax on share options		(3)	(6)

The tax for the period is higher (2024: higher) than the standard rate of corporation tax in the UK of 25% (2024: 25%).

The differences are explained below:

All figures in £'000 Continuing operations	Group 2025	Group 2024
LOSS BEFORE TAX	(6,688)	(5,261)
Loss on ordinary activities multiplied by rate of corporation tax in the UK of 25% (2024: 25%)	(1,672)	(1,315)
Effects of:		
Adjustments to tax in respect of prior period	(6)	(66)
Share options	2	(4)
Expenses not deductible for tax purposes	419	205
Deferred tax not recognised in overseas jurisdictions	(168)	(84)
Foreign tax suffered	6	–
TOTAL TAX INCOME FOR THE PERIOD	(1,419)	(1,264)

6 EARNINGS PER SHARE

Basic earnings per share is calculated on the Group's loss of £5,269k for the period attributable to equity shareholders (2024: loss £3,997k) divided by 9.6m (2024: 9.6m), being the weighted average number of shares in issue during the year.

Diluted earnings per share reflects any commitments made by the Group to issue shares in the future. The weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. Current share options would be vested by awarding shares already in existence and held within the Group. At 29 March 2025 there were no potential dilutive share options outstanding (2024: nil).

	2025			2024		
	Loss £'000	Weighted average number of shares '000	Amount per share pence	Loss £'000	Weighted average number of shares '000	Amount per share pence
Earnings attributable to ordinary shareholders	(5,269)	9,555	(55.1)	(3,997)	9,555	(41.8)
Basic and diluted EPS	(5,269)	9,555	(55.1)	(3,997)	9,555	(41.8)

The accompanying notes form part of the financial statements.

7 DIVIDENDS

All figures in £'000	2025	2024
Final paid for the period ended 30 March 2024/1 April 2023	–	378
Interim paid for the period ended 29 March 2025/30 March 2024	–	286
Total dividends paid in the year	–	664
Final dividend per share for the period ended 30 March 2024/1 April 2023	–	4.0p
Interim dividend per share for the period ended 29 March 2025/30 March 2024	–	3.0p

The Directors are not proposing a final dividend in respect of the period ended 29 March 2025 (2024: nil per share). The total dividend declared for the period is nil pence per share (2024: 3.0 pence per share).

8 GOODWILL

	Group		Company	
All figures in £'000	2025	2024	2025	2024
COST AND CARRYING VALUE				
At 30 March 2024/1 April 2023	1,264	1,264	–	–
At 29 March 2025/30 March 2024	1,264	1,264	–	–

Goodwill arose on the acquisition of PV3 Technologies Ltd (now known as TFP Hydrogen Products Ltd) by Technical Fibre Products Ltd on 18 January 2021.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount of goodwill has been determined based on value in use calculations using cash flow projections from a Board approved budget and plan covering the two-year period to 31 March 2027. The discount rate used to calculate value in use was 14% and the long-term growth rate used to calculate the terminal value was 1.8%. The value in use exceeds the carrying amount and consequently no impairment has been suffered. There is no reasonable possible change in key assumptions that would lead to an impairment charge.

9 INTANGIBLE ASSETS

Group All figures in £'000	Computer software	Development costs	Customer relationships	Technology	Emission allowances	Total
COST						
At 30 March 2024	4,559	–	567	359	146	5,631
Additions	–	–	–	–	268	268
Disposals/surrender of allowances	–	–	–	–	(414)	(414)
At 29 March 2025	4,559	–	567	359	–	5,485
AGGREGATE AMORTISATION						
At 30 March 2024	4,124	–	181	116	–	4,421
Charge for period	153	–	56	36	–	245
At 29 March 2025	4,277	–	237	152	–	4,666
NET BOOK VALUE AT 29 MARCH 2025	282	–	330	207	–	819
NET BOOK VALUE AT 30 MARCH 2024	435	–	386	243	146	1,210

The accompanying notes form part of the financial statements.

Group All figures in £'000	Computer software	Development costs	Customer relationships	Technology	Emission allowances	Total
COST						
At 1 April 2023	4,330	457	567	359	494	6,207
Additions	229	–	–	–	736	965
Disposals/surrender of allowances	–	–	–	–	(1,084)	(1,084)
Derecognition of fully amortised assets	–	(457)	–	–	–	(457)
At 30 March 2024	4,559	–	567	359	146	5,631
AGGREGATE AMORTISATION						
At 1 April 2023	4,020	457	126	80	–	4,683
Charge for period	104	–	55	36	–	195
Derecognition of fully amortised assets	–	(457)	–	–	–	(457)
At 30 March 2024	4,124	–	181	116	–	4,421
NET BOOK VALUE AT 30 MARCH 2024	435	–	386	243	146	1,210
NET BOOK VALUE AT 1 APRIL 2023	310	–	441	279	494	1,524

The computer software capitalised principally relates to the ongoing development of the Group's Enterprise Resource Planning and Financial systems.

The emission allowances relate to allowances purchased through the UK Emissions Trading Scheme (UKETS) and are valued at market value at the date of initial recognition. Allowances are purchased throughout each compliance period and are used to meet the Group's emissions obligations.

Customer relationships and technology were assets acquired through the purchase of TFP Hydrogen Products Ltd by Technical Fibre Products Ltd on 18 January 2021.

Company All figures in £'000	Computer software	Emission allowances	Total
COST			
At 30 March 2024	4,392	146	4,538
Additions	–	268	268
Disposals/surrender of allowances	–	(414)	(414)
At 29 March 2025	4,392	–	4,392
ACCUMULATED AMORTISATION			
At 30 March 2024	3,974	–	3,974
Charge for the period	137	–	137
At 29 March 2025	4,111	–	4,111
NET BOOK VALUE AT 29 MARCH 2025	281	–	281
NET BOOK VALUE AT 30 MARCH 2024	418	146	564

Company All figures in £'000	Computer software	Emission allowances	Total
COST			
At 1 April 2023	4,180	494	4,674
Additions	212	736	948
Disposals/surrender of allowances	–	(1,084)	(1,084)
At 30 March 2024	4,392	146	4,538
ACCUMULATED AMORTISATION			
At 1 April 2023	3,886	–	3,886
Charge for the period	88	–	88
At 30 March 2024	3,974	–	3,974
NET BOOK VALUE AT 30 MARCH 2024	418	146	564
NET BOOK VALUE AT 1 APRIL 2023	294	494	788

10 PROPERTY, PLANT AND EQUIPMENT

Group All figures in £'000	Note	Freehold land & buildings	Plant & machinery	Assets under Construction[1]	Total
COST					
At 30 March 2024		15,349	98,289	3,098	116,736
Transfers		–	2,312	(2,312)	–
Additions		287	401	1,054	1,742
Disposals		–	(29)	–	(29)
Effects of movements in foreign exchange		–	(137)	–	(137)
At 29 March 2025		15,636	100,836	1,840	118,312
ACCUMULATED DEPRECIATION & IMPAIRMENT					
At 30 March 2024		8,572	79,674	823	89,069
Charge for the period	4	325	2,650	–	2,975
Disposal		–	(29)	–	(29)
Effects of movements in foreign exchange		–	(62)	–	(62)
Impairment	4	854	5,489	571	6,914
At 29 March 2025		9,751	87,722	1,394	98,867
NET BOOK VALUE AT 29 MARCH 2025		5,885	13,114	446	19,445
NET BOOK VALUE AT 30 MARCH 2024		6,777	18,615	2,275	27,667

1 Assets under construction comprise the expenditure to date on the decarbonisation programme and top loft structural work as well as innovation and operational improvements in the Hydrogen business.

The Group recognised an impairment loss of £7.2m in respect of the net book value of the fixed assets in its Paper & Packaging Cash Generating Units (CGUs), £6.9m in respect of property, plant and equipment assets and £0.3m in respect of right-of-use assets. The charge is an exceptional cost and is disclosed separately in the Group Statement of Comprehensive Income.

The impairment has been recognised following four years of operating losses in the Group's Paper & Packaging business as a result of challenging market conditions.

Cash flows in the Paper & Packaging business cannot be attributed to specific assets. Therefore the impairment review was carried out based on the three principal Cash Generating Units within the business, being James Cropper Speciality Papers Limited, James Cropper Converting Limited and James Cropper 3D Products Limited. The impairment recognised in the year ended 29 March 2025 in each of the Cash Generating Units was as follows: £4.7m in James Cropper Speciality Papers Limited (2024:£4.4m), £0.8m in James Cropper Converting Limited (2024: nil) and £1.7m in James Cropper 3D Products Limited (2024: nil).

NOTES TO THE FINANCIAL STATEMENTS cont.

Following the impairment the recoverable amount of the fixed assets in the Paper & Packaging CGUs at 29 March 2025 is £6.1m (30 March 2024: £14.6m), split by CGU as follows: James Cropper Speciality Papers Limited £5.8m (2024: £11.1m), and James Cropper Converting Limited £0.3m (2024: £1.2m). The net book value of fixed assets in James Cropper 3D Products Limited were fully impaired (2024: £2.3m).

The recoverable amount is based on value in use with future cash flows in each of the CGUs discounted at a pre-tax weighted average cost of capital of 14% which the Board believes reflects the time value of money and risks specific to the CGUs.

In carrying out the impairment review, the Board considered future growth rates of global paper and packaging markets. The Board prepared forecasts for the five-year period starting on 29 March 2025, with annual revenue growth forecast in low-single digits across this period as the business's core paper markets recover from cyclical lows and in line with forecast growth in core packaging markets. The Group used a growth rate of 1.8% for each CGU to extrapolate cash projections beyond this five-year period. Direct input costs were forecast to increase in line with revenue and overheads were forecast to increase at 1.5% pa.

Taking the three CGUs together an increase of one percentage point in annual revenue growth in the five-year forecast period would result in a decrease in the impairment charge of £3.3m to £3.9m. A decrease of one percentage point in annual revenue growth in the five-year forecast period would result in an increase in the impairment charge of £3.3m to £10.5m. An increase of one percentage point in the discount rate to 15% would result in an increase in the impairment charge of £1.4m to £8.6m.

Group All figures in £'000	Note	Freehold land & buildings	Plant & machinery	Assets under Construction[1]	Total
COST					
At 1 April 2023		15,365	100,223	1,863	117,451
Transfers			67	(67)	–
Additions		75	1,843	1,302	3,220
Disposals		(91)	(3,706)	–	(3,797)
Effects of movements in foreign exchange		–	(138)	–	(138)
At 30 March 2024		15,349	98,289	3,098	116,736
ACCUMULATED DEPRECIATION & IMPAIRMENT					
At 1 April 2023		8,116	76,618	–	84,734
Charge for the period	4	348	3,146	–	3,494
Disposal		(87)	(3,412)	–	(3,499)
Effects of movements in foreign exchange		–	(87)	–	(87)
Impairment	4	195	3,409	823	4,427
At 30 March 2024		8,572	79,674	823	89,070
NET BOOK VALUE AT 30 MARCH 2024		6,777	18,615	2,275	27,667
NET BOOK VALUE AT 1 APRIL 2023		7,249	23,605	1,863	32,717

1 Assets under construction comprise the expenditure to date on a new gas compressor and the decarbonisation programme.

Company All figures in £'000	Freehold land & buildings	Plant & machinery	Assets under Construction	Total
COST				
At 30 March 2024	1,857	2,769	–	4,626
Additions	27	204	126	357
At 29 March 2025	1,884	2,973	126	4,983
ACCUMULATED DEPRECIATION				
At 30 March 2024	609	2,321		2,930
Charge for period	32	69	–	101
At 29 March 2025	641	2,390	–	3,031
NET BOOK VALUE AT 29 MARCH 2025	1,243	583	126	1,952
NET BOOK VALUE AT 30 MARCH 2024	1,248	448	–	1,696

Company All figures in £'000	Freehold land & buildings	Plant & machinery	Total
COST			
At 1 April 2023	1,782	2,740	4,522
Additions	75	29	104
At 30 March 2024	1,857	2,769	4,626
ACCUMULATED DEPRECIATION			
At 1 April 2023	584	2,180	2,764
Charge for period	25	141	166
At 30 March 2024	609	2,321	2,930
NET BOOK VALUE AT 30 MARCH 2024	1,248	448	1,696
NET BOOK VALUE AT 1 APRIL 2023	1,198	560	1,758

11 RIGHT-OF-USE ASSETS

Group All figures in £'000	Note	Land & buildings	Plant, equipment & vehicles	Total
COST				
At 30 March 2024		4,129	5,857	9,986
Additions		385	218	603
Disposals		(805)	(68)	(873)
Effects of movements in foreign exchange		(79)	–	(79)
At 30 March 2024		3,630	6,007	9,637
ACCUMULATED DEPRECIATION				
At 30 March 2024		1,836	2,122	3,958
Charge for the period	4	392	474	866
Disposals		(805)	(64)	(869)
Effects of movements in foreign exchange		(26)	–	(26)
Impairment		58	257	315
At 30 March 2024		1,455	2,789	4,244
NET BOOK VALUE AT 29 MARCH 2025		2,175	3,218	5,393
NET BOOK VALUE AT 30 MARCH 2024		2,293	3,735	6,028

NOTES TO THE FINANCIAL STATEMENTS cont.

Group All figures in £'000	Note	Land & buildings	Plant, equipment & vehicles	Total
COST				
At 1 April 2023		4,137	5,859	9,996
Additions		41	280	321
Disposals		–	(282)	(282)
Effects of movements in foreign exchange		(49)	–	(49)
At 30 March 2024		4,129	5,857	9,986
ACCUMULATED DEPRECIATION				
At 1 April 2023		1,426	1,805	3,231
Charge for the period	4	422	508	930
Disposals		–	(191)	(191)
Effects of movements in foreign exchange		(12)	–	(12)
At 30 March 2024		1,836	2,122	3,958
NET BOOK VALUE AT 30 MARCH 2024		2,293	3,735	6,028
NET BOOK VALUE AT 1 APRIL 2023		2,711	4,054	6,765

Total cash outflow of leases in the year was £1,338k (2024: £1,449k). There were no expenses relating to variable lease payments not included in lease liabilities or expenses relating to short-term or low-value assets.

Company All figures in £'000	Plant, equipment & vehicles	Total
COST		
At 30 March 2024	564	564
Additions	216	216
Disposals	(68)	(68)
At 29 March 2025	712	712
ACCUMULATED DEPRECIATION		
At 30 March 2024	294	294
Charge for the period	152	152
Disposals	(64)	(64)
At 29 March 2025	382	382
NET BOOK VALUE AT 29 MARCH 2025	330	330
NET BOOK VALUE AT 30 MARCH 2024	270	270

The accompanying notes form part of the financial statements.

Company All figures in £'000	Plant, equipment & vehicles	Total
COST		
At 1 April 2023	736	736
Additions	94	94
Disposals	(266)	(266)
At 30 March 2024	564	564
ACCUMULATED DEPRECIATION		
At 1 April 2023	334	334
Charge for the period	137	137
Disposals	(177)	(177)
At 30 March 2024	294	294
NET BOOK VALUE AT 30 MARCH 2024	270	270
NET BOOK VALUE AT 1 APRIL 2023	402	402

The accompanying notes form part of the financial statements.

12 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Company	
All figures in £'000	2025	2024
At cost	7,350	7,350
Less: provision for impairment	(5,000)	(5,000)
At 29 March 2025/30 March 2024	2,350	2,350

Investments in subsidiary undertakings are stated at cost less provision for impairment. The investment in James Cropper Speciality Papers Limited was impaired to nil following an impairment review in the prior year. There has been no change in the position in the current year.

A list of principal subsidiary undertakings is given below:

Company name	Country of incorporation	Registered office (see below)	% holding of ordinary shares	Direct or indirect holding	Nature of business
James Cropper Speciality Papers Limited	England	(i)	100	Direct	Manufacturer of specialist paper and board
James Cropper (Guangzhou) Trading Co Limited	China	(iii)	100	Indirect	Sales and marketing organisation
James Cropper Converting Limited	England	(i)	100	Direct	Paper converter
James Cropper 3D Products Limited	England	(i)	100	Direct	Manufacturer of moulded fibre products
Technical Fibre Products Limited	England	(i)	100	Direct	Manufacturer of advanced materials
TFP Hydrogen Products Limited	England	(i)	100	Indirect	Manufacturer of electrochemical materials
Tech Fibers Inc	USA	(ii)	100	Indirect	Holding company
Technical Fibre Products Inc	USA	(ii)	100	Indirect	Sales and marketing organisation
Metal Coated Fibers Inc	USA	(ii)	100	Indirect	Manufacturer of metal coated carbon fibres
Electro Fiber Technologies LLC	USA	(ii)	100	Indirect	Manufacturer of metal coated fibres
James Cropper EBT Limited	England	(i)	100	Direct	Dormant company
Melmore Company Limited	England	(i)	100	Direct	Dormant company
James Cropper Paper Limited	England	(i)	100	Direct	Dormant company
The Paper Mill Shop Company Limited	England	(i)	100	Direct	Dormant company
James Cropper Overseas Trading Limited	England	(i)	100	Direct	Marketing organisation
James Cropper Germany GmbH	Germany	(iv)	100	Indirect	Marketing organisation

(i) Burneside Mills, Kendal, Cumbria, England, LA9 6PZ

(ii) 679 Mariaville Road, Schenectady, NY 12306, USA

(iii) Level 54 Guangzhou IFC, 5 Zhujiang Road West, Zhujiang New Town, China

(iv) c/o ADKL Abels Decker Kuhfuß & Partner mbB, Breite Straße 29-31, 40213 Düsseldorf, Germany

The accompanying notes form part of the financial statements.

13 AMOUNTS OWED BY THE GROUP UNDERTAKINGS

	Company	
All figures in £'000	2025	2024
Amounts owed by Group undertakings	41,762	50,023
Less: Provision for impairment of loans	(26,943)	(18,021)
Amounts owed by Group undertakings – net	14,819	32,002

Amounts owed by Group undertakings include loans of £26,000k (2024: £26,000k) with a fixed term of five years with an interest charge of 6.95% (2024: 6.25%) per annum and intercompany funding accounts of £15,762k (2024: £24,023k). A provision for impairment of £16,000k (2024: £16,000k) has been raised against the intercompany loans and £10,943k (2024: £2,021k) against the intercompany funding accounts.

14 OTHER FINANCIAL ASSETS

	Group		Company	
All figures in £'000	2025	2024	2025	2024
Interest rate cap	384	819	384	819
Non-current asset	–	341	–	341
Current asset	384	478	384	478

The loss arising in the Statement of Comprehensive Income on fair value hedging instruments was £121k (2024: £56k). The loss arising in the Statement of Other Comprehensive Income on fair value hedging instruments was £314k (2024: £207k).

15 INVENTORIES

All figures in £'000	Group 2025	Group 2024
Materials	6,490	7,504
Work in progress	2,062	1,996
Finished goods	6,732	6,296
	15,284	15,796

Inventories are stated after a provision for impairment of £1,407k (2024: £1,301k).

The total cost of inventories recognised in the Group Statement of Comprehensive Income for the year ended 29 March 2025, including direct and overhead costs absorbed into the cost of goods sold, was £65,996k (2024: £60,873k). These costs are included in the Group Statement of Comprehensive Income in raw materials and consumables used, changes in inventories of finished goods and work in progress, energy costs, employee benefit costs and other expenses.

The Company does not hold any inventories.

The accompanying notes form part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS cont.

16 TRADE AND OTHER RECEIVABLES

All figures in £'000	Group 2025	Group 2024	Company 2025	Company 2024
Trade receivables	15,364	15,278	–	–
Less: Provision for impairment of receivables	(596)	(513)	–	–
Trade receivables – net	14,768	14,765	–	–
Amounts owed by Group undertakings	–	–	10,784	1,749
Other receivables	496	207	126	201
Prepayments and accrued income	1,994	2,238	1,105	1,325
	17,258	17,210	12,015	3,275

The carrying value of trade and other receivables classified at amortised cost approximates to fair value.

The Group does not hold any collateral as security.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. Refer to note 19 for further detail.

The expected loss rates are based on the Group's historic credit losses experienced. The historic loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the current state of the economy and industry-specific factors as the key factors in the countries where the Group operates.

17 TRADE AND OTHER PAYABLES

All figures in £'000	Group 2025	Group 2024	Company 2025	Company 2024
Trade payables	9,341	6,554	601	983
Amounts owed to Group undertakings	–	–	2,990	4,366
Other tax and social security payable	287	662	199	144
Other payables	709	339	248	243
Accruals	5,724	6,752	1,235	1,160
Contingent consideration[1]	–	1,263	–	–
DUE WITHIN ONE YEAR	16,061	15,570	5,273	6,896

The fair values of trade and other payables approximate to their carrying values.

CONTINGENT CONSIDERATION

All figures in £'000	Note	Group 2025	Group 2024
Balance as at 30 March 2024/1 April 2023		1,263	1,673
Payments made		(1,236)	(250)
Earn-out adjustment based on performance in the period	4	(27)	(422)
Fair value adjustment	3	–	262
Balance at 29 March 2025/30 March 2024		–	1,263
Due after one year		–	–
Due within one year		–	1,263

1 Contingent consideration is the fair value of earn-out considerations on the acquisition of PV3 Technologies Ltd (now known as TFP Hydrogen Products Ltd) that was based on the estimated future performance of the subsidiary against earn-out targets. Where performance fell short of expectations, a reduction was recognised in the contingent consideration due. The earn-out period ended on 30 March 2024 and the liability was settled in the current period.

18 BORROWINGS

All figures in £'000	Note	Group 2025	Group 2024	Company 2025	Company 2024
CURRENT					
Bank loans and overdrafts due within one year or on demand:					
Unsecured bank loans[1]		2,247	537	1,619	30
Lease liabilities		934	1,073	130	125
	19.3	3,181	1,610	1,749	155
NON-CURRENT LOANS					
Unsecured bank loans[1]		16,096	18,377	13,260	14,825
Lease liabilities		4,226	4,761	165	119
	19.3	20,322	23,138	13,425	14,944

1 The bank loans bear interest at rates of SONIA + 1.95% and SOFRA + 2.75%.

RECONCILIATION OF NET CASH FLOW TO NET DEBT

Group All figures in £'000	30 March 2024	Cash flow	Non-cash additions	Finance costs	Interest paid	Reclassify	Exchange movement	29 March 2025
Loans repayable within 1 year	537	(499)	–	1,457	(1,412)	2,164	–	2,247
Loans repayable after 1 year	18,377	–	–	–	–	(2,164)	(117)	16,096
	18,914	(499)	–	1,457	(1,412)	–	(117)	18,343
Lease liabilities repayable within 1 year	1,073	(1,338)	–	198	(62)	1,063	–	934
Lease liabilities repayable after 1 year	4,761	–	603	–	–	(1,063)	(75)	4,226
	5,834	(1,338)	603	198	(62)	–	(75)	5,160
Total borrowings	24,748	(1,837)	603	1,655	(1,474)	–	(192)	23,503
Cash and cash equivalents	9,211	1,602	–	–	–	–	(199)	10,614
Net Debt	15,537	(3,439)	603	1,655	(1,474)	–	7	12,889

19 FINANCIAL INSTRUMENTS AND RISK

The Group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, currency risk and interest rate risk. This note presents information about the fair value of the Group's financial instruments, the Group's exposure to each of the risks noted and the Group's objectives, policies and processes for measuring and managing risk. The Board has overall responsibility for the risk management strategy and coordinates activity across the Group. This responsibility is discussed further in the Directors' report. Exposure to the financial risks noted arise in the normal course of the Group's business.

19.1 FINANCIAL INSTRUMENTS BY CATEGORY

The fair values of the financial assets and liabilities of the Group are as follows:

Group All figures in £'000	Note	Fair value through profit or loss 2025	Fair value through profit or loss 2024	Amortised cost loans and receivables 2025	Amortised cost loans and receivables 2024
FINANCIAL ASSETS					
NON-CURRENT					
Other financial assets	14	–	341	–	–
		–	341	–	–
CURRENT					
Trade receivables	16	–	–	14,768	14,765
Other receivables	16	–	–	496	207
Other financial assets – derivatives	14	384	478	–	–
Cash and cash equivalents		–	–	10,614	9,211
		384	478	25,878	24,183
FINANCIAL LIABILITIES					
CURRENT					
Trade payables	17	–	–	9,341	6,554
Other payables	17	–	–	709	339
Accruals	17	–	–	5,724	6,752
Contingent consideration	17	–	1,263	–	–
Loans and borrowings	18	–	–	3,181	1,610
		–	1,263	18,955	15,255
NON-CURRENT					
Loans and borrowings	18	–	–	20,322	23,138

The fair values of the financial assets and liabilities of the Company are as follows:

Company All figures in £'000	Note	Fair value through profit or loss 2025	Fair value through profit or loss 2024	Amortised cost loans and receivables 2025	Amortised cost loans and receivables 2024
FINANCIAL ASSETS					
NON-CURRENT					
Amounts owed by Group undertakings	13	–	–	14,819	32,002
Other financial assets	14	–	341	–	–
		–	341	14,819	32,002
CURRENT					
Amounts owed by Group undertakings	16	–	–	10,784	1,749
Other receivables	16	–	–	126	201
Other financial assets – derivatives	14	384	478	–	–
Cash and cash equivalents		–	–	8,836	5,021
		384	478	19,746	6,971
FINANCIAL LIABILITIES					
CURRENT					
Trade payables	17	–	–	601	983
Amounts owed to Group undertakings	17	–	–	2,990	4,366
Other payables	17	–	–	248	243
Accruals	17	–	–	1,235	1,160
Loans and borrowings	18	–	–	1,749	155
		–	–	6,823	6,907
NON-CURRENT					
Loans and borrowings	18	–	–	13,425	14,944

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, and loans and borrowings. Due to their short-term nature, the carrying values of cash and cash equivalents, trade and other receivables, and trade and other payables approximates to their fair value. The table below analyses financial instruments carried at fair value, by valuation method.

Fair value estimates of derivatives are based on relevant market information and using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows for each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, spot and forward rates, as well as option volatility. To comply with the provisions of IFRS 13, the Company incorporates credit valuation adjustments to appropriately reflect both its own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of non-performance risk, the Company has considered the impact of netting and any applicable credit enhancements such as collateral postings, thresholds, mutual puts and guarantees.

All figures in £'000	2025 Level 2	2025 Total	2024 Level 2	2024 Total
FINANCIAL ASSETS (GROUP AND COMPANY)				
Derivatives	384	384	819	819
FINANCIAL LIABILITIES (GROUP AND COMPANY)				
Derivatives	–	–	–	–

The table below summarises the risk management exposure to fluctuations in reasonably possible changes in underlying benchmark prices, with all other variables held.

	Total value				
All figures in £'000	-100 bps	-50 bps	+0 bps	+50 bps	+100 bps
FINANCIAL ASSETS (GROUP AND COMPANY)					
Derivatives	248	316	384	452	520

19.2 CREDIT RISK

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, and trade and other receivables. Credit risk arising from the Group's normal commercial activities are controlled by individual business units operating in accordance with Group policies and procedures. The credit risk in respect of cash balances held by banks is managed by only engaging with major reputable financial institutions. Exposure to credit risk arises from the potential for a customer to default on their invoiced sales. Some of the Group's businesses have credit insurance in place. For both insured and uninsured customers, the financial strength and credit worthiness of the customer is assessed based on a variety of internal and external information. Specific credit risk controls that match the risk profile of customers are applied. Ongoing credit risk is managed through regular review of ageing analysis, together with credit limits for each customer. Trade receivables consist of a large number of customers in various industries and geographical areas. The Group does not hold any collateral relating to other financial assets at each annual reporting date.

Trade receivables as at the reporting date were:

Group All figures in £'000	2025	2024
Paper & Packaging	8,310	10,698
Advanced Materials	7,054	4,580
Trade receivables	15,364	15,278
Provision for impairment on trade receivables	(596)	(513)
	14,768	14,765

The Company does not have trade receivables.

PROVISION FOR IMPAIRMENT – GROUP

The majority of trade receivables are covered by credit insurance. All trade receivables have been reviewed under the expected credit loss impairment model and a provision of £596k (2024: £513k) has been recorded accordingly. The Group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. The expected loss rates are based on the Group's historic credit losses experienced. The historic loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified gross domestic product (GDP) and unemployment rates of the countries in which the customers are domiciled to be the most relevant factors and accordingly adjusts historic loss rates for expected changes in these factors. Trade receivables are written off when there is no reasonable expectation of recovery.

On the above basis, the expected credit loss for trade receivables as at the reporting date was determined as follows:

	Trade Receivables days past due				
2025 All figures in £'000	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	2%	67%	80%	85%	4%
Gross carrying amount	14,963	281	10	109	15,364
Lifetime expected credit loss	307	188	8	93	596

	Trade Receivables days past due				
2024 All figures in £'000	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	1%	18%	0%	61%	3%
Gross carrying amount	14,106	768	86	318	15,278
Lifetime expected credit loss	177	141	–	195	513

The movements in the provision for impairment on trade receivables during the year was as follows:

Group All figures in £'000	2025	2024
At 30 March 2024/1 April 2023	513	643
Increase/(decrease) during the period	83	(130)
At 29 March 2025/30 March 2024	596	513

PROVISION FOR IMPAIRMENT – COMPANY

Intra-group loan receivables are as follows:

All figures in £'000	2025	2024
James Cropper Speciality Papers Limited	12,000	12,000
James Cropper Converting Limited	3,000	3,000
James Cropper 3D Products Limited	4,000	4,000
Technical Fibre Products Limited	7,000	7,000
	26,000	26,000
Lifetime expected credit loss	(16,000)	(16,000)
Net intra-group loans	10,000	10,000

The movement in the lifetime expected credit loss on intra-group loan receivables during the year was as follows:

Company All figures in £'000	2025	2024
At 30 March 2024/1 April 2023	16,000	–
Charged during the period	–	16,000
At 29 March 2025/30 March 2024	16,000	16,000

19.3 LIQUIDITY RISK

Liquidity risk is the risk that the Group will not have sufficient funds to meet liabilities. The Group's policy is to maintain a mix of short-, medium- and long-term borrowings with a number of banks. Short-term flexibility is achieved through overdraft facilities.

CURRENT AND NON-CURRENT FINANCIAL LIABILITIES

The maturity profile of the carrying amount of the current and non-current financial liabilities at the reporting date was as follows:

Group All figures in £'000	2025 Debt	 Lease liabilities	 Total	2024 Debt	 Lease liabilities	 Total
In less than one year	2,278	1,120	3,398	572	1,266	1,838
In more than one year but not more than two years	5,136	1,064	6,200	3,626	954	4,580
In more than two years but not more than five years	11,100	1,982	13,082	11,925	2,388	14,313
In more than five years	–	1,781	1,781	3,000	2,128	5,128
	18,514	5,947	24,461	19,123	6,736	25,859

Company All figures in £'000	2025 Debt	 Lease liabilities	 Total	2024 Debt	 Lease liabilities	 Total
In less than one year	1,651	138	1,789	64	140	204
In more than one year but not more than two years	2,300	103	2,403	3,000	87	3,087
In more than two years but not more than five years	11,100	85	11,185	9,000	56	9,056
In more than five years	–	–	–	3,000	–	3,000
	15,051	326	15,377	15,064	283	15,347

TRADE PAYABLES

Trade payables at the reporting date were:

All figures in £'000	Group 2025	Group 2024	Company 2025	Company 2024
Trade payables	9,341	6,554	601	983
Total contractual cash flows	9,341	6,554	601	983

BORROWING FACILITIES

The Group has the following undrawn committed borrowing facilities available at the reporting date:

Group All figures in £'000	2025 Floating rate	2024 Floating rate
Expiring within one year	3,500	13,500
Expiring after one year	–	–

The Group's expiry profile of the drawn down facilities is as follows:

All figures in £'000	Group 2025	Group 2024	Company 2025	Company 2024
Year ending:				
March 2025	–	507	–	–
March 2026	2,208	3,627	1,600	3,000
March 2027	5,136	5,925	2,300	3,000
March 2028	3,420	3,000	3,420	3,000
March 2029	3,840	3,000	3,840	3,000
March 2030	3,840	3,000	3,840	3,000
	18,444	19,059	15,000	15,000

19.4 CURRENCY RISK

The Group publishes its consolidated financial statements in sterling and has subsidiaries that operate in the United States of America, Europe and China. In addition, the Group trades with certain debtors and creditors in foreign currencies. As a result, it is subject to foreign currency exchange risk arising from exchange rate movements which will be reflected in the Group's transaction costs.

The Group is exposed to foreign exchange risks primarily with respect to US Dollars and the Euro. Where possible, the Group maintains a policy of balancing sales and purchases denominated in foreign currencies. Where an imbalance remains, the Group has entered into certain forward exchange contracts.

Represented below is the net exposure to foreign currencies, reported in pounds sterling, and arising from all Group activities, at the reporting date.

2025 Group All figures in £'000	USD	Euro	Other	Local currency	Total
Trade receivables	1,962	2,104	42	10,660	14,768
Trade payables	2,179	1,047	–	6,115	9,341
Net exposure	(217)	1,057	42	4,545	5,427

2024 Group All figures in £'000	USD	Euro	Other	Local currency	Total
Trade receivables	2,357	3,748	21	8,639	14,765
Trade payables	2,382	1,195	6	2,971	6,554
Net exposure	(25)	2,553	15	5,668	8,211

This represents the net exposure to foreign currencies, reported in pounds sterling, and arising from all Group activities.

At the reporting date, the Company's exposure to foreign currency risk was as follows:

2025 Company All figures in £'000	USD	Euro	Other	Local currency	Total
Trade receivables	–	–	–	–	–
Trade payables	1	–	–	600	601
Net exposure	1	–	–	600	601

2024 Company All figures in £'000	USD	Euro	Other	Local currency	Total
Trade receivables	–	–	–	–	–
Trade payables	5	15	–	983	983
Net exposure	(5)	(15)	–	(983)	(983)

The accompanying notes form part of the financial statements.

A 1% strengthening of the pound against the Euro and the US Dollar at the reporting date would have had the following impact on profit.

Impact on profit All figures in £'000	Group 2025	Group 2024	Company 2025	Company 2024
USD	2	–	–	–
Euro	(11)	(25)	–	–

This sensitivity analysis is indicative only and it should be noted that the Group's exposure to such market rate changes is continually changing. The calculations assume all other variables remain constant.

19.5 INTEREST RATE RISK

Interest rate risk derives from the Group's exposure to changes in the value of an asset or liability or future cash flow as a result of changes in interest rates. The Group finances its operations through a mixture of retained profit and bank borrowings. The Group borrows in the desired currencies at fixed or floating rates of interest.

The net exposure to interest rates, measured on variable rate debt instruments, at the reporting date is summarised below.

All figures presented in £'000	Group 2025	Group 2024	Company 2025	Company 2024
Interest-bearing liabilities – floating borrowings	18,343	18,914	14,879	14,855
Interest-bearing liabilities – fixed lease liabilities	5,160	5,834	295	244
Interest-bearing liabilities	23,503	24,748	15,174	15,099

The effective interest rates at the reporting date were as follows:

	2025 %	2024 %
Borrowings	4.2	4.3

The sensitivity analysis below assumes a 100 basis point change in interest rates from their levels at the reporting date, with all other variables held constant. A 1% rise in interest rates would result in an additional £36k interest expense for the Group and £nil for the Company. The impact of a decrease in rates would be an equivalent reduction in the annual charge.

All figures presented in £'000	Group 2025	Group 2024	Company 2025	Company 2024
Statement of Comprehensive Income	36	41	–	–

19.6 DERIVATIVE CONTRACTS

Group and company

Derivative assets All figures in £'000	2025	2024
Derivatives designated as hedging instruments		
Interest rate cap	384	819
Total derivatives designated as hedging instruments	384	819
Total derivative financial assets	384	819
Non-current portion	–	341
Current portion	384	478

The Group has elected to adopt the hedge accounting requirements of IFRS 9 Financial Instruments. The Group enters into hedge relationships where the critical terms of the hedging instrument and the hedged item match. The Group performs a qualitative assessment at the origination of the hedge to determine its prospective effectiveness. Quantitative effectiveness tests are performed at each period end to determine the continuing effectiveness of the relationship. Where changes occur to the hedged item which result in the critical terms no longer matching, the hypothetical derivative method is used to assess effectiveness.

CASH FLOW INTEREST RATE CAP

The Group entered into a SONIA interest rate cap, with an effective date of 28 March 2022 that runs until 30 March 2026, to manage exposure to interest rate fluctuations. The Group has a floating rate liability with an interest profile linked to SONIA compounded in arrears. The Cap is set at 1.5% per annum on a notional £15,000,000. The Cap helps to protect the Group from the risk of interest rates rising above the Cap Rate, limiting the Group's exposure to higher interest rates.

The effects of the cash flow interest rate swap hedging relationships are as follows at the reporting date:

Group and company All figures in £'000	2025	2024
Carrying amount of the derivatives	384	819
Change in fair value of the designated hedging instrument	(435)	(263)
Notional amount	15,000	15,000
Maturity date	30 March 2026	30 March 2026

CASH FLOW FORWARD FOREIGN EXCHANGE CONTRACTS

Foreign exchange risk arises when the Group enters into transactions denominated in a currency other than its functional currency. Where the risk to the Group is considered to be significant, Group treasury will enter into a matching forward foreign exchange contract with a reputable bank. At the reporting date the Group did not hold any cash flow forward foreign exchange contracts.

The effects of the cash flow forward foreign exchange contract hedging relationships are as follows at the reporting date:

Group and company All figures in £'000	2025	2024
Carrying amount of the derivatives	–	–
Change in fair value of the designated hedging instrument	–	(58)
Change in fair value of the designated hedged item	–	58
Notional amount	–	–
Maturity date	–	–

20 RETIREMENT BENEFITS

The Group operates a number of pension schemes. Two of these schemes, the James Cropper plc Works Pension Plan ('Works Scheme') and the James Cropper plc Pension Scheme ('Staff Scheme') are funded defined benefit schemes. The Group also operates a defined contribution scheme and makes contributions to personal pension plans for its employees in the USA.

Pension costs for the defined contribution scheme and personal pension contributions are as follows:

All figures in £'000	2025	2024
Defined contribution schemes	970	935
Personal pension contributions	76	76

Other pension costs totalled £464k (2024: £861k) and represent life assurance charges, government pension protection fund levies and other current service costs.

DEFINED BENEFIT PLANS

With effect from 1 April 2011 active members' benefits were reduced such that future increases in pensionable salaries were restricted to a cap of 2% per annum. As from 1 April 2017 (Works Scheme) and 1 July 2017 (Staff Scheme) increases in pension once it is in-payment will be in line with the annual increase in CPI.

NOTES TO THE FINANCIAL STATEMENTS cont.

The Staff and Works Schemes remain defined benefit schemes but they will no longer 'final salary' schemes. The most recent actuarial valuations of the Staff Scheme and the Works Scheme were undertaken in 2022 by qualified independent actuaries. The major assumptions used by the actuary for each scheme were as noted below. The expected return on plan assets is calculated by using a weighted average across each category of asset:

	Staff Scheme		Works Scheme	
All figures in %	2025	2024	2025	2024
CPI inflation assumption	2.80	2.85	2.90	2.85
RPI inflation assumption	3.20	3.25	3.20	3.20
Rate of increase in pensionable salaries	1.65	1.70	1.65	1.65
Discount rate	5.65	5.00	5.75	5.05
Pension increases for in-payment benefits capped at 5%, with a 3% floor	3.65	3.65	3.50	3.45
Pension increases for in-payment benefits capped at 2.5%, with a 0% floor	2.10	2.10	2.10	2.10

The mortality assumptions have been set in line with the best-estimate results of the Medically Underwritten Mortality study carried out by Morgan Ash as part of the 2019 valuations (with no detailed mortality analysis performed as part of the 2022 valuations).

In respect of mortality for the Staff and Works Scheme members, the assumptions adopted are 135% of the SAPS 'S3' series table, with future improvements in line with the CMI core 2022 projection model with long-term trend improvements of 1.25% pa.

The long-term expected rate of return on cash is determined by reference to bank base rates at the SFP dates. The long-term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the reporting date. The long-term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

The method adopted for determining the discount rate has been selected as the most appropriate following specialist advice and the discount rate has been calculated based on a yield curve of an appropriate duration to the schemes' liabilities.

Pension payments under the defined benefit plans are not expected to peak until 2040, and expected to continue until 2080.

The amounts recognised in the Statement of Financial Position ('SFP') are determined as follows:

All figures in £'000	2025	2024	2023	2022	2021
Defined benefit obligation ('DBO')	(80,568)	(87,020)	(89,305)	(121,651)	(136,140)
Fair value of assets ('FVA')	64,654	69,727	73,165	109,909	117,704
Deficit	(15,914)	(17,293)	(16,140)	(11,742)	(18,436)
Effect of limit on recoverable surplus	–	–	–	(1,388)	–
Net liability recognised in the SFP	(15,914)	(17,293)	(16,140)	(13,130)	(18,436)

Staff Scheme	(3,659)	(3,558)	(2,144)	1,623	(1,383)
Works Scheme	(12,255)	(13,735)	(13,996)	(13,365)	(17,053)
Deficit	(15,914)	(17,293)	(16,140)	(11,742)	(18,436)
Effect of limit on recoverable surplus	–	–	–	(1,388)	–
Net liability recognised in the SFP	(15,914)	(17,293)	(16,140)	(13,130)	(18,436)

Overall, the combined funding position on an IAS 19 measure for both schemes has improved over the year from a deficit of £17,293k to a deficit of £15,914k. The mean term of the liabilities at the reporting date was 10 years for the Staff Scheme (2024: 11 years) and 13 years for the Works Scheme (2024: 14 years). The Group is aware of the High Court ruling in July 2023 in the case of Virgin Media Limited v NTL Pension Trustees II Limited, the unsuccessful appeal against the ruling in June 2024 and the Government's subsequent announcement of their intent to review and retrospectively amend relevant legislation. The Group is waiting for the outcome of the Government review and amendment.

The key risks relating to the pension schemes can be found in the Pension Report on pages 38–39.

The fair value of the plan assets comprises the following categories of asset in the stated proportions:

	Staff Scheme		Works Scheme	
All figures in %	2025	2024	2025	2024
Managed growth	67.9	62.9	63.4	61.8
Annuities	3.6	3.6	1.1	1.0
Cash	2.6	4.6	2.5	3.8
Matching assets	25.9	28.9	33.0	33.4

The pension plan assets do not include any investments in the shares of the Company (2024: nil).

Apart from the annuities and cash, the assets of the schemes are held in an unquoted investment fund managed by the schemes' fiduciary manager and comprising combinations of the above assets. Within those funds, the indirect equity exposures are predominantly quoted. The matching assets comprises holdings of cash and swaps, designed to match the sensitivity of the schemes' liabilities to movements in long-term interest rates and inflation expectations.

The amounts recognised in the Statement of Comprehensive Income are as follows:

All figures in £'000	2025	2024
Total included within employee benefit costs – current service costs and administrative costs	297	428
Interest income on plan assets	(3,417)	(3,494)
Interest cost on defined benefit obligation	4,246	4,247
Interest cost on irrecoverable surplus	–	–
Total included within interest	829	753
Total	1,126	1,181

Analysis of the movement in the Statement of Financial Position liability:

All figures in £'000	2025	2024
At 30 March 2024/1 April 2023	(17,293)	(16,140)
Total expense as above	(1,126)	(1,181)
Contributions paid	1,827	1,815
Actuarial gains/(losses) recognised in Other Comprehensive Income	678	(1,787)
At 29 March 2025/30 March 2024	(15,914)	(17,293)

The actual return on plan assets was £2,041k deficit (2024: £277k deficit).

Following the April 2022 triennial valuations, a deficit recovery plan was agreed with the Trustees with a schedule of contributions which includes additional contributions of £1.2m per annum to the Works Scheme until 31 December 2034 and additional annual contributions of £71k to the Staff Scheme. The minimum funding requirement does not give rise to an additional liability under IFRIC 14.

The cumulative amount of actuarial losses recognised in the Statement of Comprehensive Income, since the adoption of IAS 19, are £17,145k (2024: £17,823k).

All figures in £'000	2025 Works Scheme FVA	2025 Works Scheme DBO	2025 Staff Scheme FVA	2025 Staff Scheme DBO	2024 Works Scheme FVA	2024 Works Scheme DBO	2024 Staff Scheme FVA	2024 Staff Scheme DBO
At 30 March 2024/1 April 2023	37,247	(50,982)	32,480	(36,038)	38,608	(52,604)	34,557	(36,701)
Interest income on plan assets	1,856	–	1,561	–	1,861	–	1,633	–
Current service costs	–	(242)	–	(55)	–	(353)	–	(75)
Benefits paid	(2,597)	2,597	(2,499)	2,499	(3,204)	3,204	(2,088)	2,088
Contributions by plan participants	186	(186)	51	(51)	241	(241)	63	(63)
Employer contributions	1,695	–	132	–	1,627	–	188	–
Interest cost on the DBO	–	(2,509)	–	(1,737)	–	(2,514)	–	(1,733)
Return on plan assets	(3,353)	–	(2,105)	–	(1,886)	–	(1,873)	–
Actuarial gain on DBO	–	4,033	–	2,103	–	1,526	–	446
At 29 March 2025/30 March 2024	35,034	(47,289)	29,620	(33,279)	37,247	(50,982)	32,480	(36,038)

EXPERIENCE ADJUSTMENTS

All figures in £'000	2025	2024	2023	2022	2021
Arising on plan assets	(5,458)	(3,759)	(35,803)	(5,356)	5,669
Percentage of scheme assets	(8.44%)	(5.39%)	(48.93%)	(4.87%)	4.82%
Arising on plan liabilities	6,136	1,972	30,489	11,521	(14,419)
Percentage of scheme liabilities	7.62%	2.27%	34.14%	9.47%	(10.59%)

SENSITIVITY ANALYSES

The sensitivity analyses below have been determined based on reasonable possible changes to the respective assumptions made at the end of the reporting period, while holding all other assumptions constant. The sensitivity analyses may not be representative of the actual changes in the net retirement benefits as it is unlikely that the changes in assumptions would occur in isolation of one another.

Staff Scheme	Current assumption	Sensitivity	£'000	Effect on DBO
Discount rate	5.65% p.a.	0.5% decrease	1,531	+4.6%
Price inflation	3.2% p.a. (RPI)	0.5% increase	466	+1.4%
Mortality	135% of SAPS 'S3' series table	Increase in life expectancy of 1 year	1,398	+4.2%

Works Scheme	Current assumption	Sensitivity	£'000	Effect on DBO
Discount rate	5.75% p.a.	0.5% decrease	2,885	+6.1%
Price inflation	3.2% p.a. (RPI)	0.5% increase	1,135	+2.4%
Mortality	135% of SAPS 'S3' series table	Increase in life expectancy of 1 year	1,466	+3.1%

21 DEFERRED TAXATION

The movement on the deferred tax account is shown below:

All figures in £'000	Group 2025	Group 2024	Company 2025	Company 2024
At 30 March 2024/1 April 2023	2,628	795	4,286	4,006
(Charge)/credit to other comprehensive income	(169)	447	(169)	447
Credit to equity	3	6	3	2
Adjustments in respect of prior years	32	60	(67)	13
Credit/(charge) to Statement of Comprehensive Income	1,464	1,320	(144)	(182)
At 29 March 2025/30 March 2024	3,958	2,628	3,909	4,286

DEFERRED TAX ASSETS

All figures in £'000	Group Pension	Group Share options	Group Other	Group Total	Company Pension	Company Share options	Company Other	Company Total
At 1 April 2023	4,035	54	109	4,198	4,035	54	29	4,118
Adjustment in respect of prior years	–	–	155	155	–	–	13	13
(Charge)/credit to Statement of Comprehensive Income	(159)	(50)	803	594	(158)	(50)	12	(196)
Credit to equity	–	2	4	6	–	2	–	2
Credit to other comprehensive income	447			447	447	–	–	447
At 30 March 2024	4,323	6	1,071	5,400	4,324	6	54	4,384
Adjustment in respect of prior years	–	–	(33)	(33)	–	–	(14)	(14)
(Charge)/credit to Statement of Comprehensive Income	(173)	7	120	(46)	(173)	7	46	(120)
Credit to equity	–	3	–	3	–	3	–	3
Charge to other comprehensive income	(169)	–	–	(169)	(169)	–	–	(169)
AT 29 MARCH 2025	3,981	16	1,157	5,155	3,982	16	86	4,084

DEFERRED TAX LIABILITIES

All figures in £'000	Group Accelerated capital allowances	Group Total	Company Accelerated capital allowances	Company Total
At 1 April 2023	(3,403)	(3,403)	(112)	(112)
Adjustment in respect of prior years	(95)	(95)		
Credit to Statement of Comprehensive Income	726	726	14	14
At 30 March 2024	(2,772)	(2,772)	(98)	(98)
Adjustment in respect of prior years	65	65	(53)	(53)
Credit/(charge) to Statement of Comprehensive Income	1,510	1,510	(24)	(24)
AT 29 MARCH 2025	(1,197)	(1,197)	(175)	(175)

The Group has not recognised a deferred tax asset on the tax losses incurred by its US subsidiaries of £1,848k (2024: £2,598k) due to uncertainty around the future recoverability.

NOTES TO THE FINANCIAL STATEMENTS cont.

22 SHARE CAPITAL

GROUP AND COMPANY

Issued and fully paid	Number of ordinary shares	£'000
At 29 March 2025 and 30 March 2024	9,554,803	2,389

POTENTIAL ISSUE OF ORDINARY SHARES

Under the Group's Long-Term Incentive Plan for Executive Directors and senior executives, such individuals hold rights over ordinary shares that may result in the issue of up to 169,669 ordinary shares of 25p by 9 September 2027 (2024: 82,624 ordinary shares of 25p by December 2026). There were no share options exercised in the period (2024: nil). Further information on Directors' share options can be seen in the Remuneration Committee Report.

LONG-TERM INCENTIVE PLAN

	Options at 30 March 2024	Options granted in the period	Options exercised in the period	Options not expected to vest	Options lapsed in the period	Options at 29 March 2025
Share options	120,703	226,455	nil	nil	(177,489)	169,669

The amount of gains made by Directors on share options exercised in the year totalled £nil (2024: £nil).

The Statement of Comprehensive Income includes an LTIP credit of £9,441 for the year in relation to Directors (2024: £109,372 credit).

CASH-SETTLED OPTIONS

Conditional cash awards ('Cash Awards') grant participating employees a conditional right to be paid a cash amount based on the proceeds of the sale of a specified number of ordinary shares following vesting of the award. Under the LTIP Plan, conditional cash awards were granted to Executive Directors and senior management as follows:

	Options at 30 March 2024	Options granted in the period	Options exercised in the period	Options not expected to vest	Options lapsed in the period	Options at 29 March 2025
Cash-settled options	40,623	62,722	nil	nil	(24,984)	78,361

23 EMPLOYEES AND DIRECTORS

Employee benefit costs during the period:

All figures in £'000	Group 2025	Group 2024	Company 2025	Company 2024
Wages and salaries	28,383	28,122	4,890	3,349
Social security costs	2,816	2,771	526	439
Pension costs (note 20)	1,510	1,873	345	333
Termination benefits	–	1,781	–	363
	32,709	34,547	5,761	4,484

The average monthly number of people (including Executive Directors) employed in the Group during the year, analysed by division was as follows:

	Full-time equivalent		Headcount	
All figures in number	2025	2024	2025	2024
James Cropper Paper Products	341	385	344	388
Technical Fibre Products	150	156	153	159
James Cropper plc	86	68	100	81
	577	608	597	628

The accompanying notes form part of the financial statements.

24 CAPITAL COMMITMENTS

Employee benefit costs during the period:

All figures in £'000	Group 2025	Group 2024	Company 2025	Company 2024
Contracts placed for future capital expenditure not provided in the financial statements	73	793	–	113

25 CONTINGENCIES AND EVENTS POST THE REPORTING PERIOD

There were no contingent liabilities at the period end for the Group.

Subsequent to the period end, the Company received notice that a significant merchant customer of the Paper & Packaging business would no longer source certain coloured paper ranges from James Cropper, effective from that date.

As part of the announced Paper & Packaging improvement plan the Group is expected to incur restructuring costs of £450k in FY26. This figure could increase and is subject to future developments as set out in the going concern disclosure.

In June 2025, the Company received £1.5m in proceeds from the sale of certain non-core intellectual property assets associated with a manufacturing process developed by the Company's Centre for Innovation.

26 EXCEPTIONAL ITEMS

All figures in £'000	Group 2025	Group 2024
Restructuring costs	–	2,309
Impairment of property, plant and equipment	6,914	4,427
Impairment of right-of-use assets	315	–
Earn-out adjustment on contingent consideration on business acquisition	–	(422)
Flood settlement costs	–	100
Pension settlement (income)	–	(1,404)
EXCEPTIONAL ITEMS IN OPERATING LOSS	7,229	5,010
Fair value adjustment on contingent consideration	–	262
EXCEPTIONAL ITEMS IN INTEREST PAYABLE AND SIMILAR CHARGES	–	262

During the year the Group recognised impairment losses in the Paper & Packaging business of £6,914k (2024: £4,427k) and £315k (2024: £0k) on fixed assets and right-of-use assets respectively. Further detail is provided in note 10.

The adjustments above are treated as exceptional items as they distort the underlying operating profitability of the Group and make comparison of performance challenging.

27 RELATED PARTY TRANSACTIONS

GROUP

The Group has taken advantage of the exemption not to disclose intra-group transactions that are eliminated on consolidation. During the period, TFP Hydrogen Products Ltd paid 26k (2024: £25k) to NRD Ventures Ltd, a company in which David Hodgson (Director of TFP Hydrogen Products Ltd) is a Director, for rental of premises in Launceston, Cornwall, used as the main premises for TFP Hydrogen Products Ltd. TFP Hydrogen Products Ltd paid 0k (2024: £15k) to NRD Ventures Ltd, a company in which David Hodgson (Director of TFP Hydrogen Products Ltd) is a Director, for manufacturing equipment.

The accompanying notes form part of the financial statements.

COMPANY

The Company paid £33k (2024: £35k) to Ellergreen Group LLP, a company in which M A J Cropper is a Director, for imports of electricity from a hydro-electric plant.

The Company also has the following transactions and balances with subsidiary entities:

2025 All figures in £'000	Management charges	Receivable/ (Payable)	Loans and net intercompany funding
James Cropper Speciality Papers Limited	5,789	615	17,592
James Cropper Converting Limited	469	4,520	3,220
James Cropper 3D Products Limited	521	30	13,886
Technical Fibre Products Limited	3,532	3,982	4,028
James Cropper Overseas Trading Limited	–	157	64
TFP Hydrogen Products Limited	–	1,462	–
	10,311	10,766	38,790

2024 All figures in £'000	Management charges	Receivable/ (Payable)	Loans and net intercompany funding
James Cropper Speciality Papers Limited	5,667	1,068	20,979
James Cropper Converting Limited	466	(5)	(1,268)
James Cropper 3D Products Limited	963	(10)	13,675
Technical Fibre Products Limited	2,863	(58)	12,369
James Cropper Overseas Trading Limited	–	150	(24)
TFP Hydrogen Products Limited	–	727	–
	9,959	1,872	45,731

Intercompany funding payables are presented within Trade and Other Payables

COMPENSATION FOR KEY MANAGEMENT AND DIRECTORS

In accordance with IAS 24 'Related Party Disclosures', key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, and includes Directors (both executive and non-executive) of James Cropper plc. The remuneration of the Directors is disclosed in the Report of the Remuneration Committee (pages 76–82). There are five Directors who accrued retirement benefits under money purchase and defined benefit schemes in the year (2024: five Directors).

All figures in £'000	2025	2024
Salaries and fees	975	930
Short-term employee benefits	87	81
Short-term bonuses	14	15
Pension costs	31	25
Termination benefits	–	201
Total	1,107	1,252

The gains made by Directors on share options exercised in the year totalled £nil (2024: £nil).

SHAREHOLDER INFORMATION

REPORTING

Interim results announced	20 November 2024
Full-year results announced	17 July 2025
Notification of AGM issued before	5 August 2025
AGM – at Bryce Institute, Burneside Mills, Kendal	3 September 2025

DIVIDENDS ON ORDINARY SHARES

No interim dividends were declared by the Board during the financial year ended 29 March 2025. The Board is not proposing a final dividend at the AGM taking place on 3 September 2025.

EXTERNAL AUDITOR

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TAX ADVISORS

PricewaterhouseCoopers LLP

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