ANNUAL REPORT AND ACCOUNTS 2024

MAKING A MATERIAL DIFFERENCE

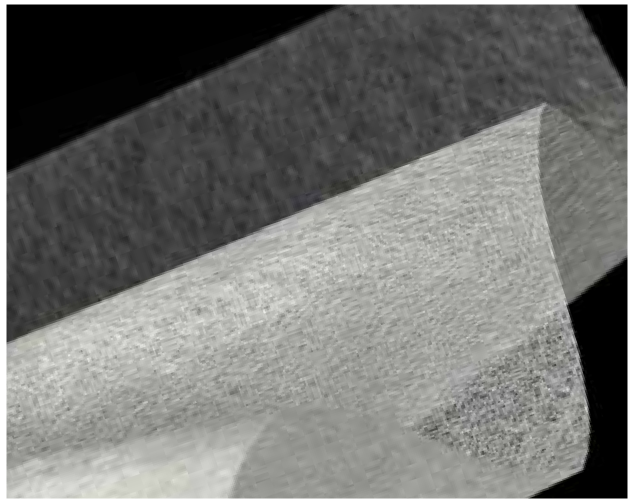
JAMES CROPPER

MAKING A MATERIAL DIFFERENCE

Globally minded but rooted in our communities. Inventive and open to change, but proud of where we have come from. We are forging new materials and possibilities, but still place human values, knowledge and craft at the heart of what we do. We are a company like no other, and our words and actions are crafted to stand out from the rest.

WHO WE ARE

James Cropper is a market leader in the development and manufacture of advanced materials and paper products.



PAPER & PACKAGING

With 179 years of experience, our Paper & Packaging business combines generations of craft with advanced material science to create brand new solutions for customers. Pioneering sustainability, colour science, and moulded fibre packaging, we are a leader in meticulously crafting unique paper products for luxury brands around the world.

ADVANCED MATERIALS

Our Advanced Materials business works at the cutting edge of material science, creating future-focused solutions across a broad portfolio of products. From ultra-fine glass non-wovens found on most commercial aircraft, to electrochemical coatings creating green hydrogen at the heart of PEM electrolysers, we specialise in providing innovative solutions for current and next-generation technologies.

A purpose-led business founded in 1845, James Cropper has an internal workforce of over 600 people and manufactures products used in over 50 countries globally. The Group's ambition is to be operationally carbon net zero by 2030.

OUR PURPOSE

PIONEERING MATERIALS TO SAFEGUARD OUR FUTURE

OUR VALUES

FORWARD-THINKING
RESPONSIBLE
CARING

MAKING A MATERIAL DIFFERENCE

SUSTAINABLE PRODUCT PORTFOLIO

ECOVEIL

Developed for the composite industry, ecoveil features a range of sustainable and recycled veils, including recycled carbon fibre, jute, and a bio-derived polyamide veil.

CUP CYCLING®

700,000,000

Capacity to upcycle 700 million coffee cups per year into luxury paper and packaging.

COLOURFORM®

Combining our renowned expertise in fibre and colour to create 100% renewable and fully recyclable moulded fibre packaging.

100%

EST.1845

NUMBER OF EMPLOYEES
628

END MARKETS FOR OUR PRODUCTS

Our materials are incorporated into over
20,000
commercial aircraft.

Our products were made into over 16m luxury retail shopping bags last year.

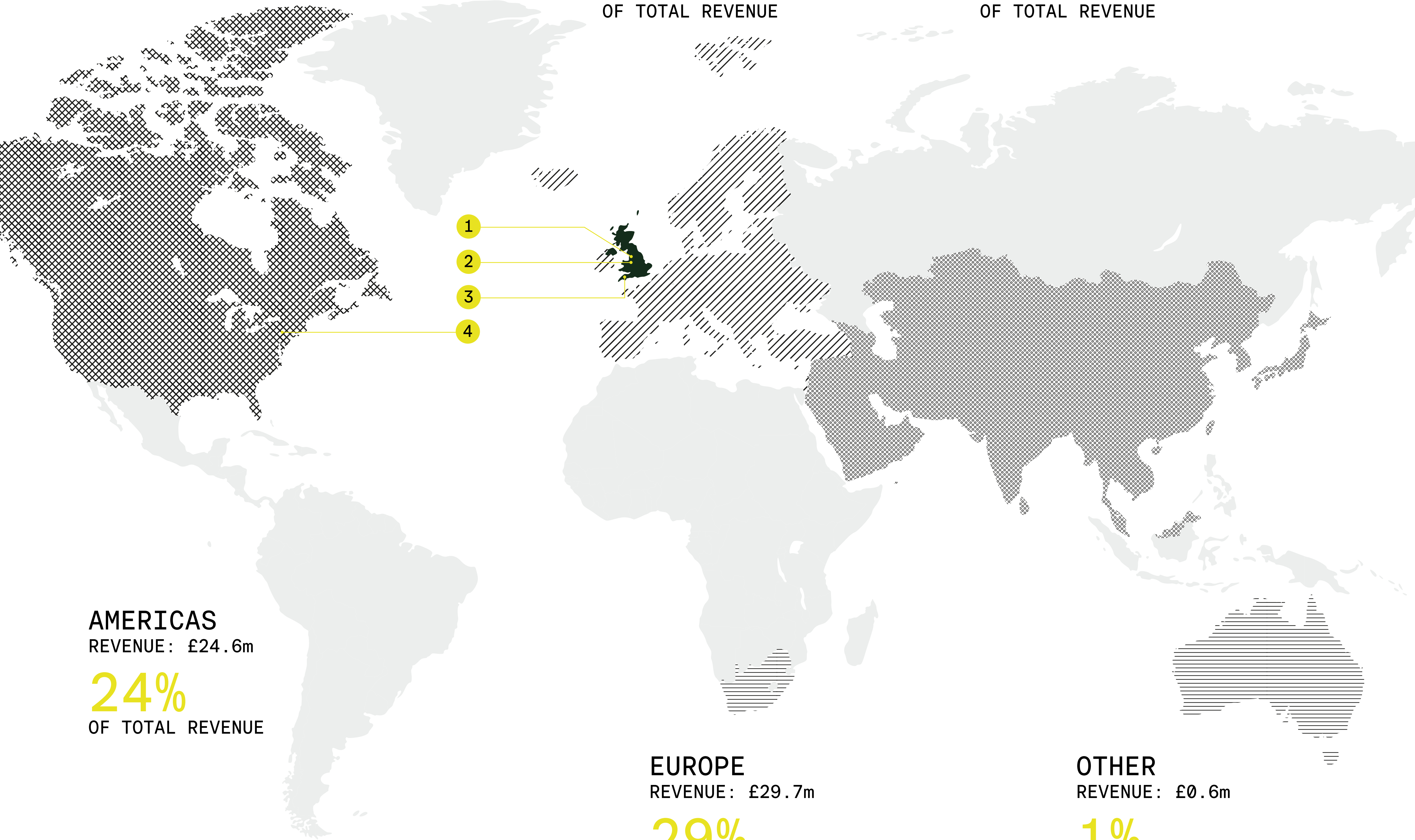
16 MILLION

250,000

We have applied coatings to over 250,000 PEM electrolysers components for use in the generation of green hydrogen.

58,000

Our GDL substrates have been used in over 58,000 hydrogen fuel cell vehicles.



UK
REVENUE: £39.5m

38%

OF TOTAL REVENUE

ASIA
REVENUE: £8.7m

8%

OF TOTAL REVENUE

AMERICAS
REVENUE: £24.6m

24%

OF TOTAL REVENUE

EUROPE
REVENUE: £29.7m

29%

OF TOTAL REVENUE

OTHER
REVENUE: £0.6m

1%

OF TOTAL REVENUE

	Headquarters	Paper & Packaging	Advanced Materials
1. Burneside UK	●	●	●
2. Crewe UK			●
3. Launceston UK			●
4. Schenectady USA			●

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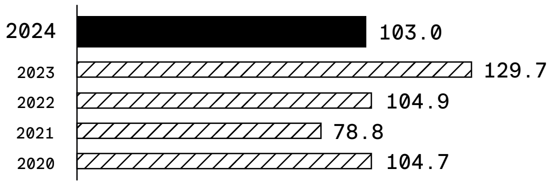
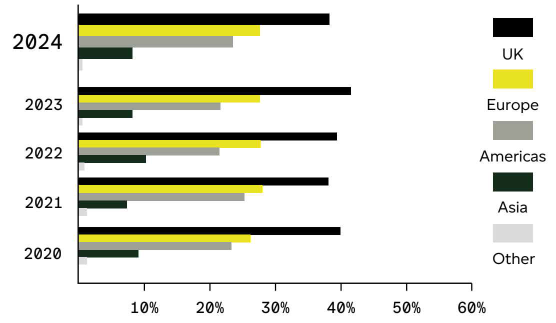
FINANCIAL HIGHLIGHTS

Total revenue

£103.0m ▼-21%

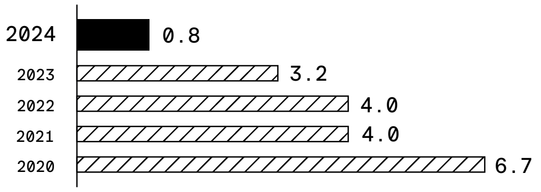


Geographical % segmentation of revenue



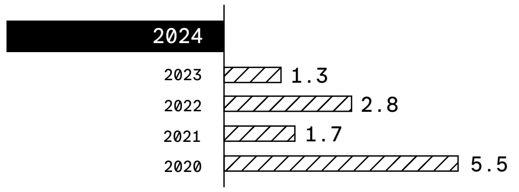
Adjusted profit before tax (1)

£0.8m ▼-75%



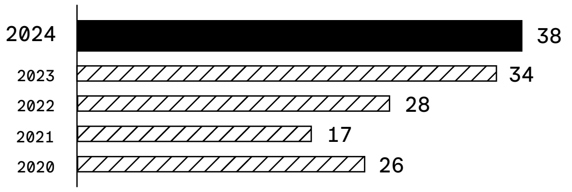
(Loss)/profit before tax

(£5.3m) ▼ £6.6m



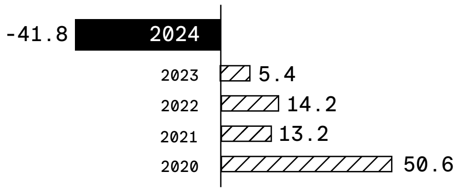
Gearing (2)

38% ▲ 5%



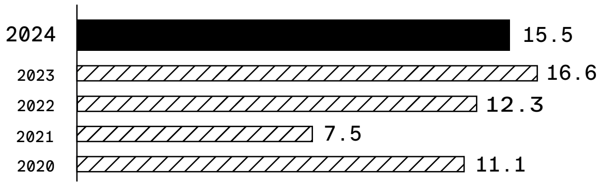
Basic and diluted (loss)/earnings per share

(41.8p) ▼ -47.2p



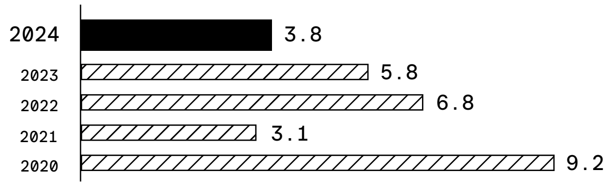
Net borrowings (3)

£15.5m ▼-7%



Capital expenditure

£3.8m ▼ -34%



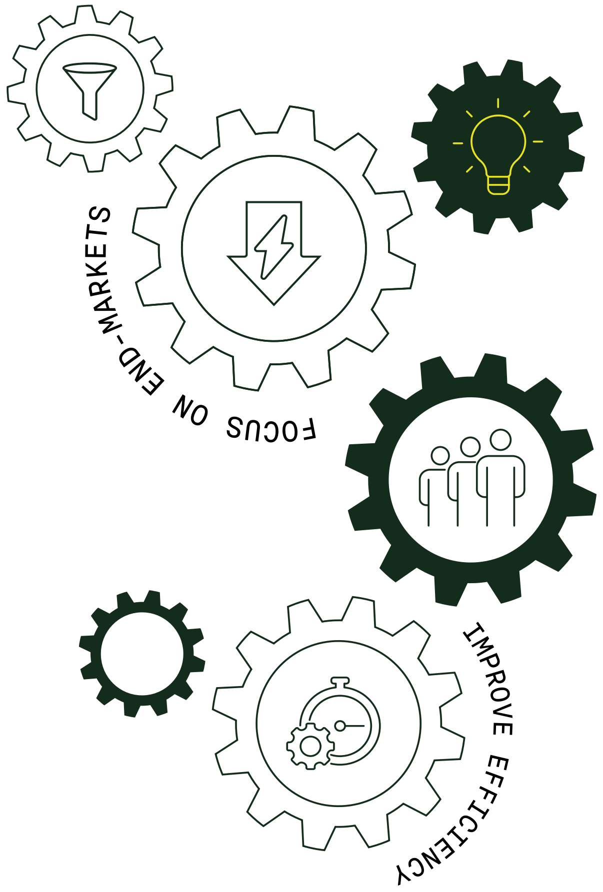
Non-GAAP Measures:

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

2 Gearing is calculated as the proportion of net debt to Total Shareholders' Equity, excluding the IAS19 Pension deficit.

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.

COMMERCIAL HIGHLIGHTS



OPERATIONAL

- Products increasingly focused on end-markets with strong secular growth trends: clean energy, lightweighting and sustainability.
- Restructured Paper & Packaging business has a more efficient operating model and reduced break-even revenue.
- Pricing has been resilient, underpinned by strong customer relationships with margins supported by lower input costs and productivity initiatives.
- More rigorous capital investment, cost and cash disciplines applied across the business.
- Refreshed executive leadership team focused on driving our growth strategy.

OUTLOOK

- FY2025 year-to-date trading has been in line with the Board's expectations.
- Input costs (pulp and energy) have remained high through H1 FY2025.
- Strong opportunity pipeline in Advanced Materials where, despite slower end-market growth in hydrogen fuel cell in FY2024, the mid-term outlook for both Energy Solutions and Composite Solutions remains strong.
- Order intake levels in the Paper & Packaging business point to signs of recovery in FY2025 and the new operating model is delivering improved margins.
- The Board remains confident that, despite external challenges, the Group is positioned to drive increased value for shareholders through a return to growth in the Group's key markets.


CHAMPAGNE
~2015~
PERRIER-JOUËT
BELLE EPOQUE
BRUT
MAISON FONDÉE EN 1811
ÉPERNAY, FRANCE
Fernando Laposse

CHAIR'S LETTER

Dear Shareholders

The 2024 financial year was one of significant change for James Cropper.

At the beginning of the year, we announced the Board's strategy to develop a new business model to accelerate growth in revenue and profitability. This included better leveraging the breadth and capability of the Group under a single brand repositioning James Cropper as an advanced materials business, investing in innovation and systems to drive efficiencies, and combining Paper and Colourform® into a single Paper & Packaging division which was further streamlined to reduce operating costs. I am pleased we were able to make good progress against these strategic objectives and I believe that our resulting business is better positioned for growth as we move forward.

Despite this progress in repositioning the Group, we announced in January that some of our most promising growth opportunities, not least those in hydrogen and fuel cells, are taking longer to bear fruit than previously expected due to delayed market growth. At the same time, we reported that difficult market conditions across the Paper & Packaging business were expected to continue through the second half of the year.

Looking into FY25, we continue to strengthen our relationships with customers and partners in our Advanced Materials business, where solid foundations have been laid for future growth. In our Paper & Packaging business, we are seeing some market recovery with volumes from key customers returning to previous levels. Furthermore, I am pleased with progress being made across the Group to grow our technical capability and market share in target industries.
This will enhance our resilience and position us as the preferred supplier in fast-growing sectors, ranging from sustainable packaging to hydrogen, carbon capture and other energy transition markets.

Growth will also be supported by the launch of our new James Cropper brand in July 2024 which will further leverage our technical capabilities and outstanding reputation for developing innovative products and solutions.

SUSTAINABILITY

As an organisation, James Cropper continues to innovate in its approach to sustainable business. Our ambitious decarbonisation plan, which has recently attracted significant grant funding, progressed during the year with ground works being completed to enable the construction of a new energy centre and the completion of our technical design. We also commenced a project to explore freshwater recycling which will reduce our levels of water abstraction and increase energy efficiency. Whether through the use of recycled materials in luxury packaging as an alternative to plastics, or by producing coatings and technical substrates for use in the hydrogen energy sector, we continue to redefine our offering with the future in mind.

BOARD

In the last 12 months, we have been pleased to report some significant appointments to the Board.

On 27 November 2023, Andrew Goody joined the Board as Chief Financial and Operating Officer, succeeding Isabelle Maddock who stood down in June 2023. Andrew has been a valuable addition to the Board and executive team, bringing significant leadership, financial and business transformation experience.

On 22 July 2024 we announced the appointment of Jon Yeung, who will join the Board as an independent Non-Executive Director and Audit Committee Chair following conclusion

James Cropper is a dynamic business with a passion for innovation.

Our advanced ranges of products and solutions enable us to continually evolve to meet the needs of tomorrow as we transition to a greener and more sustainable society.

Mark Cropper, Non-Executive Chair

of our AGM in September 2024. In addition to being a chartered accountant, Jon brings significant experience in finance and in the creation of shareholder value through business transformation and growth, and I look forward to working with him going forwards. At the same time, we announced that Jim Sharp will step down as a Director and from the Board at the AGM. On behalf of the Board, I wish to thank Jim for his continued support and significant contribution.

In addition, on 25 September 2023, Matthew Ratcliffe was appointed into the new role of General Counsel and Company Secretary, in succession to Jim Aldridge who stood down as Company Secretary in April 2023.

Each appointment brings fresh perspectives and insight to James Cropper, and I am delighted by the level of talent we continue to attract. In the year, our Nomination Committee led an assessment of the skills, capabilities, and diversity of our Board to ensure that we retain an optimal balance of operational and commercial knowledge, financial acumen, entrepreneurial leadership, and independent challenge.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is an important aspect of our business, and the Board recognises its responsibilities to promote the success of the Group for the benefit of its members having regard to the interests of broader stakeholders.

During the year, I met with some of our largest shareholders to discuss the business, our present challenges, broader strategy, and my role as Chair. These meetings provided helpful insight to the views of our investors, which is an important consideration for the Board, and I am very grateful to those who took the time to meet and offer feedback. We also look forward to welcoming shareholders at our forthcoming AGM in September 2024.

DIVIDEND

Given the challenging macroeconomic environment in the second half of the year and the Group's focus on efficient cash management alongside investment to support future growth, the Board is not proposing a final dividend for the year, leaving the total dividend for the year at 3.0 pence per share (FY23: 6.0 pence per share). The Board remains committed to its dividend programme and will keep under review the potential for resuming dividend payments in due course.

OUTLOOK

James Cropper is a dynamic business with a passion for innovation. Our advanced ranges of products and solutions enable us to continually evolve to meet the needs of tomorrow as we transition to a greener and more sustainable society.

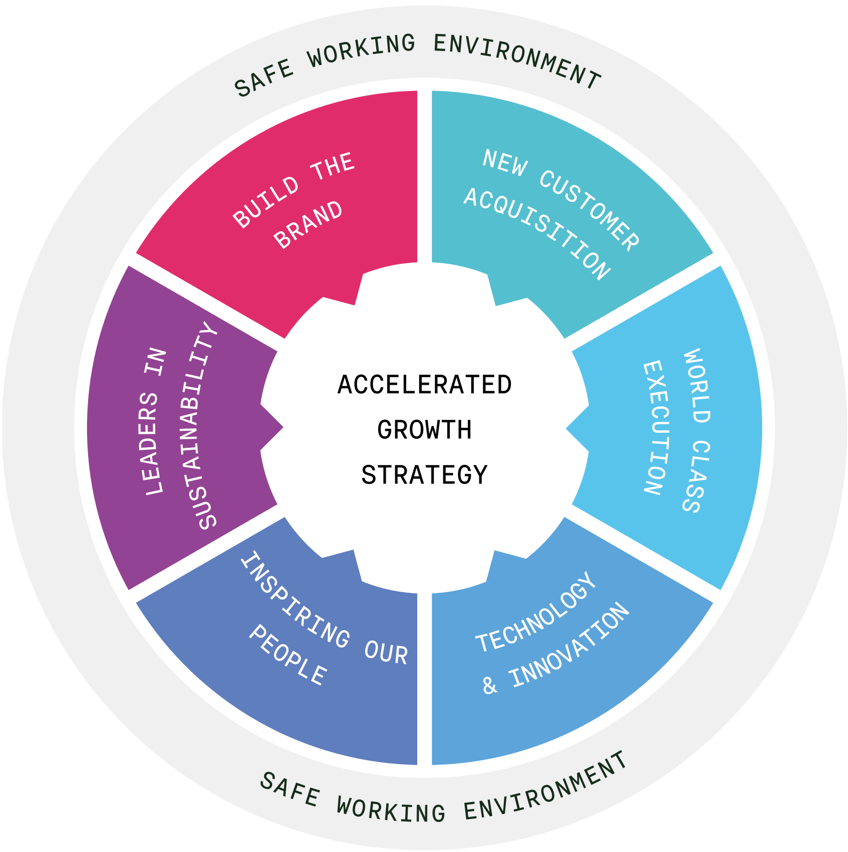
Whilst growth in Advanced Materials was slower than we expected in the last year, the mid-term outlook in both Energy Solutions and Composite Solutions remains strong. Our repositioning of the Paper & Packaging business in the year has delivered a more streamlined operation which is better placed for growth in the medium term.

Short term challenges remain, with input costs remaining high and a degree of political uncertainty, but I am confident that the strength of our offering in growing markets presents significant opportunities.

I am very proud of our colleagues for the support and dedication shown in a difficult year and I believe that we have emerged a stronger business. Our response to significant market challenges in the second half of the year enabled us to achieve a full-year performance ahead of the Board's revised expectations following our January 2024 trading update, and this could not have been achieved without the continued support of our people.

Mark Cropper
Non-Executive Chair
22 July 2024

POSITIONED FOR GROWTH



Our strategy is to focus on specific market sectors where we have, or can develop, a sustainable competitive advantage.

We plan to grow intentionally, by focusing on strengthening our product portfolio in growth markets and leveraging our extensive technical capabilities, manufacturing sites, and distribution networks through strategic investment in people, working capital and equipment.

We have defined and introduced our six strategic priorities, building a solid foundation to drive a strategy for accelerated growth.

1. Profitable growth through new customer acquisition:
   Targeting secular growth trends to exploit opportunities in new and existing markets

2. World class execution:
   Investing in global systems and functions to drive improved productivity and performance

3. Technology and innovation:
   Centre for Innovation to support decarbonisation, the use of waste fibres, and new technology roadmaps

4. Inspiring our people:
   Building a culture of trust, cooperation and involvement

5. Leaders in sustainability:
   Recognising our responsibility to reduce and ultimately eliminate our emissions

6. Build the brand:
   Presenting a more meaningful and relevant face to our increasingly global customer base

HOW WE GENERATE VALUE

WHAT WE HAVE

STRONG FOUNDATIONS

- Pioneering leaders
- Technical and commercial expertise
- Long-term sustainable focus
- History of know how and stewardship
- Strong values

MARKET-LEADING PRODUCTS AND CAPABILITIES

ADVANCED MATERIALS

- Innovative wet-laid nonwovens
- Ultra-fine and lightweight veils
- Specialist electrochemical coatings
- Extensive technical capabilities

PAPER & PACKAGING

- Leaders in colour science
- Proprietary moulded fibre solutions
- Bespoke luxury packaging capabilities
- Pioneers in recycled fibres

WHAT WE TARGET

ATTRACTIVE END MARKETS

- Aligned with secular trends:
  - Clean energy
  - Lightweighting
  - Sustainable packaging
  - Reduce, re-use, recycle

SUSTAINABLE GROWTH

- Continuous new product development
- Compelling commercial opportunities
- Disciplined capital allocation

WHY INVEST IN US?

Since the announcement of our accelerated growth strategy in April 2023, we have restructured our business to align our capabilities with growth markets and simplified our operations to drive efficiencies.

The ongoing focus on sustainability and product differentiation drives demand for our innovative, high-performing ranges of products and services. Our addressable global markets, comprising aerospace, automotive, defence, the hydrogen economy and luxury goods in Paper & Packaging, collectively show significant potential for growth.

We maintain close and longstanding relationships with our customers and enjoy strong levels of engagement and retention. The solutions we develop add real value to our customers across both mature and emerging markets, and we are positioned to deliver scalable growth in key industries.

We adopt the broadest view of value creation and recognise our duty to consider and support all our stakeholder groups. Our company purpose – Pioneering Materials to Safeguard Our Future – reflects our attitude towards responsible and sustainable business, supporting our communities and the environment we have the privilege to operate in from our headquarters on the edge of the Lake District National Park.

We align our innovative range of products and solutions with secular global trends such as: clean energy; lightweighting; sustainability; and reduce, re-use, recycle.

ADVANCED MATERIALS

CLEAN ENERGY

MARKET TRENDS

The Paris Climate Agreement aims for a 45% reduction in global emissions by 2030 and achieving net zero by 2050. As a result, many countries view hydrogen as a key solution to clean energy, investing billions of dollars to make hydrogen production affordable and incentivising the adoption of hydrogen fuel cell vehicles.

PEM electrolysis is considered the optimal method for hydrogen generation due to its high efficiency, high operating density, and capability to function at high and differential pressures.

Hydrogen fuel cells offer faster refuelling, greater range, lower weight, and increased payload capacity compared to traditional battery powered vehicles, making them especially advantageous for heavy goods vehicles (HGVs).

WHAT THIS MEANS FOR JAMES CROPPER

For over 20 years, our Advanced Materials division has partnered with leading manufacturers to develop premium materials for fuel cells and PEM Electrolysers. In fuel cells, we collaborate to create and produce top-tier gas diffusion layer substrates (GDL), continuously innovating to pioneer the next generation of fuel cell solutions.

Our coating solutions are rapidly scalable, enhancing electrolyser efficiency and extending operating life by up to 60% compared to uncoated components. We remain at the forefront of the hydrogen sector's rapid development, working closely with industry leaders to drive progress and innovation.

NET ZERO

MARKET TRENDS

In the pursuit of net zero emissions, carbon capture is recognised as a crucial solution for mitigating climate change.

Significant government investment is propelling technological advancements, with the UK government alone committing £20 billion to establish a competitive carbon capture, usage, and storage market by 2035.

Other governments are also setting ambitious targets and offering subsidies to encourage the adoption of carbon capture technologies. To achieve net zero goals, carbon capture initiatives must expand by a factor of 120 by 2050.

WHAT THIS MEANS FOR JAMES CROPPER

James Cropper has spent over 10 years working alongside industry leaders to develop cutting edge solutions for solid sorbent direct air capture.

Our advanced nonwovens are playing a crucial role in enabling companies to create technologies that hope to address climate change challenges.

LIGHT-WEIGHTING

MARKET TRENDS

To enhance efficiency and reduce emissions, airline and vehicle manufacturers are increasingly incorporating composite materials into their designs.

In battery-powered electric vehicles, traditional battery enclosure – which encompass covers and trays to hold and protect the battery cells – can add 110-160 kg in weight. The industry is shifting towards composite solutions, which can achieve up to 40% weight savings over aluminium, thereby enhancing vehicle range and allowing for the use of smaller batteries and engines.

Additionally, with the growing use of composites, there is a need to integrate advanced materials that offer electromagnetic interference (EMI) shielding. Unlike traditional metals, which naturally provide EMI protection, composites require an additional shielding layer to safeguard passengers and components from EMI effects, whilst adding minimal weight.

WHAT THIS MEANS FOR JAMES CROPPER

James Cropper works closely alongside aerospace and automotive OEMs to develop advanced material solutions which deliver lightweight functionality to composite parts. In use on over 20,000 commercial aircraft, and working with customers in advanced air mobility (AAM), we are continuously developing composite products which offer reduced weight, greater fuel efficiency and lower emissions.

Our innovative range of metal-coated veils have been developed to provide electromagnetic shielding for batteries in electric vehicles and AAM. Easily incorporated into the composite part, this solution delivers weight reduction to the battery box and improved operational efficiency to the manufacturer.

PAPER & PACKAGING

REDUCE, RE-USE, RECYCLE

MARKET TRENDS

In November 2022, the European Commission released proposals for regulations governing the types of packaging which can be placed on the EU market together with rules on packaging waste management and prevention.

These are expected to apply to all packaging, regardless of material, and to packaging waste, whether such waste is used in or originates from industry, other manufacturing, retail or distribution, offices, services or households.

The regulations are designed to minimise the environmental impact of packaging circulated in the EU (ensuring that all packaging shall be recyclable by 2030) and align with broader trends such as the promotion of recyclable replacements and the optimisation of packaging designs to reduce weight and volume.

WHAT THIS MEANS FOR JAMES CROPPER

Our bespoke moulded fibre offering combines expertise in fibre and colour with a relentless ambition to embed sustainability wherever possible.

Made using 100% renewable fibres from sustainably-managed forests or recycled content from our world-class recycling plant – which gives new life to post-consumer waste including CupCycling® used coffee cups – we create moulded fibre for a circular economy.

Our expertise, innovation and commitment to customers mean that we are ideally placed in relation to this growing opportunity.

BESPOKE PRODUCTS

MARKET TRENDS

Every brand is unique, and few settle for a standard paper or square box.

Luxury Brands increasingly seek to leverage packaging as a storytelling tool, creating an immersive experience that unfolds as their products are unboxed. We expect this trend to continue and for brands to make greater levels of commitment to sustainability.

Brands are no longer satisfied with someone else's choice. The need to reinvent, innovate and elevate paper and moulded fibre product offerings is essential in creating something tailor-made that's right for each brand.

WHAT THIS MEANS FOR JAMES CROPPER

Our expertise in colour and fibre, and close customer relationships enable us to truly add value; allowing brands to take control of their packaging with unlimited options across colour, surface embellishment, and fibre source including recycled content.

This expertise coupled with our award-winning moulded fibre Colourform® offering for the luxury market will enable us to continue to exceed customer expectations.

LUXURY SPEND

MARKET TRENDS

Despite recent global economic and geopolitical headwinds, sales of luxury items continue to see year-on-year market growth.

The evolution of luxury packaging trends reflects wider societal changes, including increased environmental awareness and the desire to explore new and innovative ideas.

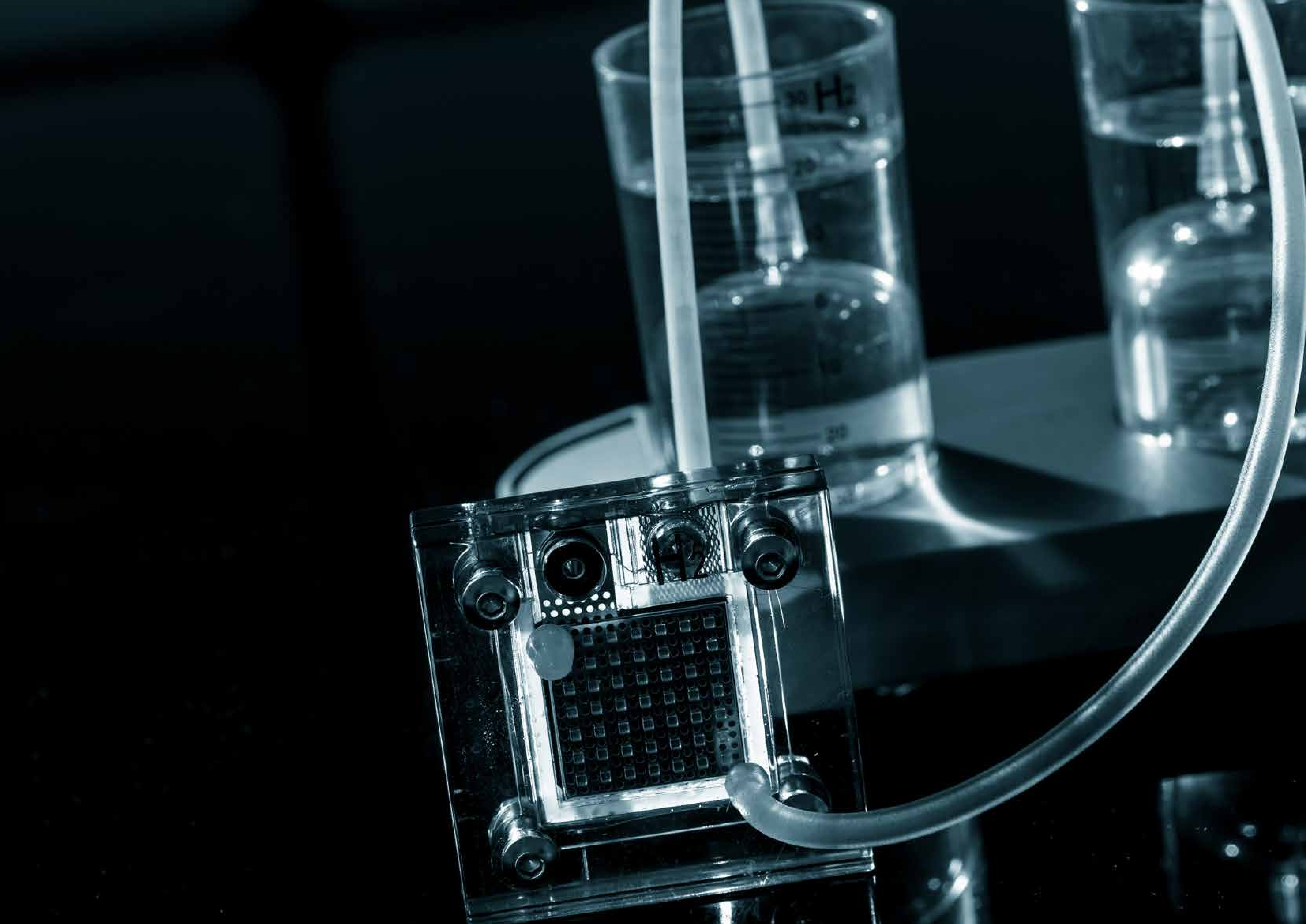
Premium fashion retailers saw a 5.5% increase in sales to February 2024 and it is forecast that global luxury spending is expected to grow by 4-8% per year to 2030, with Gen Z expected to purchase luxury items 3-5 years earlier than previous generations.

An increase in sales of premium and luxury goods brings demand for luxury packaging solutions.

WHAT THIS MEANS FOR JAMES CROPPER

Premiumisation of packaging will become essential for luxury consumers. Our recently installed Embossing Centre of Excellence and laboratory, featuring state-of-the-art monitoring equipment and optical 3D scanning capabilities, means that we can produce textured paper of the highest quality, enabling us to meet growing customer demand for alternatives to plastic which maintain surface aesthetics and functional characteristics.

We also see opportunities for further fibre innovation, where our Colourform® offering provides another differentiating factor in an increasingly competitive market.


H2
H2

CHIEF EXECUTIVE'S REVIEW

I am pleased to provide a review of the financial year ended 30 March 2024.

At the outset of the year, we laid out our Group strategy to accelerate growth in revenue and profitability. This six-point plan has formed the basis for the decisions and actions we have taken during the year and, despite challenging market conditions in the second half of the year particularly, I am pleased that we have made progress towards our strategic goals. James Cropper is now a significantly more efficient business and is strongly positioned in various markets that are expected to grow in the years ahead.

GROUP

	FY24 (£'000)	FY23 (£'000)
REVENUE	102,968	129,664
ADJUSTED EBITDA (APM4)	6,606	9,045
ADJUSTED OPERATING PROFIT (APM 1)	1,977	4,767
ADJUSTED PROFIT BEFORE TAX (APM 2)	758	3,195

Trading in the first half of the year showed continued momentum from the strong finish to the previous financial year. Much work was done to identify growth opportunities within existing and new markets.

Despite strong trading in the first half, difficult market conditions during late 2023 and early 2024 across both the Advanced Materials and Paper & Packaging businesses resulted in a downward revision to the Board's full-year expectations which was announced on 17 January 2024.

These revised expectations in January were, however, exceeded at the full year, owing to a strong focus on business development, pricing protection, operational improvements, and reduced input costs – a great effort from across all parts of the business against a difficult backdrop.

My sincerest thanks, once again, are extended to all our valued customers for their continued support and to our talented employees who have been so committed to serving our customers in the face of such challenging market conditions.

Uniting our exceptional team worldwide under one James Cropper company will be transformative and powerful.

Steve Adams, Chief Executive Officer

ADVANCED MATERIALS

	FY24 (£'000)	FY23 (£'000)
REVENUE	34,503	37,187
ADJUSTED EBITDA (APM4)	9,280	10,714
ADJUSTED OPERATING PROFIT (APM1)	7,715	9,244

The Advanced Materials business performed well in the first half, building on its work to develop specifications with hydrogen electrolyser OEMs, where its technical and process capabilities continued to provide differentiation in this sector. Demand in the hydrogen fuel cell sector also remained buoyant in the first half, as did the aerospace and automotive sectors within Composite Solutions.

The second half saw a marked slowdown in hydrogen fuel cell market demand, driven largely by the sluggish uptake of hydrogen powered passenger cars. This was partially offset by growth in the electrolyser business albeit at a level below the Board's original expectations due to delays in major infrastructure projects. Throughout the year we continued to acquire new customers and progress trials and develop specifications with key electrolyser OEMs. The business is well positioned to take advantage of expected growth in this sector over the medium term.

At the same time, we invested significant effort in enhancing our pipeline of opportunities through developing closer relationships with customers and launching a reinvigorated portfolio and market growth plan, all aligned to selected key focus markets where we see opportunity for growth.

We also established an Advanced Materials Innovation Group, linking together the technical teams from our Burneside, Launceston and Schenectady sites to develop and progress innovation roadmaps for each of these key focus markets. This is part of our focus on technological advancement and the development of value-adding products and services for existing and new customers.

Continued technical innovation and high service levels contributed to maintaining margins in the year. Input costs were well managed through supplier negotiation and a focus on productivity initiatives from operations teams. In addition, the business has concentrated on accelerated market growth opportunities in battery technology, aerospace and advanced air mobility (AAM), EMI shielding, PEM electrolyser, hydrogen fuel cell and carbon capture.

Revenues across the division totalled £34.5m for the year, a reduction of 7.3% (FY23: £37.2m). Adjusted operating profit of £7.7m was £1.5m below prior year (FY23: £9.2m) due to the drop in revenue.

Looking forward, our aim is to be recognised as true experts and innovators within our key focus markets, building upon our know-how and strong relationships with customers and partners, and to selectively invest in the development of further value-adding solutions to drive growth.

For more information, please see Advanced Materials in Focus from page 23.

PAPER & PACKAGING

	FY24 (£'000)	FY23 (£'000)
REVENUE	68,465	92,477
ADJUSTED EBITDA (APM4)	(2,473)	(1,537)
ADJUSTED OPERATING LOSS (APM1)	(5,138)	(3,904)

Our focus for FY2024 in the Paper & Packaging business was to consolidate around more profitable and sustainable products and markets, particularly solutions for luxury packaging, through a streamlining of our portfolio. In April 2023, we commenced a collective consultation with our Trade Union for a restructuring of the business around a reduced asset base and a right-sized workforce, driving productivity and efficiency from continuous operation under an optimised shift pattern.

We also began the integration of our Colourform® business within the Paper business under one Paper & Packaging business. The interests of our stakeholders were at the heart of this process, not least our people, and I am pleased to have seen strong engagement, support, and resilience throughout. The restructuring activity resulted in a reduction of 15% of our workforce, primarily through voluntary redundancy.

As announced in January 2024, the Paper & Packaging business experienced a significant downturn in volume during the second half of the year caused by supply chain destocking, compounded by the impact of high inflation on consumer confidence. Despite volume pressures, customer retention remained high with strong relationships at the channel, converter and end-customer level. Lower input costs, mix improvements and productivity initiatives as well as maintenance of strong average selling prices helped to protect margins.

The restructuring activity was completed by the end of December 2023, with continuous running in production across fewer paper assets and with work ongoing to optimise the new operating model. Our restructuring activities and taking cost out of our Paper & Packaging business has driven margin improvement.

The future project pipeline is encouraging and forward indicators, such as order intake, point to signs of market recovery in FY2025.

For more information, please see Paper & Packaging in Focus from page 27.

GROUP STRATEGY

Our Group strategy is built around six key pillars, enveloped within a commitment to a safe working environment, designed to drive value growth for all our stakeholders:

01 PROFITABLE GROWTH THROUGH NEW CUSTOMER ACQUISITION:

Targeting secular growth trends such as clean energy, lightweighting, sustainable packaging and reduce - re-use - recycle.

02 WORLD CLASS EXECUTION:

Long-term investment programme to simplify processes and systems that will enable smarter access to data and drive improved productivity and performance. Implementing a lean business programme across the Group.

03 TECHNOLOGY & INNOVATION:

Our Centre for Innovation is driving decarbonisation of the Group's operations; making ever greater use of recovered fibres; helping to create technology roadmaps in emerging markets such as green hydrogen, fuel cells and carbon capture.

04 INSPIRING OUR PEOPLE:

Supported by our Code of Ethics and Behaviours to build a global and diverse workforce. Investing in workplace facilities, engagement tools and leadership development programmes.

05 LEADERS IN SUSTAINABILITY:

Recognising both our responsibility to reduce and ultimately eliminate emissions through the installation of our Low Carbon Energy Centre and providing solutions which enable our customers to transition to sustainable products and energy alternatives.

06 BUILD THE BRAND:

Positioning the Group along an exciting spectrum from heritage to cutting edge that leverages the brand value of the James Cropper name across all our markets and geographies. Repositioning ourselves to better serve our target customers and provide a stronger connection to our Purpose.

EXECUTIVE LEADERSHIP

During the year we made several significant changes to our executive leadership team to bring enhanced commercial discipline and alignment to our growth strategy.

In November, Andrew Goody joined the Company as Chief Financial and Operating Officer, succeeding Isabelle Maddock who stood down in June 2023. Andrew's focus is to apply his experience and expertise to further enhance our financial processes, capital allocation and growth strategy.

Matthew Ratcliffe was appointed into the new role of General Counsel and Company Secretary in September 2023, succeeding Jim Aldridge who stood down as Company Secretary in May 2023. As a qualified lawyer, Matthew will focus on enhancing our commercial contractual capability, supporting our teams with commercial negotiations around supply, development and supplier agreements as well as bringing rigour to the company secretariat.

Patrick Willink took on the role of Chief Innovation Officer, relinquishing his leadership of the Colourform® business as we consolidated that operation together with our Paper business. Reigniting our innovation engine is core to our purpose and pioneering spirit as we seek to build next generation technology platforms in both Advanced Materials and Paper & Packaging.

Richard Bracewell stepped into the Paper & Packaging Managing Director role after having successfully orchestrated the restructuring and consolidation of that business as Transformation Lead.

Upon the resignation of James Gravestock as Managing Director for our Advanced Materials Business in January 2024, we have appointed Andy Walton into that role. Andy joins us from Victrex and has over 30 years of experience in the chemicals, sustainable solutions, and advanced materials sectors. He has led multiple global businesses to deliver high performance solutions to OEMs and Tier 1 suppliers within Aerospace, Automotive, Energy and Industrial end markets.

I have huge confidence in this strengthened executive team to drive shareholder value as we build out our plan.

CAPITAL EXPENDITURE

The drop in capital expenditure in the year from £5.8m to £3.8m reflects our response to the challenging market conditions. In addition, previous investments in capacity and capability, combined with the restructuring of our Paper & Packaging business and a concerted effort to forecast demand more accurately have allowed us to optimise our capacity requirements. Our operations teams in both businesses have adopted lean manufacturing processes to drive productivity and more efficient machine utilisation.

We have continued to invest in our hydrogen business to ensure sufficient capacity to meet anticipated demand and during the year we commenced the first phase of construction for our new decarbonisation energy centre with site clearance and groundbreaking for the new foundations.

WORLD CLASS EXECUTION

During the year we have made great strides to improve our cost base as well as drive productivity and efficiency through the use of lean manufacturing tools across all parts of the business. Stock reduction programmes, sourcing savings and outsourcing, such as for pallet making, have all been in focus.

We also appointed Paul Bonnefin as Information Systems Director to strengthen our systems infrastructure and architecture capability and bring focus to our ERP requirements assessment.

TECHNOLOGY AND INNOVATION

Pioneering innovation continues to be critical to our growth plan. Our innovation teams have been working on a number of strategically important development projects focused on building new opportunities as well as protecting the Company.

In addition to the work of the Advanced Materials Innovation Group, we have been focused on the development of technical papers that build on our expertise of using many different fibres and draws on the experience and knowledge from all the Group's businesses. We are seeking to push the boundaries of our fibre knowledge by deriving new sources of fibre through pioneering work to recover papermaking fibres from waste textiles.

To minimise our impact on the local environment in the Lake District World Heritage Site, we are striving to clean and re-use the water essential to the papermaking process, minimising the amount discharged but also reducing the amount abstracted from the river.

Looking to the longer term, we are seeking to use artificial intelligence and machine learning to create predictive models that help improve productivity and efficiency whilst creating a culture of innovation across the Group by encouraging shared learning and collaboration to create new and unique ideas.

INSPIRING OUR PEOPLE

Our people continue to be critical to the success of our business and never more so than in the last year. The unprecedented restructuring and alignment to a new operating model in our Paper & Packaging business was conducted under a collective agreement with our Trade Union.

A series of meetings were held from April to September 2023 under a dedicated Transformation Leader and team, culminating in a positive ballot vote for the changes. The successful outcome was a testament to both sides in upholding our Values of Forward Thinking, Responsible and Caring and I want to commend our Trade Union for their commitment to the process.

Further to the implementation of our renewed Code of Ethics and Behaviours last year, this year we launched a new anonymous ethics hotline via an independent provider, Safecall. During a period of such change, it was important to provide the ability for all employees to confidently raise concerns, should they arise.

We also conducted our third online employee opinion survey in the latter part of the year to capture the voice of our employees. A slightly lower engagement score to the previous year reflected a degree of concern and uncertainty over the external trading environment and internal changes. The Executive team has built a comprehensive communication and engagement programme that will be rolled out during FY2025 to enhance confidence, both in our strategy for future growth but also in bringing stability to our organisation moving forward.

We are also committed to building the strength and capability of our leadership population. On the back of our successful in-house LEAP leadership development programme, we will now be bringing leaders together, Group-wide, to engage around a revised set of James Cropper Leadership Standards, designed to reinforce the responsibility of all our leaders to help their teams work towards a common goal of growth.

LEADERS IN SUSTAINABILITY

We made significant strides towards our net zero carbon ambition during the year with the commencement of the civil construction work in January 2024 to clear the site for our new Low Carbon Energy Centre which will house the proprietary technology required to decarbonise our paper making operations. We also secured £4.2m in innovation funding from the Industrial Energy Transformation Fund (IETF) to support the project. Work is still ongoing to complete the detailed engineering design phase as well as exploring alternative phasing for the build work to ensure an optimised return on investment. A number of third parties continue to express interest in our pioneering capability and we are in discussions on how to accelerate the deployment and take up of the technology for broader industry benefit.

SAFE WORKING ENVIRONMENT

Our commitment to a safe working environment remains unwavering. This year we set up a Central Safety Committee which I chair, which is made up of senior leaders, including the Trade Union, from across the Group. The committee is tasked with delivering programmes that will move our organisation from being reactive to proactive and fully engaged in our safety journey.

As a company, despite the rigour in our safety systems and processes our challenge continues to be one of hearts and minds and behavioural safety.

We have a suite of activities aimed at improvements in this area, including our recent launch of our Committed to Safety programme and the introduction of our "10 Golden Rules" campaign.

I am also delighted to have made the appointment of a new Group Head of Health and Safety. Ross Troughton, who joined us in June 2024, is a pragmatic and experienced health and safety leader who brings a wealth of industry experience and who will work directly under me to drive our safety improvement actions across all locations and functions within the Company.

BUILDING THE BRAND

During the last year we have invested considerable creative time in building an updated brand position for James Cropper, aligned to our growth strategy. This refresh recognises we are globally minded but rooted in our communities. We are inventive and open to change, but proud of where we have come from. We are forging new materials and possibilities, but still place human values, knowledge and craft at the heart of what we do. These are the characteristics and realities of James Cropper that have inspired the evolution of our new branding, the first example being this new, reformatted annual report.

Our 179 years of expertise, our ability to reinvent ourselves and adapt in the face of challenges and our proven track record of pioneering and innovation, together give us real traction with our global customers.

Coming together as one James Cropper company also allows us to harness the incredible ingenuity of our people and to collaborate in a more disciplined way to drive synergies and growth.

LOOKING FORWARD WITH CONFIDENCE

The foundations are in place, and we remain committed to delivering against our six strategic priorities. Uniting our exceptional team worldwide under one James Cropper company will be transformative and powerful.

Trading in the current year-to-date is in line with the Board's expectations, and comfortably within the bank covenants reset in June 2024. I am confident that, despite the external challenges we continue to face, our progress in the last year will drive increased value for our shareholders through accelerated growth in our market-focused segments.

Steve Adams
Chief Executive Officer

22 July 2024

ADVANCED MATERIALS IN FOCUS

After a strong first half in FY2024, the second half year was characterised by a marked slowdown in demand in the hydrogen fuel cell sector. Against that backdrop, the business focused on robust cost control together with operational excellence and pricing to maintain margins.

KEY FOCUS MARKETS

At the same time, we invested significant effort in enhancing our pipeline of opportunities through developing closer relationships with customers and launching a reinvigorated portfolio and market growth plan, all aligned to selected key focus markets where we see opportunity for growth (for more information, see page 25).

We also established an Advanced Materials Innovation Group, linking together the technical teams from our Burneside, Launceston and Schenectady sites to develop and progress innovation roadmaps for each of these key focus markets. This is part of our focus on technological advancement and the development of value-adding products and services for existing and new customers. In FY2024, 16.1% of revenues in the Advanced Materials business came from sales of new products.

LEADERSHIP CHANGES

In April 2024, we announced the appointment of Andy Walton as Managing Director for the Advanced Materials division in succession to James Gravestock who stepped down from the business in January 2024. Andy brings a wealth of domain experience to the Advanced Materials team, and we look forward to our next phase of growth under Andy's commercial leadership.

To support our continued focus on technology and innovation, in 2024 we appointed Dr Dave Hodgson to the role of Chief Technical Officer for the division. Dave was previously Managing Director of our hydrogen electrolyser business and brings a wealth of technical and industry experience to the role.

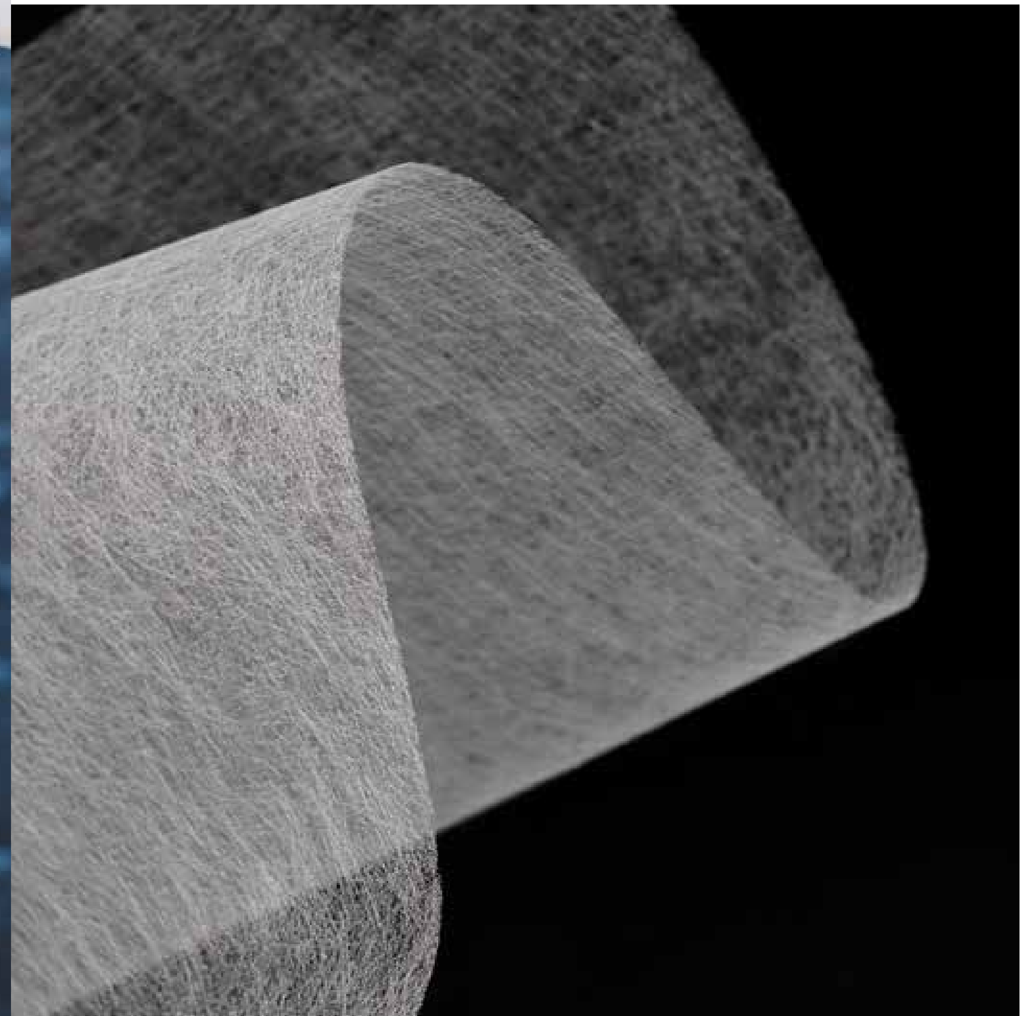
To build upon our position within the hydrogen electrolysis market, we aligned our commercial approach under the leadership of Tom Sharrock who was appointed Global Head of Sales for Hydrogen Coatings, to enhance our focus on developing the opportunity pipeline.

OUTLOOK

Our aim is to be recognised as true experts and innovators within our key focus markets, building upon our know-how and strong relationships with customers and partners, and to selectively invest in the development of further value-adding solutions to drive growth. As part of the Group's rebranding exercise, new product portfolios aligned to our key focus markets have been developed to enable customers better understand the technology and solutions we offer.

In support of our commitment to world class execution, we are implementing a LEAN strategy to drive efficiencies and operational excellence and continuing to invest in the development of our people with a focus on leadership, talent, and performance.

Looking forward, our know-how, capabilities, and strong industry relationships put our Advanced Materials business in a strong position to capitalise on the significant market growth expected in the medium and long term.



Our aim is to be recognised as true experts and innovators within our key focus markets.

ADVANCED MATERIALS CASE STUDIES

01 HYDROGEN FUEL CELL

Hydrogen fuel cells utilise the chemical energy of hydrogen to cleanly and efficiently produce electricity. Fuel cells have a variety of applications and can provide an energy source for systems as large as power stations and as small as laptop computers.

Fuel cells comprise various highly technical components, including the critical Gas Diffusion Layer (GDL). The GDL forms the basis of both the anode and cathode, and is responsible for water management, the transport of reactants, electricity and heat, as well as providing structural support.

Hydrogen fuel cells electric vehicles (FCEVs) are an attractive alternative to battery electric vehicles due to faster refuelling, greater ranges, lower weight and thus increased payload capacity for HGVs.

Government policies are incentivising the adoption of FCEVs, including:

- The US Inflation Reduction Act includes a 30% investment tax credit for FCEV manufacturing projects.
- US businesses can claim $7,500 Clean Vehicle Credit and 30% credit for commercial FCEVs.
- China aims to have 50,000 FCEVs on the road by 2025 and is offering subsidies to cities that promote hydrogen powered vehicles.

For over 20 years we have worked alongside leading manufacturers to develop and manufacture the highest quality GDL substrates. As testament, our products are currently in use on over 60,000 fuel cells around the globe.

With continued government funding and drive to meet net zero targets, our Advanced Materials business is supporting customers in the development of the next generation of fuel cell products and is well positioned to take advantage of continued growth in the market.

02 PEM ELECTROLYSER

Proton exchange membrane (PEM) electrolysers use electricity to split water molecules, producing hydrogen which is stored for later use as a source of energy. The process generates low-carbon hydrogen – oxygen being the only by-product – which has a significant role to play in the transition to clean energy and in tackling climate change.

PEM electrolysis is considered the optimal source of hydrogen generation due to its high efficiency, high operating density, and ability to operate at high and differential pressures. PEM electrolysis operates effectively from variable power supplies, which provides advantage in a world utilising a multitude of sources such as solar and wind.

Globally there is currently 11 GW of hydrogen generating electrolyser capacity which includes PEM and other technologies. It is expected that this will increase significantly to 170-365 GW by 2030.

In conjunction with leading electrolyser OEMs, our team of electrochemists have developed some of the most advanced coatings which are designed for application to critical components within PEM electrolysers; providing protection and extending operational life by up to 60% when compared with uncoated components and lowering the cost of generating green hydrogen.

From our manufacturing sites in the UK and USA, and our close collaborations with PEM electrolyser OEMs, we are well positioned for considerable market growth and have developed scale up solutions to enable our customers to meet future demand.

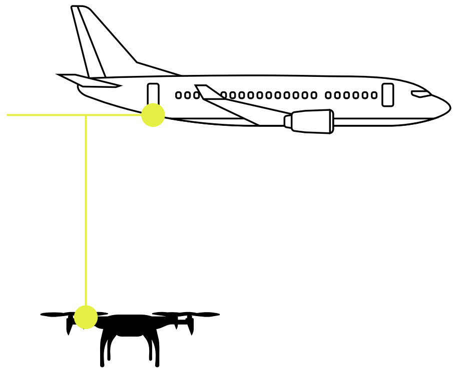
ADVANCED MATERIALS GROWTH MARKETS

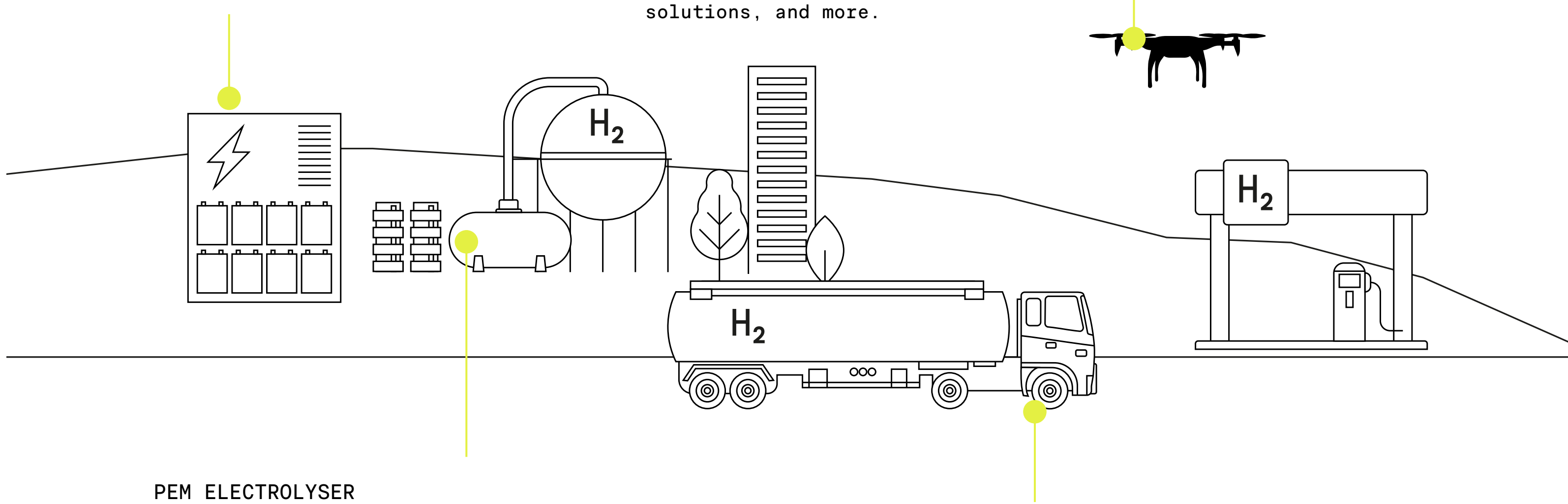
BATTERY TECHNOLOGY

We manufacture numerous solutions for the battery market. From electrocatalysts for flow batteries, to electrode materials increasing current density of next generation lithium-ion batteries, we work with manufacturers to create solutions for some of the most innovative battery chemistries on the market.

AEROSPACE ADVANCED AIR MOBILITY

Our customers are amongst the largest aerospace manufacturers in the world, including many Fortune 100 and 500 companies. Our portfolio of products are in use on most commercial aircraft, delivering composite structure, improved processing, light weighting efficiency solutions, and more.



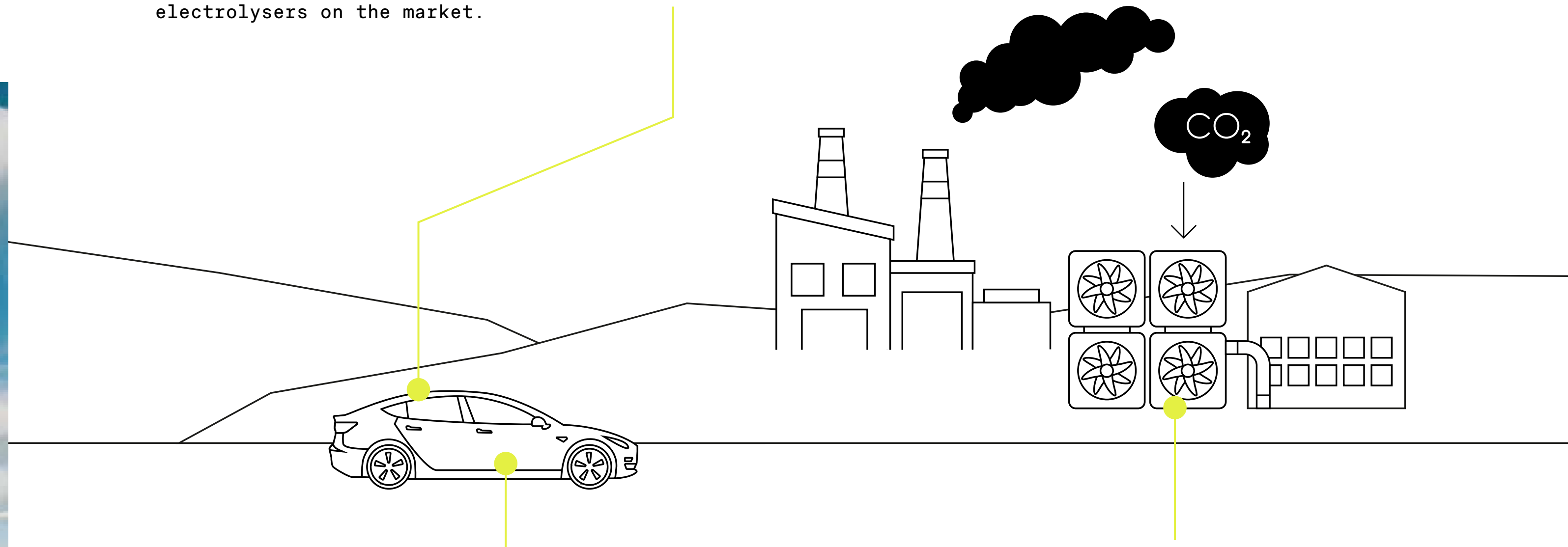


PEM ELECTROLYSER

Our proprietary coating technology, Resillion, is empowering the hydrogen generation industry. We are strategic partners with our customers, tailoring our coatings to their unique system requirements and enabling them to manufacture some of the most efficient PEM electrolysers on the market.

HYDROGEN FUEL CELL

Our advanced carbon fibre non-wovens are some of the most uniform and highly specified on the market. With quality second to none, our automotive fuel cell customers have worked along side our team of materials scientists for over 20 years to develop gas diffusion layer substrates, known as GDL substrate. These materials are further processed and become an integral part of the fuel cells.



EMI SHIELDING

We are one of few companies in the world able to manufacture metal coated carbon fibre non-wovens. This unique range of products imparts shielding of electromagnetic radiation, and is being used and qualified by aerospace and automotive manufactures globally as they transition from heavy metal components to lightweight composite parts.

CARBON CAPTURE

We are actively partnered with leading companies in direct air capture and point-source carbon capture. Our non-wovens are used sequester CO_2 from the environment through solid sorbent technology.

PAPER & PACKAGING IN FOCUS

It has been a transformational year for the Paper & Packaging division, but also one with many external challenges. Against a broader decline in demand across the paper industry, for example CEPI reported a 27.5% drop in demand for graphic paper across 2023, we saw a significant reduction in our sales volumes in the second half of the year.

A key influencing factor was that many packaging customers built up stock following the pandemic, but a slowdown in consumer demand led to full supply chains and significant destocking as companies sought to preserve cash. Whilst there was a drop in volume across many sectors of the market, within creative papers, the art and photography sector proved much more resilient, and we saw strong performances from our key customers in the sector.

Despite volume pressures, customer retention remained high as the business benefits from strong relationships at the channel, converter, and end customer levels. Lower input costs (energy and carbon tax), mix improvements and productivity initiatives, as well as maintenance of strong average selling prices helped to protect margins during the year.

BUSINESS TRANSFORMATION

During the year we delivered a major transformation programme to right size the business around a streamlined product portfolio focussing on the more profitable sectors of the creative papers and luxury packaging markets.

To drive productivity and reduce costs, the Paper and Colourform® businesses were combined into a single Paper & Packaging division with a new organisational structure, manufacturing operational model and shift pattern.

Specifically, following a collective consultation with the trade union, head count was reduced by 15% primarily through voluntary redundancy, delivering a £2.5m annual cost saving. The asset base was reduced by one paper machine alongside the introduction of seven-day continuous manufacturing within papermaking and finishing. This was effectively supported by a new shift system, increasing workforce flexibility through multi-skill training enabling employees to operate multiple assets. We are already seeing early benefits including productivity and efficiency gains and reduction in maintenance costs.

Having led the business transformation programme and with deep knowledge of the Group, Richard Bracewell was appointed as Managing Director for Paper & Packaging in August 2023 to reposition the division, ensuring long-term differentiation and market competitiveness. With growth front and centre, Richard has made strategic hires including Neil Strain who joined in October 2023 as the new Supply Chain & Production Director. More recently in March 2024, Gareth Fisher joined as Head of Sales, marking an important milestone as we strengthen our strategic position to accelerate business development.

HIGHLIGHTS

Our new partnership with Remy Cointreau owned Scotch whisky brand Bruichladdich saw the Colourform® team reimagine traditional packaging for the whisky market. The work is an example of best practice for sustainability and innovation. Complementing successful existing relationships with Perrier Jouët and Maison Ruinart, this relationship demonstrates our value proposition which we are successfully leveraging with some of the world's most recognisable brands.

Likewise, our more than 40-year relationship with the Royal British Legion was thrown into the spotlight in 2023, through our work to redesign a British icon. The all paper Remembrance Poppy was launched for the first time containing no single-use plastic, and with a 40% reduction in carbon emissions. The paper used is a demonstration of our recovered fibre expertise, comprised of a blend of renewable fibres from responsible sources; 50% of which has been recovered from paper coffee cup production via James Cropper's CupCycling® facility.

The installation of a new state of the art energy efficient boiler in our upgraded power plant in April 2023 has not only lowered costs but is a significant step toward our carbon emissions reduction goals. Our commitment to better energy solutions was more recently recognised with the award of a £4.2m grant awarded as part of the Government's Industrial Energy Transformation Fund (IETF). The funding will support a pioneering engineering solution to electrify our heat demand, which is being developed by our expert team.

OUTLOOK

It has been a challenging year for the business, both in terms of the amount of change that our colleagues have faced and the difficult market conditions. The positivity and focus of the team has been incredibly impressive and we are grateful for their enthusiasm for the journey we are on together; facing up to the challenges and embracing the new ways of working.

Towards the end of Q4, we started to see a recovery in orders with the trend continuing in Q1 FY2025. Longer term industry forecasts within Luxury Packaging are strong with spending on luxury goods set to grow by 4-8% CAGR from 2023 to 2030.

Having demonstrated our agility in repositioning and remaining forward thinking, we are confident that the Paper & Packaging business is now in a competitive position to achieve long term profitable growth, whilst building resilience to ongoing external challenges.

PAPER & PACKAGING CASE STUDIES

01 BRUICHLADDICH WHISKY INDUSTRY FIRST

The coloured wrap for The Bruichladdich Eighteen and The Bruichladdich Thirty is the first of its kind in the whisky space. Made from fully recyclable paper pulp and moulded to the shape of the Bruichladdich proprietary glass bottle, the wrap is the definition of conscious modern luxury.

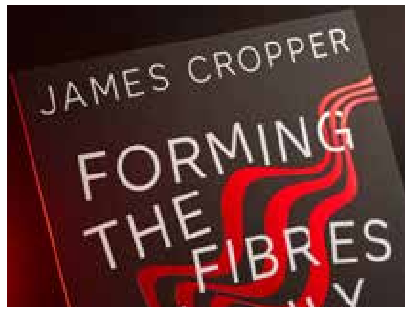
Bespoke in colour and shape with unique emboss and deboss features, the design also includes a branded, oversized custom clasp feature. Using 100% fresh fibre the wrap is significantly lighter than previous packaging solutions without compromising strength or integrity while significantly reducing Bruichladdich's CO2 impact.

James Cropper produces the moulded fibre packaging using 100% green energy and the wood pulp used in its creation is sourced from sustainably managed forests. Brought to life using a single material with no glue, the packaging is 100% recyclable in every household.

02 ADDRESSING MISCONCEPTIONS AROUND SUSTAINABLE PACKAGING

In 2024, James Cropper launched the 'Sometimes it is Black and White' campaign in conjunction with Foilco and Dreyer Kliche to dispel myths around sustainable packaging.

Launched at Packaging Premiere in Milan, the campaign aims to inspire brands to embrace sustainable practices, redefine industry standards, and lead the way towards a more environmentally conscious future.



It demonstrates that high quality paper and packaging can be manufactured from a multitude of sources (including recycled coffee cups, office waste or recovered denim) and that even complex foiled designs can be recycled repeatedly. The showcased designs push boundaries and test the limits of paper and foils with striking multi layering and embossed patterns.

Promoting sustainable innovation, the campaign offers brands the opportunity to learn and understand technologies which can open the door to a new world of packaging opportunities and enable progress towards ESG objectives.

We are proud to partner with Bruichladdich on reimagining traditional packaging for the whisky market and creating an example of best practice for sustainability and innovation. The result is the first ever coloured wrap; a true example of future looking, disruptive thinking.

This partnership further establishes our position as a leader in creating packaging that is both sustainable and beautiful. Every element of the design, from the light-weight materials used to the intricate emboss features and colour, have been carefully considered – elevating the drinking experience for the consumer.

Richard Bracewell, Managing Director, Paper & Packaging

We have created sustainable packaging that has never compromised on quality across a number of sectors including wine, spirits, fashion and beauty. The truth is environmentally friendly packaging can coexist in any luxury market. It is possible to have full recyclability, beautiful aesthetics with environmental responsibility.

Kate Gilpin
Product Manager, Luxury Packaging.

CHIEF FINANCIAL OFFICER'S REVIEW

RESULTS FOR THE PERIOD

		2024 £'000	2023 £'000
Group Revenue		102,968	129,664
Adjusted EBITDA	APM4	6,606	9,045
Profit summary			
Paper and Packaging Products		(5,138)	(3,904)
Advanced Materials		7,715	9,244
Other Group expenses		(600)	(573)
Adjusted operating profit	APM1	1,977	4,767
Fair value movement on derivatives		-	(330)
Net finance costs (excluding IAS 19 impact)		(1,219)	(1,242)
Adjusted profit before tax	APM2	758	3,195
Exceptional costs		(5,010)	(986)
Exceptional finance costs		(262)	(109)
Adjusted (loss) / profit before tax after exceptional items	APM3	(4,514)	2,100
Net IAS 19 pension adjustments			
Net current service charge required		6	(442)
Net interest		(753)	(345)
Net IAS 19 pension impact		(747)	(787)
(Loss) / profit before tax		(5,261)	1,313

The full Statement of Comprehensive Income is on 89.

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/(LOSS) BEFORE TAX AFTER EXCEPTIONAL ITEMS"
Adjusted profit/(loss) before tax refers to profit/(loss) 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 £103m was 21% below the prior period figure of £129.7m, principally due to a weakening of the paper and packaging market, particularly in the second half of the year.

Revenue in the Paper & Packaging business fell by £24m or 26% in the period due to energy surcharges of £9m in the prior period combined with weak end-market demand as a result of economic uncertainty and high inflation, exacerbated by destocking across the onward supply chain.

Revenue in the Advanced Materials business fell by £2.7m in the period reflecting a slowdown in the hydrogen fuel cell market with customers scaling back trails and manufacturing volumes due to weaker end-market demand. The Advanced Materials business achieved year-on-year revenue growth in the electrolysis segment where market demand remained more buoyant.

COSTS AND EXPENSES

Material costs fell by £13.8m from £48.6m in the prior period to £34.8m in the financial period to 30 March 2024, dropping from 37.4% of revenue in the prior period to 33.8%. The drop in material costs as a percentage of revenue reflects lower average raw material input prices during the period and favourable revenue mix, with higher margin Advanced Materials revenue increasing to 33.5% of total revenue (prior period: 28.7%).

Energy costs fell by £8.1m from £15.2m in the prior period to £7.1 in the financial period to 30 March 2024 due to the drop in energy prices and lower energy usage as a result of reduced production volumes and carbon efficiency measures.

Employee costs of £34.5m in the financial period to 30 March 2024 were in line with the prior period but include £1.8m of employee related exceptional costs in respect of the restructuring of the Paper & Packaging business. Underlying cost savings from the headcount reductions delivered as part of the restructuring were able to offset both the exceptional restructuring costs themselves and the impact of our annual pay award of 7.6%, which reflected the elevated UK inflation environment in 2023,

Other expenses fell by £6.0m from £25.5m in the prior period to £19.5m in the financial period to 30 March 2024 with savings achieved in most areas, notably distribution, legal, consulting and travel costs. These savings reflect a combination of lower business activity and targeted cost reduction programmes.

ADJUSTED EBITDA

Adjusted Group EBITDA (APM4) for the financial period of £6.6m was £2.4m below the prior period figure of £9.0m. This reflects the £26.7m drop in revenue in the financial period to 30 March 2024, partly offset by the cost savings achieved in the year. The adjusted Group EBITDA margin for the financial period of 6.4% was 0.6% percentage points below the margin of 7.0% achieved in the prior period.

ADJUSTED OPERATING PROFIT

Adjusted Group operating profit (APM1) for the financial period of £2.0m was £2.8m below the prior period figure of £4.8m, giving an adjusted operating profit margin for the financial period of 1.9% (prior period: 3.7%).

The Paper & Packaging business recorded an adjusted operating loss of £5.1m, a £1.2m deterioration against the prior period. The impact on adjusted operating profit of the drop in revenue in the Paper & Packaging business was partly offset by a reduction in pulp prices and energy related costs and by the cost benefits from streamlining the business.

Adjusted operating profit in the Advanced Materials business fell by £1.5m in the period to £7.7m due to the drop in revenue and the impact of input price inflation.

ADJUSTED PROFIT BEFORE TAX

Adjusted Group profit before tax (APM2) for the financial period of £0.8m was £2.4m below the prior period due to the shortfall in EBITDA, with cost savings not fully offsetting the drop in revenue.

EXCEPTIONAL COSTS

Exceptional operating costs in the financial period of £5.0m principally comprised restructuring costs of £2.3m incurred in respect of the streamlining of the Paper & Packaging business, a non-cash impairment charge of £4.4m as explained below, 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 Products Limited.

During the period the Group recognised a £4.4m impairment of the carrying value of the tangible fixed assets in its Paper business, reducing the net book value of those assets at 30 March 2024 from £16.7m to £12.3m. Whilst the Board remains confident in the future of the Paper business, it believes that the reduced fixed asset carrying value better reflects the current position of the business after three years of pre-tax losses and in light of the restructuring of the business carried out during the period ended 30 March 2024.

STATEMENT OF FINANCIAL POSITION (SFP)

	2024 £'000	2023 £'000
Non-current assets	41,910	47,122
Total current assets (excluding cash)	34,829	43,667
Total current liabilities (excluding loans and borrowings)	(15,570)	(21,164)
Non-current liabilities - excluding borrowings	(2,772)	(4,826)
	58,397	64,799
Net IAS 19 pension deficit	(17,293)	(16,140)
	41,104	48,659
Net borrowings	(15,537)	(16,594)
Equity shareholders' funds	25,567	32,065

Equity shareholders' funds fell by £6.5m during the financial period primarily due to the £4.0m unadjusted post-tax loss for the period, which included a non-cash fixed asset impairment charge of £4.4m in the Paper & Packaging business and exceptional restructuring costs of £2.3m, partly offset by the £1.4m exceptional pension settlement in the period. The drop in shareholders' funds in the period also reflects a £1.3m actuarial loss (net of deferred tax) on the Company's pension schemes and dividends paid of £0.7m.

The net book value of fixed assets fell by £5.1m across the financial period, primarily due to the £4.4m impairment of the carrying value of the tangible fixed assets in the Paper business noted above. Capital expenditure of £3.8m (prior period £5.8m) was scaled back during the period in response to challenging market conditions and as a result was below the underlying depreciation charge for the period.

Working capital fell by £2.9m across the financial period due to the drop in revenue and a focus in the second half of the period on reducing stock levels in response to market conditions.

Net debt fell by £1.1m across the financial period reflecting increased focus on cash management.

CASH FLOW

	2024 £'000	2023 £'000
Net cash inflow from operating activities	7,170	5,550
Net cash outflow from investing activities	(4,315)	(6,643)
	2,855	(1,093)
Net cash (outflow)/inflow from financing activities	(1,483)	622
Net increase/(decrease) in cash and cash equivalents	1,372	(471)
Effects of exchange rate fluctuations on cash held	160	400
Net increase/(decrease) in cash and cash equivalents	1,532	(71)
Opening cash and cash equivalents	7,679	7,750
Closing cash and cash equivalents	9,211	7,679

The net cash inflow from operating activities in the financial period of £7.2m (prior period £5.6m) primarily comprises:

- adjusted EBITDA (APM 4) of £6.6m;
- cash inflow from working capital of £2.9m;
- net cash outflow on exceptional items of £1.0m, reflecting restructuring costs less a cash receipt on settlement of a historic pension legal dispute;
- pension deficit reduction payments of £1.4m in line with the agreement with the Trustee following the triennial actuarial valuation as at 31 March 2022.

The net cash inflow from operating activities was £1.6m above the prior period despite the drop in Adjusted EBITDA due to an improvement in working capital and the settlement received on the historic pension legal dispute.

The net cash outflow on investing activities in the financial period of £4.3m includes capital expenditure of £3.8m (prior period: £5.8m) and contingent consideration on the TFP Hydrogen Products Limited acquisition of £0.25m.

The net cash outflow from financing activities of £1.5m in the financial period comprises repayments of £1.9m on the US bank loan and lease liabilities, £0.9m of cash interest payments and dividends of £0.7m, partly offset by £2m drawn down on the UK bank loan in the early part of the financial period.

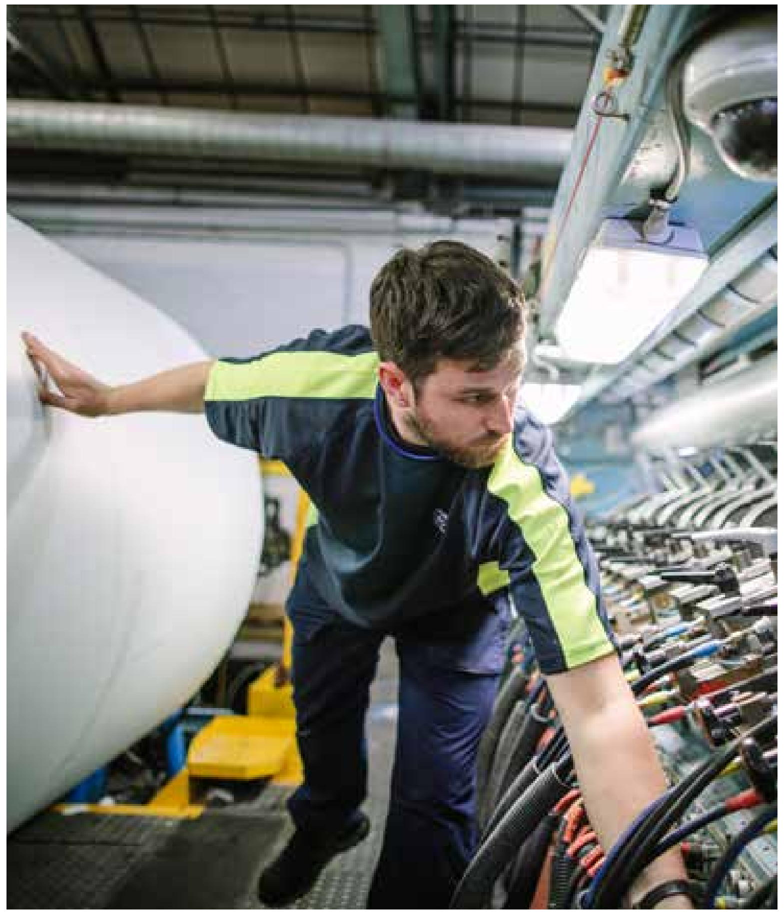
NET DEBT, FUNDING AND FACILITIES

Net debt at year-end	2024 £'000	2023 £'000
UKEF UK bank loan	15,000	13,000
US term loan	4,059	4,531
Less capitalised transaction fees	(145)	(134)
Lease liabilities	5,834	6,876
Total Borrowings	24,748	24,273
Less: Cash and cash equivalents	(9,211)	(7,679)
Net debt	15,537	16,594

Funding availability at year-end		
Cash and cash equivalents	9,211	7,679
Overdraft	3,500	3,500
Undrawn facility on UKEF UK bank loan	-	12,000
Funds available at year end	12,711	23,179

The Group funds its operations from operating cash flow, a UK bank loan, a US bank loan, lease facilities and also has a £3.5m overdraft facility to provide additional liquidity.

- The UK bank loan is a £25m facility with HSBC Bank Plc and National Westminster Bank Plc under the UKEF's Export Development Guarantee scheme. At 30 March 2024 £15m (1 April 2023: £13m) was drawn under this facility. The amount drawn at 31 March 2025 is repayable in 20 equal quarterly instalments from June 2025 to March 2030. The interest rate on the facility is SONIA +1.95%. The floating interest rate cost on the first £15m drawn under the facility is capped at 1.5% until 31 March 2026.
- The US bank loan is a term facility with HSBC Bank USA at an interest rate of SOFRA + 2.75%. At 30 March 2024 $5.1m (1 April 2023: $5.6m) was outstanding under the facility. The facility is being repaid at $150,000 per quarter, rising to $187,500 per quarter from March 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 lease liabilities 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 30 March 2024 was £5.8m of which £1.1m was repayable within 12 months (1 April 2023: £6.9m borrowed of which £1.3m was repayable within 12 months).
- The Group has a £3.5m overdraft facility with HSBC Bank Plc that was renewed in May 2024 and has an annual renewal date of May 2025 and an interest rate of Bank of England Base Rate plus 1.95%. The facility was undrawn throughout the year to 30 March 2024.



The UK bank loan has two financial covenants that are measured on the company's financial quarter-end dates. Both financial covenants have been amended for the June, September and December 2024 test dates to provide additional headroom against potential downside scenarios.

- The ratio of net debt to the last 12 months' EBITDA is required to be no higher than 3.5. The maximum ratio has been reset to higher levels for the June 2024, September 2024 and December 2024 test dates, reverting to 3.5 from the March 2025 test date.
- The ratio of EBITDA to net interest, both calculated by reference to the 12 months ending on the test date, is required to be no less than 4.0. The minimum ratio has been reset to lower levels for the June 2024, September 2024 and December 2024 test dates, reverting to 4.0 from the March 2025 test date.

The definition of EBITDA for the purpose of these covenants excludes exceptional items and all IAS19 pension adjustments.

A further covenant relating to liquidity has been agreed for the period to 31 December 2024, whilst the two financial covenants are at amended levels.

Further drawdowns on the UK bank loan are not permitted during the period that the two financial covenants are at amended levels.

The Group was in compliance with its banking covenants at 30 March 2024 and throughout the financial year that ended on that date.

KEY STRATEGIC AND PERFORMANCE INDICATORS

	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	MEDIUM TERM TARGETS
KEY STRATEGIC INDICATORS				
Revenue growth %	33.2%	23.6%	-20.6%	Mid to high single digits annual growth
Adjusted operating profit %	4.4%	3.7%	1.9%	Rising to high single digits
% sales from Energy Solutions	n/a	n/a	11%	Rising to mid-teens

KEY PERFORMANCE INDICATORS	FY22 ACTUAL	FY23 ACTUAL	FY24 ACTUAL	MEDIUM TERM TARGETS
Adjusted EBITDA %	8.2%	7.0%	6.4%	Rising to low double digits
Operating cash flow (£m)	4.0	5.6	7.2	85-95% of Adjusted operating profit
Net debt to adjusted EBITDA ratio	1.4	1.8	2.4	Cycle dependent: target range 1-2x
Return on Capital Employed	10.8%	9.8%	4.3%	Rising to low to mid-teens

The Board has set medium term targets for the Group's Key Strategic and Key Performance Indicators.

- Annual percentage revenue growth is targeted at mid to high single digits over the medium term, initially driven by recovery in the Paper & Packaging business and then by growth of Energy Solutions revenue within Advanced Materials. Energy Solutions revenue is defined as revenue from hydrogen fuel cell, electrolysis and wider renewable energy applications.
- The Group's adjusted operating profit (APM1) margin is targeted to rise to high single digits as a percentage of revenue. This underpins the target improvements in Adjusted EBITDA (APM4) margin.
- The Group is targeting operating cash flow conversion at 85-95% of Adjusted operating profit based on continued robust control of working capital and taking account of pension fund deficit reduction payments that are included in operating cash flow.
- The Group's target percentage return on capital employed is in the low to mid-teens. The Board anticipates it will take time to reach this target as the business recovers from the challenges of the financial period to 30 March 2024.

The Board's medium-term target is for net debt to be in the range 1.0x to 2.0x Adjusted EBITDA (APM1), dependent on the market growth cycle and related capital expenditure plans.

Andrew Goody
Chief Financial and Operations Officer

22 July 2024

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 combined pension scheme deficits of the two defined benefit schemes measured on an IAS 19 basis has increased over the year from £16.1m to £17.3m (before deferred tax). The table below shows the overall value of the schemes' assets which have decreased by 4.7% in the period whilst the schemes liabilities decreased by 2.6%.

IAS 19 pension valuation 2024	Staff Scheme	Works Scheme	Both schemes 2024	Both schemes 2023	Change %
Discount Rate	5.00%	5.05%	4.93%	4.88%	
	£'000	£'000	£'000	£'000	
Assets	32,480	37,247	69,727	73,165	(4.7%)
Liabilities	(36,038)	(50,982)	(87,020)	(89,305)	(2.6%)
(Deficit/Surplus)	(3,558)	(13,735)	(17,293)	(16,140)	
Funding level- %	90%	73%	80%	82%	

The schemes' liabilities fell during the year due to an increase of 0.07% in the discount rate and a decrease of 0.15% in expected future inflation. The schemes' assets fell during the year due to lower than expected returns, driven by a reduction in the value of the liability driven investments as a result of an increase in government bond yields.

In line with previous years, 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 21 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 uses 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 30 March 2024 the IAS 19 charge amounted to £747,000 (prior period: £787,000), of which operating costs accounted for a small credit of £6,000 (prior period: cost of £442,000) and finance costs accounted for a charge of £753,000 (prior period: £345,000). 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 123-125.

DEFINED BENEFIT SCHEMES TRIENNIAL VALUATION

The Company 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 APRIL 2022 TRIENNIAL VALUATIONS

	Staff Scheme £'000	Works Scheme £'000	Total £'000
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 Company agreed with the Scheme Trustees to pay annual deficit recovery plan contributions to reduce past service deficits of £1.4m per annum. The Company will also continue to cover the cost of the annual PPF levy.

KEY RISKS RELATING TO THE PENSION SCHEMES

The Company 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 to existing members.
- Future annual increases in pensionable pay were capped at a maximum of 2% from 1st 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, 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.

  The group is aware of the High Court ruling in the case of Virgin Media Ltd v NTL Trustees II Limited and is waiting for the outcome of the appeal, scheduled for later in 2024, and any additional hearings, as well as confirmation from the Government as to whether it will issue new regulations in response to this issue.

RISK MANAGEMENT

The Board has overall responsibility for determining its risk appetite and ensuring that appropriate and robust risk management systems are in place.

Risk identification and oversight, including the design and deployment of risk management and mitigation activities, are overseen by the Executive Committee.

The identification of risks is a continual process and risk registers exist at the Group, business unit and Group-function levels. Scoring matrices are used to assess risks, considering likelihood of occurrence and impact based upon a range of criteria including safety, operations, profitability, strategy, and reputation.

The Board reviews principal and emerging risks on a quarterly basis together with control arrangements and mitigation plans. The Board also considers the internal controls in place across the Group and whether these provide assurance over the Group's risk management framework. The Group's systems of internal control are also considered by the Audit Committee (see page 70).

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.

In the year, following reviews undertaken by the Executive Committee and Board, changes to the principal risks register included the recognition of market growth risk.

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 Executive Committee and Board considered the physical and transitional risks associated with climate change, particularly the risks associated with extreme weather events, changes to climate policy, our transition to net-zero, and the potential for impact on raw material availability. Further information is set out on the following pages.

Climate-related risks will remain under regular review, with risk identification and mitigation being supported by our ESG Working Group.

For more information on the group's approach to climate-related risks and opportunities, please see pages 57 to 60.

PRINCIPAL RISK	LINK TO STRATEGY					
	Profitable Growth	World Class Execution	Inspiring Our People	Technology & Innovation	Leaders in Sustainability	Build the Brand
Health and Safety	✓	✓	✓			✓
People	✓	✓	✓	✓		✓
Fire		✓				
Defined Benefit Pension Scheme	✓		✓			
Market Growth	✓					
Security of Supply	✓	✓			✓	
IT Systems and Network Security		✓		✓		✓
Energy Price Volatility	✓				✓	
Legal and Regulatory Compliance		✓	✓			✓
EMERGING RISK	**LINK TO STRATEGY**					
	Profitable Growth	World Class Execution	Inspiring Our People	Technology & Innovation	Leaders in Sustainability	Build the Brand
Extreme Weather Events	✓	✓			✓	
Climate Policy	✓				✓	
Net Zero Emissions			✓	✓		✓
Raw Material Availability	✓	✓			✓	

PRINCIPAL RISKS

HEALTH AND SAFETY

SAFETY
OPERATIONAL
FINANCIAL
REPUTATIONAL

NO CHANGE –

RISK DESCRIPTION AND IMPACT

As a manufacturing business the risk of accident or injury to people on our sites can never be eliminated entirely. An accident or injury can cause significant distress and impact on wellbeing as well as causing significant disruption and exposure to costs and penalties. Damage can also be caused to the Group's reputation.

MITIGATION

Providing a safe environment across our sites, free from the risk of injury, is of utmost priority. The Executive Committee and Board consider Health and Safety as a high-agenda item at every meeting, reviewing activities and improvements as part of our safety strategy.

The Group adopts behaviour-based safety policies and procedures to manage its operations and protect its employees and others who visit sites. It operates a safety hierarchy under the oversight of our Central Safety Committee. The Group actively reviews safety data generated in the business which has an increasing focus on leading metrics such as near-miss reporting and preventative measures. In 2024 we launched a "10 Golden Rules" safety campaign to raise awareness and drive positive safety culture.

PEOPLE

OPERATIONAL
FINANCIAL
STRATEGIC

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, 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. We strive to 'home grow' our talent, investing in the next generation of James Cropper custodians. We also look to develop our leadership capabilities through our James Cropper Leadership Development Programme.

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.

FIRE

SAFETY
FINANCIAL
OPERATIONAL

NO CHANGE –

RISK DESCRIPTION AND IMPACT

A major fire on site could cause significant damage to the infrastructure of the business and significant business interruption.

MITIGATION

Risk is mitigated by robust fire detection systems including sprinkler systems in the high-risk areas and a site-wide alarm system.

The Group has around 60 fire marshals deployed around the sites and regular housekeeping audits are conducted in high-risk areas. Sites are also insured for fire damage and business interruption. Regular fire drills take place, and alarm systems are tested weekly.

DEFINED BENEFIT PENSION SCHEME

FINANCIAL
STRATEGIC

INCREASE ▲

RISK DESCRIPTION AND IMPACT

Deficits for the two defined benefit schemes do not reduce in line with the Trustee's strategy (due to factors including inflation, mortality assumptions and investment strategies), or the Trustee determines that legislative changes, or a reduction in the strength of the Group's covenant in the light of performance, require increased funding contributions.

MITIGATION

The Group maintains close dialogue with the Trustee through its Pensions Committee (which was refreshed in FY24) including reporting structures which enable the Committee to effectively hold the Trustee and investment managers to account in connection with objectives, strategy and performance. The Committee also engages pensions advisors where appropriate to ensure it is best placed to support the Trustees in achieving optimal outcomes.

MARKET GROWTH

FINANCIAL
STRATEGIC

INCREASE ▲

RISK DESCRIPTION AND IMPACT

The Group operates in diverse markets with differing levels of maturity, opportunity, and competition. Following the review concluded in April 2023, the Board's strategy is to align the business with targeted markets which carry opportunities for significant growth through innovation, commercial excellence, customer alignment and by building brand strength. Failing to deliver this strategy, or over-reliance on certain markets and/or customers, could result in performance expectations not being achieved.

MITIGATION

The Board regularly reviews its strategy to ensure that it remains robust, relevant, and aligned with opportunities and market growth expectations. Strategy development is led by the Chief Executive Officer involving all levels of the organisation to ensure the Group's purpose and objectives remain robust and the Group is well placed to respond to market challenges. Progress under strategic initiatives is kept under close review by the Executive Committee and the Board to ensure priorities and objectives are met.

SECURITY OF SUPPLY

FINANCIAL
OPERATIONAL

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.

MITIGATION

The Group has identified and continues to work closely with its strategic suppliers. Dual sourcing of critical raw materials is applied in most cases and hedging arrangements adopted where appropriate. The Paper & Packaging business continues to drive the identification and use of waste fibre streams to replace virgin fibre in its goal to achieve 50% use of recycled fibre as a proportion of overall fibre usage. Compliance to Sourcing Standards is monitored and maintained throughout.

IT SYSTEMS AND NETWORK SECURITY

FINANCIAL
OPERATIONAL
REPUTATIONAL

NO CHANGE –

RISK DESCRIPTION AND IMPACT

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.

ENERGY PRICE VOLATILITY

FINANCIAL

NO CHANGE –

RISK DESCRIPTION AND IMPACT

Global uncertainty continues to drive energy prices. Although the main site can operate on multiple fuel sources, energy costs are interconnected. As an energy intensive business, prolonged high energy costs have a negative impact on business performance.

MITIGATION

The Group continues to pursue forward pricing opportunities and negotiate with energy suppliers to secure best pricing and/or provide price certainty for a given period of time. Longer term, continued investment in energy saving upgrades and in its pioneering decarbonisation programme will facilitate the move to more consistent green energy contracts. The Group also regularly reviews its sales prices and considers the application of surcharges where energy costs rise significantly. The Group also regularly reviews its sales prices and considers the application of surcharges where energy costs rise significantly.

LEGAL AND REGULATORY COMPLIANCE

SAFETY
FINANCIAL
REPUTATIONAL

NO CHANGE –

RISK DESCRIPTION AND IMPACT

The Group manufactures products which are designed to meet regulatory requirements and employs over 600 people across various jurisdictions. Failures in quality 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 management systems which are designed to minimise the risk of defective products and services. We also maintain close relationships with customers, are the subject of regular compliance audits, and are well placed to respond in the event of an issue.

We also operate in accordance with a clear set of values which sits at the heart of decision making. Policies and practices are in place to manage regulatory risks and we engage compliance specialists to support where required. We also provide compliance training to employees and advocate behaviours at all times which align with our Code of Ethics.

EMERGING RISKS*

CLIMATE RELATED RISKS: PHYSICAL

EXTREME WEATHER EVENTS

SAFETY
OPERATIONAL
FINANCIAL

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.

* For more Information on the group's approach to climate-related risks and opportunities, please see the TCFD Dislosures from page 57.

CLIMATE RELATED RISKS: TRANSITIONAL

CLIMATE POLICY

FINANCIAL

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. The longer-term decarbonisation strategy will also reduce reliance on fossil fuels.

NET ZERO EMISSIONS

STRATEGIC
FINANCIAL
OPERATIONAL

NO CHANGE –

RISK DESCRIPTION AND IMPACT

The Group has an ambitious target of achieving net zero emissions for scope 1 and Scope 2 by 2030. Achieving this goal is dependent on significant investment in technologies and solutions to drive energy efficiency and facilitate the move to green energy sources. Failure to achieve this goal would result in potentially higher costs 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.

RAW MATERIAL AVAILABILITY

OPERATIONAL
FINANCIAL

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.

PROMOTING THE SUCCESS OF OUR GROUP

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 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 FY24. These disclosures demonstrate how we have regard to the matters set out in section 172 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 twice-yearly town hall meetings, the issue of regular newsletters and briefings, global emails, and communications via our intranet. We also run an annual employee survey, which can be completed anonymously, where outcomes and actions are communicated across the Group.

Members of the Executive Committee and other senior leaders are encouraged to be visible and approachable on site and regularly enjoy lunches with employees in the canteen. The Chair and CEO regularly walk around site to engage with our people 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, our Trade Union, to ensure that any significant decisions impacting our people are made with collective support where practicable.

OUTCOMES IN FY24

FY24 was a year of significant impact for our people due to the change in Group strategy announced in April 2023 which focused on restructuring the Paper & Packaging business. This resulted in redundancies and changes to employment arrangements, where decisions were made following significant trade union and employee consultation. The interests of our people were front and centre during these processes, and we are confident the business is better placed to deliver on the Group's strategic objectives into the long-term as a result.

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 and host occasional investor visits to our Burneside site. 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 FY24

This was a challenging year for the business, with reduced demand and delays to expected growth resulting in a significant downward revision to the Board's full year performance expectations which was communicated to the market in January 2024. During this period, the CEO and CFO engaged closely with key investors to understand their issues and concerns. In April 2024, following actions taken by the Executive to mitigate the impact of trading challenges, the Board was able to communicate expectations of full year results slightly improved upon those reported in January.

Following the AGM in September 2023, shareholders were invited for a tour of the site and to meet Directors and employees. In the year, the Chair also met with significant shareholders to discuss the business and Board's strategy. Feedback from and engagement with shareholders is welcomed throughout the year and is considered as a standing item at every Board meeting.

OUR CUSTOMERS AND SUPPLIERS

STAKEHOLDER INTERESTS

Our business model depends on strong relationships with our customers and suppliers, based upon trust, open communication, and delivering on commitments. As the Group has developed, we maintain relationships with increasingly international and diverse customers and suppliers who each expect us to act fairly, transparently, and ethically.

HOW WE ENGAGE

Staying in touch with our customers and suppliers 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 with our customers and suppliers helps us understand their perspectives and manage risks and opportunities when they arise.

OUTCOMES IN FY24

We are in constant dialogue with our customers to understand their developing needs. On the back of the recent global energy and inflationary challenges, regular consultation with customers and suppliers has been maintained which has enabled us to maintain better control of input costs and selling prices. Throughout late 2023 and 2024, we also maintained regular communication with our customers experiencing reduced demand which enabled the Group to appropriately respond. Through close engagement and strong relationships, we have been able to support our customers and partners in the development of unique and innovative product ranges which is a key component in the Group's future successes.

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 Board and 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 and is strongly aligned with the UN Sustainable Development Goals. For more information on the Group's approach to ESG, please see pages 48 to 56.

OUTCOMES IN FY24

In the year, donations of over £10,000 were made to local causes. We also continued with our Free Paper for Schools initiative, which in the year donated four tonnes worth of paper. The total donated over the last five years by the Community Support Committee is £56,700.

We have three phases of solar panels installed on roof spaces across the Burneside site which are owned by Burneside Community Energy Ltd (a community benefit society). The Group pays for the electricity generated under power purchase agreements, and the proceeds used by Burneside Community Energy to support local causes ranging from providing equipment to sports clubs to keeping the River Kent clean.

OUR AGM

At our AGM in September 2023, all resolutions were passed by shareholders with the requisite majority.

Feedback received in connection with the resolutions included:

1. Concerns that Mark Cropper continued to serve as a member of the Remuneration Committee despite not being independent. In FY24 Mark Cropper stood down as a member of the Remuneration Committee. Following the AGM the Remuneration Committee will comprise solely of independent Non-Executive Directors. For more information on board independence considerations, please see the Corporate Governance Report on page 66.
2. Concerns that Jim Sharp served as Chair of the Audit Committee and as a member of the Remuneration Committee despite concerns being flagged in connection with his independence. As announced on 22 July 2024 Jim Sharp will stand down from the Board (and as Chair of the Audit Committee and member of the Remuneration Committee) at the AGM taking place in September 2024. In succession to Jim Sharp, Jon Yeung will join the Board following the AGM as an independent Non-Executive Director and as Chair of the Audit Committee.
3. Concerns in relation to a severance payment made to the outgoing CEO in FY23. These concerns were noted by the Remuneration Committee and the Board. Please see the Remuneration Committee Report from page 73 for more information.

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 on 4 September 2024.


Acne Studios

ESG REPORT

OUR SUSTAINABLE PURPOSE

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.

Our purpose – Pioneering Materials to Safeguard our future – underpins our long-term sustainable vision. Our rich heritage is rooted in natural renewable materials, and our approach has evolved over decades as we have challenged ourselves to meet the needs of tomorrow.

Today, our strategic goal for sustainable growth takes on many more forms. Whether that is from upcycling or recycling materials, lightweighting of components, decarbonisation, or innovative solutions in the green energy sector, we continue to adapt our business to support our stakeholders and reduce our impact on the environment. We work closely with our customers to develop differentiated products and solutions, that can make a material difference in the long-term.

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 2023 we were proud to receive a gold medal rating by EcoVadis for our moulded fibre business, placing us in the top 5% of rated businesses globally.

ESG WORKING GROUP

In March 2024, we refreshed our approach to sustainability by forming an ESG Working Group to replace our ESG Sub-Committee and build upon the good progress made across the Group.

The Working Group is chaired by the Company Secretary and comprises representatives from across the Group's businesses at various levels and locations with relevant knowledge and a passion for sustainability.

The Working Group meets quarterly and operates in accordance with its Charter which is reviewed annually.

The Working Group monitors our ESG obligations and developing trends, oversees policies and practices, and progresses key initiatives. It also collates and reviews data, recommends targets, and assesses our performance. The Working Group supports the Executive Committee in the development and recommendation of ESG strategies, produces reports for the Board, and reviews ESG-related disclosures.

BOARD

Accountable to stakeholders
Establishes purpose and values
Determines strategic objectives
Delegates management to Executive

ESG WORKING GROUP

Monitors trends/requirements
Recommends ESG strategies
Collates data and develops metrics/KPIs
Supports Executive in delivering objectives

EXECUTIVE COMMITTEE

Accountable to Board
Recommends and implements strategy
Responsible for managing businesses

OUR PRIORITY AREAS

Our approach to sustainability aligns with the United Nations Sustainable Development Goals across three pillars divided into nine priority areas. In FY24 the Working Group commenced a review into each of these areas with a view to understanding stakeholder interests and the risks and opportunities presented by each. Into FY25, this review will continue to identify goals and actions which support our purpose and stakeholder interests.

SUSTAINABLE MANUFACTURING	RESPONSIBLE BUSINESS PRACTICES	PEOPLE AND SOCIETY
01 DECARBONISATION AND ENERGY To have a robust net zero aligned strategy and achieve net zero by 2050 across our entire supply chain.	04 MATERIALS WITH PURPOSE To create sustainable material solutions aligned to societal needs delivered in a fair, healthy and inclusive way.	07 EMPLOYEE WELL-BEING We support our people's physical, mental and emotional wellbeing; balancing their work and personal responsibilities to help them to work safely and effectively.
02 WATER To reduce our water footprint by developing and embracing innovative solutions to close our water loop; minimising fresh water abstraction, reusing process water and recycling our effluent water back into the process.	05 BUSINESS ETHICS AND RISK To operate responsibly, steering governance, best practice and in line with our core values throughout our operations.	08 ENHANCING LIVELIHOODS We are committed to providing meaningful work, generating a positive organisational culture and working environment which promotes diversity, inclusivity, personal development and respect.
03 WASTE AND RESOURCE MANAGEMENT To commit to valuing waste across our operations and employ innovative solutions to minimise and repurpose waste.	06 SUPPLY CHAIN To ensure our suppliers operate to the same ethical and sustainable standards that the Company adheres to.	09 LOCAL COMMUNITY To be a force for good in society, and particularly by making a positive contribution in our local community, supporting social cohesion, economic prosperity and inclusive growth.

Information on each of these key areas and some of the strategic initiatives being progressed is set out on the following pages.

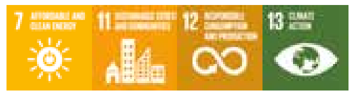
SUSTAINABLE MANUFACTURING

As a business we are committed to pro-actively monitoring and managing the impact of our operations. This includes improving the data we collect to deepen our understanding, enhance our communications with stakeholders, and to enable us to manage risks and opportunities.

The Group already embeds sustainable business principles across the organisation in operations including waste management, water use, energy efficiency and renewable energy, and sustainable sourcing of materials and services.

Despite external challenges in recent years, we have remained focused on our sustainability objectives, particularly our approach to decarbonisation. We are confident in our evolving approach, and that we will continue to see incremental improvements year-on-year.

01 SUSTAINABLE MANUFACTURING: ENERGY AND DECARBONISATION



TARGET: TO HAVE A ROBUST NET ZERO STRATEGY AND TO ACHIEVE NET ZERO ACROSS OUR ENTIRE SUPPLY CHAIN AND OPERATIONS BY 2050.

Our commitment to net zero has driven a programme to understand and enhance how we consume and manage energy. A crucial element of this is a significant reduction in our primary energy usage and a move to renewable energy sources, and we have made good progress in tightening up process controls and made efficiency improvements resulting in savings on energy consumption.

In FY24, we consumed 151,204 MWh of energy across our Global operations. This compares to 189,653 MWh in FY23 and 203,230 MWh in FY22, as we continue to benefit from these incremental improvements and operational efficiencies.

100% of the Group's UK sites are now supplied with National Grid electricity that is sourced from certified green sources.

Delivery against our decarbonisation ambition, through technology transformation and move from fossil energy sources, will enable us to demonstrate quantifiable improvements in our carbon footprint and align with the ambitions of our customers and consumers.

CARBON FOOTPRINT

In FY24, our gross Scope 1 and Scope 2 emissions were 27,764.7 tCO_2e. This compares to 34,744.0 tCO_2e in FY23, and a 32% reduction against our baseline performance in FY22 (being 41,648.4 tCO_2e).

In the year, our Centre of Innovation team were able to progress our decarbonisation programme, which is being supported through grant funding. The project is advancing towards the construction of a new

Low Carbon Energy Centre, which will ultimately enable the electrification of the paper manufacturing facility. The first phase of the Energy Centre, which will enable electrification of one third of the paper business, is expected to be complete in 2026.

In September 2023, we also commissioned a state-of-the-art high efficiency steam boiler, which has significantly improved our control of energy for production across the site. In January 2024, as part of our accelerated growth strategy announced in April 2023, we reduced the number of paper machines in operation from four to three, with two machines in continuous production at any time, to drive production efficiencies.

We have also continued to install meters across sites to drive better data (including half-hourly metering on paper machines) and enhance our ability to identify savings.

STREAMLINED ENERGY AND CARBON REPORT

Our Scope 1 and Scope 2 emissions are detailed in the tables below (location-based data) and opposite (market-based data).

In this year's annual report we have not included Scope 3 data owing to an ongoing review of our methodology for collecting and analysing data. We expect this review to be completed during 2024 and to publish this data at the earliest opportunity.

We continue to collaborate with supply chain partners to enhance our data collection and drive improvements where we can.

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 151,204 MWh, which compares to 189,653 MWh in the previous year. This was driven by process efficiencies but also impacted by a reduction in manufacturing operations in the second half of the financial year owing to customer demand in that period.

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 851,304 kWh, compared to 793,054 kWh in FY23 and 655,633 in FY22 (an increase of 30% over the three years).

We also saw an increase in the electricity generated by the hydroelectric plant adjacent to the site located on the River Kent. Electricity from this plant is supplied under a power purchase agreement with the Ellergreen Group. In the year, total generation was 301,309 kWh, compared to 210,627 kWh in FY23 and 206,194 kWh in FY22 (an increase of 46% over the three years).

GRID ELECTRICITY

Globally we purchased 11,831 MWh of electricity from the Grid (FY23: 10,688 MWh), of which 93% was on a Carbon Trust Certified Green Tariff (categorised as A+) sourced strictly from Wind, solar and Hydro sources. This was a 3% increase on the previous year (FY22: 6,850 MWh with 90% certified green). These certified tariffs conform to the Greenhouse Gas Protocol and are categorised as generating zero carbon emissions under the market-based reporting method.

For reporting purposes, Scope 2 emissions are reported using location based (grid average) and also using market-based (REGO backed) emissions.

LOCATION-BASED[1]		UK OPERATIONS			US OPERATIONS[1]			GLOBAL OPERATIONS		
		2021/22 (BASELINE)	2022/23	2023/24	2021/22 (BASELINE)	2022/23	2023/24	2021/22 (BASELINE)	2022/23	2023/24
SCOPE 1 (DIRECT EMISSIONS)	tCO_2e	40,123.4	33,036.6	25,169.4	210.7	246.4	229.2	40,334.1	33,283.0	25,398.5
SCOPE 2 (INDIRECT EMISSIONS)	tCO_2e	1,235.4	1,318.1	2,278.8	78.9	79.2	87.4	1,314.3	1,397.3	2,366.2
TOTAL	tCO_2e	41,358.8	34,354.7	27,448.2	289.6	325.6	316.6	41,648.4	34,680.3	27,764.7
GLOBAL REVENUE	£'000							104,922	129,664	102,968
INTENSITY METRIC	tCO_2e / £100K REVENUE							39.7	26.7	27.0
REDUCTION AGAINST BASELINE	%								-32.5	-32.0

1. See methodology opposite.

MARKET-BASED[2]		UK OPERATIONS			US OPERATIONS[2]			GLOBAL OPERATIONS		
		2021/22 (BASELINE)	2022/23	2023/24	2021/22 (BASELINE)	2022/23	2023/24	2021/22 (BASELINE)	2022/23	2023/24
SCOPE 1 (DIRECT EMISSIONS)	tCO_2e	40,123.4	33,036.6	25,169.4	210.7	246.4	229.2	40,334.1	33,283.0	25,398.5
SCOPE 2 (INDIRECT EMISSIONS)	tCO_2e	25.4	42.8	65.1	78.9	79.2	87.4	104.3	122.0	152.5
TOTAL	tCO_2e	40,148.8	33,079.4	25,234.5	289.6	325.6	316.6	40,438.4	33,405.0	25,551.1

2. See methodology below.

METHODOLOGY

- GHG Protocol.

  Greenhouse gas emissions are reported in accordance with the Greenhouse Gas Protocol Carbon Reporting and Accounting Standards.

- Location-based Method.

  The first table reports emissions according to the GHG Protocol's "location-based" reporting method, using grid-average emission factor data for all electricity generation sources.

- Market-based Method.

  The second table reports emissions according to the GHG Protocol's "market-based" reporting method, which accounts for renewable energy purchases which are used to support our operations.

  The Location-Based and Market Based tables are provided to deliver an insight into the emission savings generated through our Green Tariff Electricity supply contracts.

- Inventory Guidance.

  US EPA was used to identify Scope 1 and Scope 2 emissions for our operations in Schenectady, USA.

  Group figures are compared to the selected base year to provide an indication of progress over time.

02 SUSTAINABLE MANUFACTURING: WATER

TARGET: TO REDUCE OUR WATER FOOTPRINT BY DEVELOPING AND EMBRACING INNOVATIVE SOLUTIONS TO CLOSE OUR WATER LOOP; MINIMISING FRESHWATER ABSTRACTION, REUSING PROCESS WATER AND RECYCLING WATER BACK INTO THE PROCESS.

Located beneath the Lake District fells, our stewardship obligations towards nature are taken very seriously. Our environment, and the watercourses which are fundamental to our operations, have been shaped by land management over centuries to support industry or farming practices. Such management has exacerbated the effects of flooding in recent years, with the area also suffering a severe decline in biodiversity.

The weir removal at Bowston, a project proposed by South Cumbria Rivers Trust in agreement with James Cropper who owned the redundant structure, was the largest river barrier removal in the UK in 2022. The project returned this section of the River Kent – which is our primary source of water for our operations and a site of special scientific interest – to a more natural condition. The removal brings an estimated biodiversity gain of 44%, benefitting wildlife including aquatic invertebrates, fish, birds, and plants. Flood risk also decreased for residents.

In FY24, our Centre of Innovation team commenced a review of our operations to identify opportunities for recycling process water to reduce our levels of consumption and freshwater abstraction. In FY25, that review will continue as we plan to progress technology towards trials.

03 SUSTAINABLE MANUFACTURING: WASTE AND RESOURCE MANAGEMENT

TARGET: TO COMMIT TO VALUING WASTE ACROSS OUR OPERATIONS AND EMPLOY INNOVATIVE SOLUTIONS TO MINIMISE AND REPURPOSE WASTE.

We are an environmentally conscious business and recognise the importance of both minimising the waste we produce and repurposing the waste generated by consumers and other industries.

We are one of more than 500 signatories to the Ellen Macarthur Foundation Global Commitment which targets a circular economy for plastics and an increase in recycled content in packaging.

We hold industry-leading capabilities in the incorporation of recycled fibres in the production of high-quality paper products, such as our CupCycling® facility which currently processes around 150 million cups per year into luxury papers and packaging and has capacity to process up to 700 million cups per year.

In addition to our continuous focus on efficiency and waste reduction, in 2024 our operations in the USA have been able to reduce volumes of waste through water evaporation which helps to significantly reduce the requirement for transportation.

RESPONSIBLE BUSINESS PRACTICES

04 RESPONSIBLE BUSINESS PRACTICES: SUPPLY CHAIN

TARGET: TO ENSURE OUR SUPPLIERS OPERATE TO THE SAME ETHICAL AND SUSTAINABLE STANDARDS THAT THE COMPANY ADHERES TO.

We maintain close relationships with our suppliers and strive to ensure that those we do businesses with operate ethically and sustainably.

Our commitment to sustainable sourcing is enabled by supply chain certification and transparency and we are regularly subjected to third party audits to verify the effectiveness of our approach.

100% of the fresh fibre we source is from responsibly managed forests certified to FSC® or PEFC® standards. We also employ fibre traceability procedures to provide assurance over the legality of wood, biodiversity, and sustainable land practices, and we are developing our approach in readiness for the EU's Deforestation Regulations expected to take effect in late 2024.

Our supplier due diligence processes are subject to regular review and cover approaches taken to including how we engage with suppliers and distributors in relation to tackling slavery and human trafficking. Key suppliers are required to confirm their adherence to our Supplier Code of Conduct, which sets out ethical standards we expect all our suppliers to meet.

The Company will not undertake business with any third parties including suppliers where concerns arise and will accordingly report such circumstances to the relevant authority.

05 RESPONSIBLE BUSINESS PRACTICES: BUSINESS ETHICS AND RISK

TARGET: TO OPERATE RESPONSIBLY, STEERING GOVERNANCE, BEST PRACTICE AND IN LINE WITH OUR CORE VALUES THROUGHOUT OUR OPERATIONS.

James Cropper is committed to ethical and responsible business practices. The Group manages a well-developed framework of policies which set standards and encourage positive behaviours. Our Code of Ethics builds upon this by providing clear and straightforward guidance in relation to the values, behaviours, and standards which are core to James Cropper. A copy of the Code is provided to all employees when joining the business. The Code has been well received and we will continue to develop and improve it as a useful guide which helps to promote a positive workplace culture.

In FY24 we built upon our ethical framework by launching an independent whistleblowing service in conjunction with SafeCall. The service is advertised across our sites and is available to all employees who can report any concerns in the workplace totally anonymously.

During the year, we also recruited into the newly created role of General Counsel and Company Secretary as part of our commitment to robust governance, and commenced a review of our risk-management practices to ensure that these remain effective for our organisation. For more information on how we manage risk, please see pages 39 to 43.

06 RESPONSIBLE BUSINESS PRACTICES: MATERIALS WITH PURPOSE

TARGET: TO CREATE SUSTAINABLE MATERIAL SOLUTIONS ALIGNED TO SOCIETAL NEEDS DELIVERED IN A FAIR, HEALTHY AND INCLUSIVE WAY.

We are pioneers in developing materials with the future in mind. Through innovation, our smart solutions work to reduce our impact, and that of our customers, on the environment.

Our Advanced Materials business develops and supplies clean energy solutions including complex gas diffusion layer substrates which are critical in the manufacture of hydrogen fuel cells, and proprietary coatings which enhance the efficiency, and reduce the costs, of producing green hydrogen. We also produce high-strength lightweight materials for wind turbines used in the production of clean electricity.

We recognise that increasing levels of recycling and promoting a circular economy brings environmental benefits in reducing the demand for virgin raw materials. Paper fibres can be recycled up to six times, and our "Sometimes it is Black and White" campaign launched in 2024 demonstrates our ability to produce paper and packaging from recycled materials that does not compromise on luxury quality.

In 2024, we extracted 498 tonnes of plastic film from cup waste for recycling.

PEOPLE AND SOCIETY

07 PEOPLE AND SOCIETY: EMPLOYEE WELL-BEING

TARGET: TO SUPPORT OUR PEOPLE'S PHYSICAL, MENTAL AND EMOTIONAL WELLBEING; ENABLING A BALANCE OF WORK AND PERSONAL RESPONSIBILITIES AND TO ENSURE WE REMAIN SAFE AND EFFECTIVE AT WORK.

We are committed to supporting the mental health of our people and have a team of trained mental health first aiders. We provide occupational health and employee assistance services to all of our employees and in FY24 launched an app to make employee assistance more accessible.

To promote employee wellbeing and community support, we maintain an employee volunteering policy that allows every employee two paid days off a year to do volunteer work. Our on-site gym in Burneside contains a wide range of fitness equipment and remains a popular way for our people to exercise.

We also offer occupational health and employee assistance programmes to all employees, and in the year rolled out an app with our new service provider to enable easy access.

08 PEOPLE AND SOCIETY ENHANCING LIVELIHOODS

TARGET: TO PROVIDING MEANINGFUL WORK AND A POSITIVE ORGANISATIONAL CULTURE AND WORKING ENVIRONMENT WHICH PROMOTES DIVERSITY, INCLUSIVITY, PERSONAL DEVELOPMENT AND RESPECT.

We strive to be an employer of choice, providing quality work and personal development opportunities for all our people.

We are also committed to fair pay and, notwithstanding challenges seen across our business in the second half of FY24, we were able to provide salary increase of 4.6% to our employees in 2024 which built upon the 7.6% increase made in 2023 to support our people through the recent cost-of-living crisis.

Equality and diversity are essential to ensuring we run the business ethically for our valued employees, and our Gender Pay Report ensures transparency of data and our approach to improve equality for current and future employees. In the year we also made various changes to our flexible and other people policies to ensure that these promote a positive workplace culture. For more information on our approach to employment, please see our People report on page 55.

09 PEOPLE AND SOCIETY: LOCAL COMMUNITY

TARGET: TO BE A FORCE FOR GOOD IN SOCIETY, AND THIS STARTS BY MAKING A POSITIVE CONTRIBUTION IN OUR LOCAL COMMUNITY, SUPPORTING SOCIAL COHESION, ECONOMIC PROSPERITY AND INCLUSIVE GROWTH.

In addition to offering employees with the ability to take paid leave for volunteer work, we continue to provide paper to local schools, community groups and creative arts clubs as well as providing charitable donations to good causes. This year we have sponsored equipment for a new design and technology laboratory at a local school, awarded over £10,000 in charitable donations to local charitable groups, and invested in youth sport by sponsoring junior football teams and cricket clubs.

Our arrangements with Burneside Community Energy Ltd (a community benefit society which supplies solar electricity to the business under power purchase agreements) also ensure that a portion of our spending on electricity is directed to local community initiatives.

OUR PEOPLE

We recognise our colleagues are our biggest asset. From modernising our people practices to improving our approach to talent management and development, we could not be prouder of the progress we have made over the last 12 months. We have increased our wellbeing activities, taken steps to see things from our colleagues' perspectives, and focused on initiatives that will ensure our colleagues feel supported by the business.

All of our activity has been driven on the back of our people strategy which reflects our company growth plan. Our strategy contained five key pillars, which have shaped our thinking, interventions and where we have placed our focus over the last 12 months. We have laid the groundwork for even further progress in the year ahead.

HEALTH AND WELLBEING

The health and wellbeing of our employees continues to be fundamental to everything we do at James Cropper. We continue to provide occupational health and employee assistance programme (EAP) services to all our employees. This year, we launched an employee assistance app with our new EAP provider, to allow our colleagues to have help and advice at their fingertips.

We are committed to improving employee wellbeing and engagement with a healthier and more inclusive culture and aim to continue building on the foundations from this year to ensure improvement in the health, and wellbeing of all our employees.

ETHICS AND BEHAVIOURS

Following the successful launch of our Code of Ethics and Behaviours, this year saw the launch of a new confidential ethics hotline in conjunction with independent providers Safecall. Employees can now raise a concern anonymously by email, on the telephone, and online to the Ethics Helpline service.

EMPLOYEE ENGAGEMENT

Our Company-wide employee survey provides every employee the opportunity to provide anonymous feedback on what works well and where opportunities exist to improve our employee experience. Run annually, the results are analysed to creating and delivering action plans as part of our commitment to continuously improve how we operate.

We regularly consult with our employees and trade union representatives on a wide variety of topics, with views and interests being considered in our decision-making processes. We also continue to offer a range of communication channels, both formal and informal, allowing us to ensure that our employees remain informed of business updates and two-way discussions take place. We continue to host face to face all employee briefings twice a year allow our employees to 'stay in touch' with our leadership team and hear about business updates. For more information about employee engagement please see our s.172 statement on page 44).

LEARNING AND DEVELOPMENT

Attracting, retaining, and upskilling talent within our business and inspiring people to consider careers in science, technology, engineering, and manufacturing, remains a key area of focus.

We currently support 17 apprenticeships across Engineering, Leadership, Administration and Procurement, and Project Management and plan to grow this number during 2024. To enable this, we have partnered with Lifetime Training, the UK's leading apprenticeship provider to offer programmes across leadership, digital, professional, and business services specialisms. This will provide employees with the opportunity to develop professionally, on the job and to gain industry-recognised qualifications.

We continue to invest in building relationships with local schools and colleges, attending career fairs as well as offering work experience placements. Alongside this over the last 12 months we have invested over £300k in our workforce development and training, with key learning and development taking place in people management skills, sales and business development, technical training, and compliance.

DIVERSITY, EQUITY & INCLUSION

We are striving to build a more diverse workforce in which we empower employees to bring their whole self to work, unlocking potential to draw on a wealth of skills, experiences, and talent to improve our collaboration in teams, driving continuous innovation and successfully delivering our strategy and Company priorities.

This year we have made a number of changes to our people policies ensuring James Cropper is a supportive and modern employer; refreshing our flexible working policy and carer leave policy, making improvements to our career break policy and introducing a menopause guidance and toolkit for both line leaders and employee, ensures that we are able to attract and retain a diverse workforce.

We have also published our fifth annual gender pay gap report in line with UK regulations. For 2023, our mean gender pay gap for our UK workforce was -7.64% and our median gender pay gap was -8.27%. This compares to the UK median gender pay gap of 14.3%.

SUPPORTING LOCAL COMMUNITIES

Working to support the communities where we operate, including charitable sponsorships, donations, employee fundraising and volunteering is a fundamental part of our Company purpose. Our people played a key role contributing their time and energy to fundraising and volunteering, as they do year after year. This is achieved through our volunteering policy, where all employees can take up to two days paid leave a year to volunteer in their local community.

SAFETY

KEEPING OUR PEOPLE SAFE

The safety, health, and wellbeing of our employees is an enduring priority which sits at the very core of our purpose and values.

We operate an integrated safety model which facilitates active participation by all our people. This includes focusing on team member engagement and building awareness of risks and responsibilities. We have also developed a thorough programme of regular Workplace Standards Inspections, which promote visibility and awareness and enable engagement on safety issues or risks. All members of the Executive Committee and members of senior management actively support inspections monthly with feedback being used to drive enhancements.

Our goal is to be a zero lost-time incidents company. Our safety objectives are:

- Maintaining a safe, efficient and professional workplace
- Improving standards
- Positive engagement via direct involvement
- Sharing best practice

In 2024, we formed a new Central Safety Committee comprising senior leaders from across the Group together with trade union representatives. We were also pleased to appoint a new Head of Health and Safety for the Group, reporting directly to the CEO, as part of our commitment to continuous improvement as one James Cropper business.

Our Central Safety Committee has oversight of safety strategy, the implementation of initiatives, and monitoring our performance. Our safety programmes focus on continuous improvement in our workplace, raising awareness, and enhancing behavioural safety.

Looking ahead, we have reaffirmed our position as being committed to safety through the launch of our "10 Golden Safety Rules" campaign which we relentlessly promote as part of our efforts to maintain a safe working environment.

TCFD DISCLOSURES

INTRODUCTION: OUR APPROACH TO CLIMATE CHANGE

In this section we describe our approach to the identification and management of climate-related risks and opportunities, consistent with the recommendations of the Task Force on Climate-Related Financial Disclosures. This is in addition to the disclosures in our Risk Report on pages 39 to 43 and our ESG Report on pages 48 to 56.

The Board is accountable for the long-term success of the Group and has ultimate responsibility for the management of climate-related risks and opportunities. It recognises the significance of climate change and sustainability to our various stakeholders including shareholders, colleagues, customers, and communities, and this remains central to decision making processes.

In the year, the Group made good progress in the continuous development of its risk management framework to incorporate climate-related considerations. We also launched our ESG Working Group, which builds upon the work previously carried out by our ESG Committee, bringing together a broad range of knowledgeable and passionate individuals from across the Group. The Group's purpose - Pioneering Materials to Safeguard Our Future - remains at the heart of James Cropper and underlines its commitment to sustainable and long-term value generation.

In this report we have been able to comply with 9 out of the 11 recommended disclosures, with further work required in connection with scenario analysis and targets associated with the management of climate-related risks and opportunities.

More information on our approach is set out below:

A GOVERNANCE

TCFD RECOMMENDATION	HOW WE APPLY THE RECOMMENDATION
Describe the Board's oversight of climate- related risks and opportunities.	The Board is ultimately responsible for the Group's strategy, risk appetite and risk management, which includes climate-related risks and opportunities. Principal and emerging risks are reviewed quarterly with reports prepared by the Company Secretary following regular reviews which take place within the businesses and at the Executive level. Considerations include a review of significant physical and transitional risks relating to climate change and the environment. Going forwards, the recently established ESG Working Group (see page 48 for more information) will facilitate the assessment of climate-related risks and opportunities across all areas of the business, producing reports and information for the Executive Committee and Board to support quarterly risk reviews, inform discussions, and aid decision-making. The Audit Committee is responsible for monitoring the Group's compliance with climate change reporting and reviewing the TCFD disclosures. When determining Remuneration Policy and designing incentive structures, the Remuneration Committee takes climate-related risks and opportunities into consideration and builds these into targets and objectives where appropriate.
Describe management's role in assessing and managing climate-related risks and opportunities.	The CEO has overall accountability for addressing climate-related risks. The Group's risk management framework is overseen by the Company Secretary and regularly reviewed by the Executive Committee. Responsibility for the identification, assessment and management of climate-related risks and opportunities rests with the ESG Working Group which is chaired by the Company Secretary and meets quarterly. The Working Group comprises a broad range of individuals from across the Group's businesses and locations including senior management. The Working Group reports to the Executive Committee to enable it to discharge its day-to-day responsibilities and produces information for the Board. The Group's Environmental Coordinator oversees and implements the Company's Environmental Management System which includes improvement programmes aimed at reducing cost and environmental impact in the light of identified risks. The Environmental Coordinator also engages closely with the Environment Agency in connection with Climate Change Adaptation Audits and with the Confederation of Paper Industries in connection with risk assessments. These exercises feed into the work of the ESG Working Group. Into FY25 the Group is looking to bring further resource to the management of climate related risks and initiatives through the recruitment of an ESG Lead to support the Working Group.

B STRATEGY

Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

RISKS

Climate-related risks could arise over the short term (0-3 years), medium term (3-10 years) and long term (10+ years). These timescales align with the Group's financial planning cycle (3 years) which is used to develop the Group's strategy. As part of the identification and assessment undertaken in FY24 the following physical and transitional risks have been identified:

RISK	DESCRIPTION	POTENTIAL IMPACT	TIMESCALE	POTENTIAL SEVERITY	MITIGATION
PHYSICAL RISKS					
Extreme weather events	Flood or other significant weather event impacting Group locations.	Risk to employee safety. Loss of or damage to assets. Business interuption	Short-medium	Medium	Critical assets and materials have been relocated/elevated on site to reduce potential impact of flooding and arrangements in place to ensure employee safety. Monitoring systems constantly measure river levels and Flood Action Response teams are in place. Insurance policies are maintained to further reduce the risk of business interruption.
Drought	Water available for abstraction reduced by drought.	Business interruption	Short-medium	Medium	River levels are continuously monitored and can be supplemented by private reservoirs over which the Group has long term rights (which are operated in accordance with arrangements with the Environment Agency). Operational schedules can also be adjusted in the event of drought to reduce exposure. Our Centre for Innovation team is exploring ways to reduce water abstraction through greater levels of recycling of process water.
TRANSITIONAL RISKS					
Climate policy	Increased costs associated with carbon taxation, energy, and effluent/waste disposal. Increased Regulatory requirements associated with compliance and reporting obligations.	Increased costs.	Short-medium term	High	The Group closely monitors the cost of carbon tax credits. Solutions are also being explored to enable recycling of process water to reduce effluent discharge. The Group's decarbonisation strategy is to reduce reliance on carbon-generating energy.
Raw material availability	Impact of climate change on raw material availability (including due to forestry practices, EUDR compliance, and supplier operations and logistics).	Increased costs. Business interruption	Short-medium term	High	Multiple sourcing and stocking arrangements are maintained to reduce risks associated with supply chain pressures. Procurement teams monitor and implement appropriate hedging strategies to mitigate pricing risks.
TRANSITIONAL RISKS CONTINUED					
Net zero emissions	Failure to achieve net zero targets or increased costs associated with decarbonisation strategy.	Increased costs of carbon taxation. Reputational damage. Loss of capital.	Medium term	High	The Group has an ambitious decarbonisation strategy with works completed during FY24 in readiness for the construction of a new energy centre at the site in Burneside, a project supported by government funding. The Group also draws electricity from green sources including solar and hydroelectricity and purchases certified green energy.

OPPORTUNITIES

Strategies across both our Paper & Packaging and Advanced Materials businesses align with developing end-user trends which address climate change. Short-medium term opportunities include:

- Product offerings which incorporate the use of sustainable materials and alternatives to plastics, where innovative solutions in our luxury packaging business including Colourform® continue to gain momentum.
- Increased levels of recycling and material substitution/diversification to reduce waste, including our CupCycling® solution which can separate fibres from disposable coffee cups for use in packaging and other materials.
- Products and services in the growing hydrogen sector, where the materials we produce and services we offer play a central role in the generation of hydrogen and in the manufacture of hydrogen fuel cells.
- Products and services which support the achievement of net zero targets such as the services we supply in the carbon capture sector.
- Component lightweighting, where the materials we manufacture help to reduce weight and so carbon emissions in sectors such as aviation.

Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.	The Board is responsible for promoting the long-term sustainable success of the Group for the benefit of its shareholders and supporting all stakeholders. Members of the Board take an active approach to stakeholder engagement (for more information please see our S.172 statement on page 44) with a view to understanding interests, priorities, and perspectives. The Board takes a long-term and sustainable approach to strategy and value generation, and recognises the risks and opportunities presented by climate change which are a factor in Board decision-making processes. Risks associated with climate change are considered low in the medium term, with a strong framework of controls in place designed to minimise the risk and impact of flooding at the Group's Burneside site on the River Kent, and robust raw material sourcing arrangements in place to protect business continuity. Sustainability is central to the Group's strategy, where climate-related opportunities are considered in conjunction with long-term trends. Products and services offered by the Group include the use of sustainable materials and alternatives to plastics, increased levels of recycling, and component lightweighting, and products/services for the hydrogen energy sector. As a Group we have invested in green energy supplies including from solar and hydroelectric schemes, and we have an ambitious decarbonisation strategy, with work underway in FY24 in readiness for the construction of a new energy centre to facilitate our move away from fossil fuels and reduce our greenhouse gas emissions.
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Taking into account the Group's mitigation strategy, the Group's exposure to climate-related risks is considered to be low in the medium term. During 2024 we commenced an analysis of the potential for increased flood and drought risk associated with climate change. The review is split into phases with initial work focusing on the resilience of our primary site at Burneside. Flood risk and river levels are actively managed at the Burneside site due to its location on the River Kent. In recent years, and following Storm Desmond in 2015 (where water levels on the River Kent reached c. 1.5m above 'normal' high levels) the Group has reassessed the location of critical assets and elevated these where at risk to minimise the potential impact of flooding, even where this is severe. Arrangements also exist to ensure that the site can continue to operate safely. It is noted that warming of 2°C is expected to result in sea-level rising by c. 0.2m which is not considered to present a significant risk to the site at Burneside. The Group's principal site at Burneside is also dependent on water supplies for production. Active monitoring and management of river levels mitigates the risk of interruption. River levels can also be supplemented where necessary in periods of sustained drought by private reservoirs over which the Company has longstanding rights, which enable the continuous flow of water. Further scenario analysis is planned for FY25 to provide greater insight into the potential impacts of climate risks including in connection with our supply chains and customers.

C RISK MANAGEMENT

Describe the organisation's process for identifying and assessing climate- related risks. Describe the organisation's process for managing climate- related risks. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	In FY24, a review of significant risks (which included the identification and assessment of significant and emerging physical and transitional climate related risks) was carried out led by the Company Secretary, with outputs reviewed by the Executive Committee and Board. Climate Change Risk Adaption Risk Assessments were also carried out in line with Environment Agency Guidelines and ISO 14091, led by the Group's Environmental Coordinator. These reviews build upon the Group's materiality assessment carried out in 2020. Identified climate-related risks are now feed directly into the Group's overall risk management framework (for more information see the Risk report on pages 39 to 43). Risks are reviewed using internal and external data by reference to factors including likelihood of occurrence and severity of impact both prior to and after consideration of the Group's mitigation strategies. Going forwards, the ESG Working Group will lead in the identification and assessment of climate-related risks. Identified risks will be reviewed by the Working Group in conjunction with relevant and knowledgeable personnel from across the Group to fully understand the likelihood and severity of occurrence. Engagement is also maintained with the Environment Agency, industry bodies, and customers in relation to climate-related risks which provides insight. Reviews may be supported by external specialists where appropriate. The Working Group reports to the Executive Committee (which has responsibility for the identification, assessment, and management of climate-related risks) and produces information to the Board to support effective decision making and ultimate risk oversight. The Group adopts a "Plan, Do, Check, Act" approach to risk management as part of its commitment to continuous improvement.

D METRICS AND TARGETS

Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	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 has an ambitious target of achieving net zero emissions for scope 1 and Scope 2 by 2030 and being net zero across supply chains by 2050. Achieving this goal is dependent on significant investment in technologies and solutions to drive energy efficiency and facilitate the move to green energy sources. Executive remuneration targets under the Long-Term Incentive Plan also incorporate a carbon intensity reduction target. Water stress is managed actively with no requirements in FY24 for reservoirs to supplement flow in the River Kent. Water abstraction and effluent discharge in the year was all within consent limits. In future years, the Group will consider making further disclosures subject to commercial sensitivities as part of its work to continually improve its approach to climate-related risks.
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 to 56.

The Strategic Report on pages 1-60 was approved by the Board on 22 July 2024 and signed on its behalf by:

SAdams

Steve Adams
Chief Executive Officer
22 July 2024

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BOARD OF DIRECTORS

MARK CROPPER

Non-Executive Chair

Appointed: October 2006

Committees: Nomination (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:
Ellergreen Hydro Projects Ltd (Director)
Paper Foundation (Director)
Kendal Futures CIC (Director)
Rydal Hydro Ltd (Director)
Scandale Hydro Ltd (Director)
Cropper (Trustees) Ltd (Director)
Ellergreen (Trustees) Ltd (Director)
Ellergreen Group LLP (Designated Member)

STEVE ADAMS

Chief Executive Officer

Appointed: January 2017

Committees: Executive (Chair)

Steve joined James Cropper in 2017 as Managing Director of the Paper division and was appointed Chief Executive Officer in 2022. Prior to this, Steve worked for 30 years at 3M, holding various leadership and director level roles both in the UK and Europe covering display, traffic and vehicle safety, telecommunications, electronics, and energy markets. Steve chairs the Executive Committee which comprises the Group's most senior executive leaders.

ANDREW GOODY

Chief Financial and Operations Officer

Appointed: November 2023

Committees: Executive

Andrew was appointed as Chief Financial and Operations Officer in November 2023. He 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.

PATRICK WILLINK

Chief Innovation Officer

Appointed: March 1998

Committees: Executive

Patrick is the fourth generation of the Willink family in the business. Patrick joined the Group in 1990 and was appointed to the Board in 1998. He became Chief Technology Officer in 2014, where he was instrumental in the creation of the Colourform® product offering and subsequently Chief Innovation Officer in April 2023. Patrick was President of the Confederation of Paper Industries Ltd from 2014 to 2019.

External appointments:
Confederation of Paper Industries Ltd (Director)
Confederation of European Paper Industries Ltd (Director)
Paper Foundation (Director)

MARTIN COURT

Senior Independent Director

Appointed: November 2021

Committees: Nomination, Audit, Remuneration

Martin was appointed as Senior Independent Director in November 2021. He 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 plans for growth.

External appointments:
Material Insights Limited (Director)
Food Freshness Technology Limited (Chair)

LYNDSEY SCOTT

Non-Executive Director

Appointed: August 2019

Committees: Nomination, Audit, Remuneration (Chair)

Lyndsey joined the Board as a Non-Executive Director in 2019. She 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 MILES

Non-Executive Director

Appointed: November 2021

Committees: Nomination, Audit, Remuneration

Sarah was appointed as a Non-Executive Director in November 2021. Sarah brings strong leadership, strategic, and commercial experience. She is currently Chief Executive Officer at hush, was Chief Executive Officer at Feelunique and Sephora UK, and has held Executive roles in Amazon and Diageo.

External appointments:
hush (Chief Executive Officer)
The British Retail Consortium (Board Member)

JIM SHARP

Non-Executive Director

Appointed: September 2009

Committees: Nomination, Audit (Chair), Remuneration

Jim was appointed as a Non-Executive Director in 2009. He began his career in financial services with J. Henry Schroder & Co. from 1992 to 2002, where he was a Director. Since then, Jim has held various senior roles across private equity backed businesses. As previously announced, Jim will stand down from the Board and as Chair of the Audit Committee at the Group's AGM taking place in September 2024.

External appointments:
The Cotswold Company (Chair)
The Brunner Investment Trust plc (Director)
Paper Foundation (Director)

MATTHEW RATCLIFFE

General Counsel and Company Secretary

Appointed: September 2023

Committees: Executive

Matthew joined James Cropper in September 2023 as General Counsel and Company Secretary. Matthew is a solicitor with broad commercial, corporate and regulatory experience. He began his career at Pinsent Masons LLP and was previously Group Legal Director and Company Secretary at Carr's Group plc.

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.

Chair's introduction to Corporate Governance

Dear Shareholder

On behalf of the Board, I am pleased to present our Corporate Governance Report for the period ended 30 March 2024. 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 FY24 saw the continued development of the Group's approach which included becoming members of the Quoted Companies Alliance. We continue to apply and report against the QCA Corporate Governance Code, and I am pleased to confirm that during FY24 we complied with its principles in full. 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.

Despite trading challenges, FY24 was a year in which significant strategic progress was made (see my letter on pages 10 to 11 for more information). We also saw changes on the Board and in key management roles across the organisation and I am delighted by the level of talent James Cropper continues to attract. The Board is confident that the business is now well positioned for growth, and that we possess the leadership, skills, and experience to deliver on the Board's long-term strategic plans.

In July 2024 we were pleased to confirm that Jon Yeung would be joining the Board following conclusion of our AGM in September 2024 as an independent Non-Executive Director and Audit Committee Chair in succession to Jim Sharp who will stand down from the Board at the AGM after 15 years' service.

The Board is grateful for the significant contribution made by Jim in supporting the Board and the business during his tenure.

There were also changes to the Executive team, with Andrew Goody joining as Chief Financial and Operations officer in November 2023, and Patrick Willink being appointed to the new role as Chief Innovation Officer in April 2023. In September 2023 we also recruited Matthew Ratcliffe as General Counsel and Company Secretary to help drive our commitment to effective governance.

Following the appointment of Jon Yeung, the Board will comprise myself (as Non-Executive Chair) together with three Executive Directors and four independent Non-Executive directors, presenting an excellent balance of experience, skills, and knowledge, together with robust independent challenge.

Full details of changes to the Board in the year can be found in the Nomination Committee report from page 71.

In the year, we reviewed our governance structures to ensure that these remain robust and consistent with our business model. This resulted in various updates including the establishment of an ESG Working Group, to build upon the progress made by our previous ESG Committee. We also refreshed our Pensions Committee, under the leadership of Andrew Goody, and launched a new Group-wide delegation of authority framework to provide consistency across operations and empower our people in performing their roles. We also built upon our Code of Ethics with the launch of an independent whistleblowing service in conjunction with Safecall, to provide our people with the ability to report concerns in the workplace totally anonymously.

During the year, the Remuneration Committee reviewed our discretionary share plans to ensure these remain aligned with best practice and consistent with the Directors' Remuneration Policy. For further information on these changes please see the Remuneration Committee Report from page 73. Following the AGM, the Remuneration Committee will comprise solely of independent Non-Executive Directors, to avoid the risk of perceived conflicts of interest and ensure that remuneration arrangements are robustly challenged.

In 2024, I met with some of our biggest shareholders to discuss the business and the Board's strategy, challenges and change during the year, my involvement as Non-Executive Chair, and generally to provide the opportunity to ask questions. Feedback from these meetings was constructive and provided much welcome insight to 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 meet this year.

Transparent and effective governance is fundamental to the Group's performance, reputation, and integrity. The Board remains committed to high standards, as part of its strategy to create value through long-term sustainable growth.

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. During the year, we complied with all principles of the Code in full and became a QCA member.

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. For information on the Board's focus areas, please see the Board Activities section below.

The Board consists of Senior Executive Management together with experienced Non-Executive Directors (details of Board members can be found on pages 62 to 63). The Board meets regularly in accordance with its planned agenda, 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, 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 assist 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 69, 71 and 73.

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 performance and key developments take place monthly. Update briefings take place weekly. Focused strategic discussions take place twice yearly. Feedback from meetings is shared with the Board.

DIVISIONAL SENIOR LEADERSHIP TEAMS

The Senior Leadership Teams within each of our Advance Materials and Paper & Packaging divisions 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 COMMITTEE

The Pensions 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 Chief Financial and Operations Officer and comprises other Board members and senior management. It meets regularly as required from time to time.

ESG WORKING GROUP

The Board has a strong commitment to ESG, which is central to the James Cropper purpose. In early 2024, we launched our ESG Working Group to build upon the work of our previous ESG Committee. The Working Group meets quarterly to support the Board and Executive Committee in the development and effective delivery of strategic 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 page 48.

DIVISION OF RESPONSIBILITIES

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

THE 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 Board's effectiveness is reviewed annually and leading the performance evaluation of the Chief Executive 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.

THE CHIEF EXECUTIVE OFFICER

The Chief Executive 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 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 develop and refresh 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 seven scheduled meetings during FY24, which were arranged 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 and Safety
- Strategy
- Financial Performance
- Risk
- Environment
- People and Culture
- Stakeholder engagement
- Governance

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 three Executive Directors, a Non-Executive Chair and four Non-Executive Directors. Following the AGM in September 2024, four Non-Executive Directors will be considered independent by the Board.

Biographies for all current Board members are set out on pages 62 to 63.

For information on changes to the Board during the year, see the Nomination Committee report which can be found from page 71.

ATTENDANCE AT BOARD AND COMMITTEE MEETINGS IN FY24

BOARD MEMBER	BOARD	NOMINATION COMMITTEE	AUDIT COMMITTEE	REMUNERATION COMMITTEE
MARK CROPPER	7	2	2[4]	5[4]
STEVE ADAMS	7	2[4]	2[4]	5[4]
ANDREW GOODY[1]	2	2[4]	0	3[4]
PATRICK WILLINK	6	0	0	0
MARTIN COURT	7	2	2	5
LYNDSEY SCOTT	6	2	2	4
SARAH MILES	7	2	1	5
JIM SHARP	7	2	2	5
ISABELLE MADDOCK[2]	2	0	0	0
JAMES GRAVESTOCK[3]	5	0	0	0

[1] Appointed 27 November 2023 [2] Stood down on 14 June 2023 [3] Stood down on 31 January 2024
[4] Part or all of meeting by invitation

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 undertook an assessment of the knowledge, skills, experience and diversity on the Board. The outcomes from this exercise were reviewed by the Board and have been used to inform succession planning. This process will the subject of regular review to 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 and Lyndsey Scott to be independent. The Board also considers Jon Yeung, who will join the Board following our AGM in September, to be independent. Whilst it is acknowledged that Jim Sharp has served on the Board in excess of nine years, the Board considers that this alone has not compromised his independence and that, in all circumstances notwithstanding his tenure, he has remained independent of judgement and character. Mark Cropper, Steve Adams, Andrew Goody, and Patrick Willink are not considered by the Board to be independent. Following the AGM in September 2024, the Board will comprise a Non-Executive Chair, three Executive Directors and four independent Non-Executive Directors which provides a good balance of organisational 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 a policy for managing and, where appropriate, authorising actual or potential conflicts of interest, or 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.

In the year the Board undertook an internal effectiveness review, which was led by the Senior Independent Director. The review involved a series of one-to-one discussions held by the SID with each Board member. These conversations were framed around three key themes: (i) what the Board does well; (ii) what the Board can improve; and (iii) the effectiveness of the Chair. The effectiveness of Board Committees was also considered. The inputs from Directors and outcomes from those conversations was reviewed by the SID and the Chair and developed into recommendations which were presented to the Board.

It was noted that FY24 had been a year of significant change on the Board. Despite this, it was generally considered that Board effectiveness had grown due to improved meeting structure and levels of reporting leading to open discussion and good levels of constructive challenge.

Recommendations included:

- Developing new KPIs to enhance financial reporting and the monitoring of performance.
- Increasing the Board's focus on strategy through separate sessions in FY25.
- Reviewing Executive objectives to ensure these align with strategy.
- Extending the oversight of the Remuneration Committee to broader workforce considerations.

Recommendations from the previous review conducted in 2023 included enhancing the contribution of the Board's Committees and increasing interaction between Board members outside of the Boardroom. In FY24 we built upon these recommendations, undertaking a full review of our Board and Committee structures to ensure strong alignment and good information flows. We also arranged various dinners and other meetings between Directors, often also involving senior management, throughout the year.

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 25%. For more information on the Group's approach to diversity, see the Nomination Committee Report from page 71.

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, Chief Executive, the Chief Financial and Operations Officer, 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 current Directors will stand for election (or re-election) annually at the Company's AGM (save for Jim Sharp who will stand down from the Board at the conclusion of the AGM).

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board recognises that driving growth in value requires an appropriate balance of risk and reward. Effective risk management is fundamental to the Group's long-term sustainable success. The Board regularly reviews the Group's principal and emerging risks and monitors the effectiveness of the Group's systems of control. Further information is contained in the Risk Report on pages 39 to 43.

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.

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 44 to 45.

ANNUAL GENERAL MEETING (AGM)

Our AGM will be taking place on 4 September 2024. All Directors will attend the AGM, and following the meeting to consider the proposed resolutions, there will be 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

HOW WE APPLY THE QCA CODE

	PRINCIPLE	COMPLIANCE
1	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 12 to 27. • Information regarding the governance structures responsible for the establishment of the Group's strategy can be found in the Corporate Governance Report on page 65.
2	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 44 to 45.
3	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 pages 44 to 45, and in the ESG Report on pages 48 to 56 .
4	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 39 to 43 and the Group's TCFD Disclosures on pages 57-60.
5	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 to 67. • 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 page 65 to 67. • Information regarding the independence of Board members can be found in the Corporate Governance Report on page 66. • Information regarding the support of the Company Secretary to the Board can be found in the Corporate Governance Report on page 67.
6	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 62 to 63. • 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 66. • Information about Board succession processes in the year can be found in the Nomination Committee Report on page 71 to 72. • Information regarding Non-Executive Director inductions and continuous professional development can be found in the Corporate Governance Report on page 67 and the Nomination Committee Report on page 72.
7	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 page 67.
8	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 2 to 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 to 55.
9	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 64 to 67.
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 44 to 45.

AUDIT COMMITTEE

I am pleased to introduce the Audit Committee report for the period ended 30 March 2024. This was the second year of working with Grant Thornton, and my final year chairing the Audit Committee.

Jim Sharp, Audit Committee Chair

ROLE OF THE COMMITTEE

The Audit Committee is constituted by the Board and is responsible for assisting the Board in discharging its responsibilities for reviewing the Company's financial statements and the effectiveness of internal controls, and to monitor the effectiveness, performance and objectivity of the external auditors.

COMMITTEE MEMBERSHIP

The Committee comprises only Non-Executive Directors and comprises Jim Sharp (Chair), Lyndsey Scott, Martin Court and Sarah Miles. As announced on 22 July 2024, Jon Yeung will join the Board as an independent Non-Executive Director and Audit Committee Chair following the AGM in September 2024. I will stand down from the Board and as Audit Committee Chair at the AGM. Following the AGM the Committee will comprise solely of independent Non-Executive Directors.

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. As current Chair, I have over 30 years' financial services experience. My successor, Jon Yeung, is a chartered accountant and brings a wealth of finance experience from executive roles. Jon is also currently a Non-Executive Director and Audit Committee Chair at Fera Science.

MEETINGS IN THE YEAR

There were 2 scheduled meetings in FY24. Details of Director attendance at meetings is shown on page 66. Unscheduled meetings also took place during the year, particularly relating to the extended audit process relating to the FY23 year-end.

RESPONSIBILITIES OF THE COMMITTEE

The Committee operates under terms of reference which are reviewed annually and published on the Company's website at www.jamescropper.com.

Key responsibilities of the Committee include:

- Monitoring the integrity of the Group's financial statements and results announcements.
- Reviewing the effectiveness of Group's systems of internal financial control.
- 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, risk management, and the viability statement.
- 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 and Operations Officer, are considered and constructively challenged.

KEY ACTIVITIES IN FY24

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

- Reviewing key reporting estimates and judgements, and the Group's financial statements to ensure these were fair, balanced and understandable.
- Reviewing the Group's disclosures concerning Risk, including those consistent with the recommendations of the Task Force on Climate-Related Disclosures.
- Agreeing terms of engagement for the external auditor including the external audit fee.
- Considering the independence of the external auditor.

The Committee also reviewed recommendations arising from the Board's effectiveness review during the year including planning to ensure a smooth Committee Chair succession.

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 FY24 full year results included:

LIABILITIES IN CONNECTION WITH THE GROUP'S DEFINED BENEFIT PENSION SCHEMES

The Committee reviewed a valuation report of the scheme's investments prepared in accordance with IAS19, together with key actuarial assumptions used to value the scheme obligations 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 on the sensitivity of the obligations to changes in such assumptions were reviewed. The Committee was satisfied that the scheme's assets were appropriately valued, that the assumptions adopted in relation to the scheme's liabilities were appropriate, and that disclosures made in relation to the scheme were appropriate.

IMPAIRMENT

The Committee reviewed the future business performance assumptions adopted by management for the Paper & Packaging business following three successive years of operating losses and challenging market conditions. Taking into consideration and challenging assumptions around future revenue growth rates and the discount rates applied to future cash flows (which included considering specialist advice) the Committee concurred with management that it would be appropriate to recognise an impairment of £4.4m against the carrying value of the fixed assets in the Paper & Packaging business.

The Committee also reviewed the valuation of investments in subsidiaries and intra-group loans due to the performance of James Cropper Speciality Papers Limited and James Cropper 3D Products Limited being below expectations. In the light of actual performance, together with estimation uncertainties in the assessment of future performance in those two businesses, the Committee determined that it would be appropriate to record an impairment of £23.0m against the value of such investments and intra-group loans (£16.1m against James Cropper Speciality Papers Limited and £6.9m against James Cropper 3D Products Limited).

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 26 September 2023.

In the year, the Committee considered the expertise and independence of Grant Thornton UK LLP, 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 it's objectivity and independence was not compromised. Grant Thornton's audit partner is David White and this is his second 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 2024.

GOING CONCERN

The Committee considered cash flow forecasts for the 18 month period to September 2025. Reviewing a severe but plausible scenario, the Committee noted that whilst the Group had significant headroom under available facilities, the forecasts showed a breach of the Group's banking covenants at the test dates in June 2024 and September 2024. Following discussions with the Group's bankers, a temporary variation to the covenants was agreed in respect of those test dates, which the Group is expected to meet even applying the severe but plausible downside scenario. The Committee was accordingly satisfied that the Group is a going concern.

NON-AUDIT SERVICES

Since first being appointed as external auditor, Grant Thornton UK LLP has not provided any non-audit services to the Group.

INTERNAL CONTROLS AND RISK MANAGEMENT

During the year the Committee monitored the effectiveness of the Group's internal control and risk management systems. The Committee also reviewed the Group's disclosures in relation to internal controls, principal and emerging risks, including disclosures designed to meet the recommendations of the Task Force on Climate Related Disclosures, which can be found on pages 50 to 51. This was the first time the Group reported against TCFD recommendations (see pages 57 to 60) and work remains ongoing with the support of the ESG Working Group to enhance our disclosures going forwards.

WHISTLEBLOWING

The Board is committed to building a responsible culture where individuals can report concerns confidently and without fear of retaliation. To build upon the Group's Code of Ethics and Whistleblowing Policy, in FY24 the Group launched an independent reporting service in conjunction with Safecall, where employees can remain entirely anonymous should they wish to do so. The Committee considers the Group's whistleblowing arrangements regularly to ensure these remain effective together with any reports made by employees and actions to address concerns raised.

AGM 2024

I will be available at the forthcoming AGM in September 2024 to respond to any shareholder questions that might be raised on the Committee's activities.

Jim Sharp
Audit Committee Chair

REPORT OF THE NOMINATION COMMITTEE

I am pleased to present the Nomination Committee Report for the period ended 30 March 2024. This was a busy year for the Committee, with a number of Executive Director and key senior management changes, and a succession process relating to our Audit Committee Chair.

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 comprises Mark Cropper (Chair), Jim Sharp, Lyndsey Scott, Martin Court and Sarah Miles. As announced on 22 July 2024, Jim Sharp will stand down from the Committee and the Board at the AGM in September 2024, following which Jon Yeung will join the Board as an independent Non-Executive Director and as a member of the Nomination Committee.

MEETINGS IN THE YEAR

There were 2 scheduled meetings in FY24. Details of Director attendance at meetings is shown on page 66. Unscheduled Committee meetings also took place in the year, which largely related to Board 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). 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 FY24

This was a busy year for the Committee including various changes on the Board and in senior management positions. 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.

Key succession planning activities for the Committee included as follows:

- On 19 April 2023, James Cropper announced its strategy for accelerated growth and a revised business structure. As part of this, and to increase the Group's focus on innovation to drive future growth, Patrick Willink moved into a new position as Chief Innovation Officer leading a newly developed Centre for Innovation.
- In June 2023 it was announced that Isabelle Maddock would stand down from the Board after 17 years with James Cropper and 9 years as Chief Financial Officer. The Board is very grateful for Isabelle's leadership, dedication, and significant contribution. At the same time, it was announced that Andrew Goody would be joining the Board as Chief Financial and Operations Officer later in 2023. Andy was appointed followed an extensive search process carried out by the Committee and supported by independent recruitment consultants at 6 Group. Andy ultimately joined the Board on 27 November 2023, bringing with him over 20 years' financial, commercial, and business transformation experience.
- In January 2024, James Gravestock stood down from the Board to pursue opportunities outside the Company. James was Managing Director of the Advanced Materials business, having held the position since 2021. The Board is grateful for James's contribution to the development of the Advanced Materials business which enjoyed record performance in FY23. Following a search process supported by 6 Group, we were pleased to confirm that Andy Walton joined the business as Managing Director for the Advanced Materials business in July 2024. Andy joins James Cropper from Victrex plc, and we very much look forward to him joining the business to support our growth plans.
- During the year the Committee undertook an external search for an independent Non-Executive Director and Audit Committee Chair in succession to Jim Sharp who will stand down from the Board at the AGM in September 2024. In July the Company announced that Jon Yeung will be appointed to the Board after our AGM following a process supported by independent search consultants at Nurole.
- Finally, in September 2023, following a search process supported by 6 Group, the Company appointed Matthew

Ratcliffe as General Counsel and Company Secretary in succession to Jim Aldridge who left the business in May 2023.

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 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.

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 undertook an internal effectiveness review in the year (see the Corporate Governance Report on page 67 for more information).

DIRECTOR INDEPENDENCE

Details of the independence of Directors in the Corporate Governance report on page 66.

THE AGM

In accordance with best practice, at the forthcoming Annual General Meeting to take place September 2024, each of Steve Adams, Patrick Willink, Mark Cropper, Lyndsey Scott, Sarah Miles, and Martin Court will stand for re-election to the Board. Andrew Goody will stand for election to the Board, having been appointed in November 2023.

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

REPORT OF THE REMUNERATION COMMITTEE

I am pleased to present the report of the Remuneration Committee for the period ended 30 March 2024. This was a year of much change on the Board which brought various remuneration considerations, together with strategic progress being made across the business despite trading challenges.

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) 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 30 March 2024.

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:

1. This annual summary which highlights key considerations for the Committee in the year.
2. A summary of the Directors' Remuneration Policy.
3. The Annual Report on Remuneration, which explains how the Directors' Remuneration Policy was applied in FY24. The Annual Report on Remuneration will be subject to an advisory vote at the forthcoming AGM, at it was at our 2023 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 Jim Sharp. During the period, Mark Cropper stood down from the Committee. As was announced in July 2024, Jon Yeung will join the Board as an independent Non-Executive Director and member of the Remuneration Committee, succeeding Jim Sharp who will stand down from the Committee and the Board, following our AGM. Thereafter, the Committee will be comprised solely of independent Non-Executive Directors.

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 at www.jamescropper.com and reviewed annually.

COMMITTEE RESPONSIBILITIES

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 5 scheduled meetings in FY24. Details of Director attendance at meetings is shown on page 66. Unscheduled Committee meetings also took place in the year, which largely related to Board succession.

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 (on pages 10 to 35) financial performance in the year was below the Board's original expectations.

On 19 April 2023, the Group announced its strategy for accelerated growth. This included repositioning its offering across four segments under the James Cropper brand, streamlining operations and reducing its cost base (including a reduction in the workforce) and simplifying processes and systems to realise efficiencies. The Group also announced the creation of a Centre of Innovation, designed to ensure that the Group is best placed to address future challenges, whether technical, environmental, or economic.

Despite a strong trading during the first half, challenges experienced in late 2023 and into 2024 across both divisions resulted in performance expectations being significantly revised in January 2024. Full year performance was slightly ahead of these revised expectations, albeit below the Board's original expectations.

In the light of strategic progress made during the year, the Committee determined that limited payouts would be awarded to Executive Directors under the Annual Incentive to reflect the achievement of strategic targets. No payouts were made under the Annual Incentive in relation to financial targets. Due to the Group's performance over the 3-year performance period, awards made in FY21 under the Group's Long-Term Incentive Plan (LTIP) did not vest.

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 FY24

BOARD AND COMMITTEE MEMBERSHIP

On 14 June 2023, it was announced that Isabelle Maddock would step down from the Board and as Chief Financial Officer. Andrew Goody subsequently joined the Board on 27 November 2023 as Chief Financial and Operations Officer. On 31 January 2024 James Gravestock also stood down from the Board. Details of Andrew Goody's remuneration arrangements, and the arrangements on departure for each of Isabelle Maddock and James Gravestock, are set out in the Annual Report on Remuneration.

Details of changes to membership of the committee are provided above (page73).

DISCRETIONARY SHARE SCHEMES

During the year, the Committee undertook a review of the Company's discretionary share plans. This resulted in updates to the James Cropper Long-Term Incentive Plan: (i) ensuring the Remuneration Committee retains broad discretion when determining outcomes; (ii) enabling the exercise of malus and clawback where appropriate; and (ii) providing for post-vesting and post-employment holding periods. The Committee also established the James Cropper Deferred Bonus Share Plan, which enables the deferral of a proportion of Executive Director annual incentives in the form of shares, in accordance with the Directors' Remuneration Policy.

DIRECTORS' REMUNERATION FOR FY25

Inflationary increases of 3.0% were applied to Executive Director salaries and Non-Executive fees with effect from 1 April 2024. This compares to an inflationary increase of 4.6% applied to the broader UK workforce following a collective bargaining agreement reached across the UK paper industry.

The Annual Incentive and LTIP will be operated in a similar way to last year and in line with the policy table set out on page 75.

ANNUAL GENERAL MEETING

At the Group's AGM on 26 September 2023, the Committee's Remuneration Report was approved by shareholders (on an advisory vote) with 92.9% of votes being cast in favour. The Committee notes feedback received prior to that AGM including a recommendation from proxy advisors to vote against the remuneration report due to a severance payment made in FY23 to the outgoing CEO as compensation for loss of office. In this year's report, we have disclosed a payment being made in FY24 to the outgoing CFO together with an explanation.

I hope that shareholders will support the Remuneration Committee's Report at the forthcoming Annual General Meeting. I will be available at the meeting to respond to any shareholder questions on the Committee's activities.

Lyndsey Scott
Remuneration Committee Chair

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 AND LINK TO STRATEGY	OPERATION AND 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.	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.	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.	• Executive Directors are members of either the Company's defined contribution scheme or the Company's defined benefit scheme or receive a pension allowance.	Director pension arrangements align with the pension arrangements for the general workforce, depending on the scheme they are a member of.
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 measures. Financial performance measures include a basic target and a stretch target. • Payments for performance up to the stretch target are made in cash. • Payments for performance exceeding the stretch target are deferred for three years and made in the form of shares via the Group's Deferred Bonus Share Plan. • Awards which vest to Executive Directors are subject to a post-vesting holding period of two years.	The target for all Executive Directors is 25% of base salary. Under the stretch opportunity, the CEO may receive up to a further 25% of salary (taking the maximum opportunity to 50% of salary) and other Executive Directors may receive up to a further 15% of salary (taking the maximum opportunity to 40% of 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.	75% of salary for the CEO and 50% of salary for other Executive 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.	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 particulate in performance-related, pension, or share-based schemes.	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).

SERVICE CONTRACTS

DIRECTOR	NOTICE PERIOD
S Adams	6 months
A Goody	6 months
P Willink	12 months

The Non-Executive Chair has a notice period of 12 months. Other Non-Executive Directors are engaged on terms requiring one months' 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.

03 ANNUAL REPORT ON REMUNERATION 2024

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 FY24.

DETAILS OF DIRECTORS' REMUNERATION

£'000	SALARY AND FEES		BENEFITS		ANNUAL INCENTIVE		LTIP		PENSION		TOTAL	
EXECUTIVE	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
S ADAMS	234	208[1]	28	26	6	10	-	-	14	12	282	256
A GOODY[2]	62	-	8	-	3	-	-	-	3	-	73	-
P WILLINK	168	162	24	23	6	12	-	-	0[3]	0[4]	198	197
I MADDOCK[5]	37	174	1	23	-	-	-	-	2	10	40	207
J GRAVESTOCK[6]	151	174	20	23	-	29	-	-	6	7	177	233
NON-EXECUTIVE	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
M CROPPER	130	130	-	-	-	-	-	-	-	-	130	130
M COURT	37	37	-	-	-	-	-	-	-	-	37	37
L SCOTT	37	37	-	-	-	-	-	-	-	-	37	37
S MILES	37	37	-	-	-	-	-	-	-	-	37	37
J SHARP	37	37	-	-	-	-	-	-	-	-	37	37

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 FY24, 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 30 March 2024, the financial targets set by the Committee for Executive Directors were not met. Recognising however that non-financial objectives set by the Committee were delivered in the year, and the robust response of the business to challenges experienced in the second half of the financial year, the Committee determined it to be appropriate to award modest annual incentive payments to the Executive Directors. Details of the payments made to Executive Directors are provided in the table above.

LONG-TERM INCENTIVE PLAN

Share awards outstanding and made during the financial period to 30 March 2024 under the James Cropper plc Long-Term Incentive Plan (LTIP) to Executive Directors were as follows:

£'000	OPTIONS AT 1 APRIL 2023	OPTIONS AWARDED IN PERIOD	MID-MARKET PRICE (£) AT DATE OF AWARD	OPTIONS EXERCISED IN PERIOD	OPTIONS LAPSED IN PERIOD	OPTIONS AT 30 MARCH 2024
S ADAMS	19,752	27,110	6.46	-	6,112	40,750
A GOODY	-	13,977	6.46	-	-	13,977
I MADDOCK	14,502	-	-	-	14,502	-
J GRAVESTOCK	8,390	-	-	-	8.390	-

1 Reflecting that the annual salary payable to Steve Adams was increased from £167,000 to £233,550 upon his appointment as CEO on 10 August 2022.
2 Reflective of the period from 27 November 2023 (the date A Goody was appointed to the Board) to 30 March 2024.
3 P Willink accrues defined benefit pension entitlements based upon a pensionable salary.
4 P Willink accrues defined benefit pension entitlements based upon a pensionable salary.
5 I Maddock stepped down from the Board on 14 June 2023. In addition to the payments specified in the table, I Maddock received £95k by way of payment in lieu of contractual notice and benefits and £106k by way of compensation for loss of office. No payment was made to I Maddock under the Annual Incentive, and all unvested awards made under the LTIP lapsed.
6 J Gravestock stepped down from the Board on 31 January 2024. No payment was made to J Gravestock under the Annual Incentive, and all unvested awards made under the LTIP lapsed.

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 79 for more information).

£'000	OPTIONS AT 1 APRIL 2023	OPTIONS AWARDED IN PERIOD	MID-MARKET PRICE (£) OF OPTIONS AWARDED	OPTIONS EXERCISED IN PERIOD	OPTIONS LAPSED IN PERIOD	OPTIONS AT 30 MARCH 2024
P WILLINK	13,525	13,037	6.46	-	5,700	20,082
M CROPPER	2,940	-	-	-	2,940	-

AWARDS UNDER THE LTIP IN FY24

Share and cash awards detailed above were made on 19 December 2023, with share awards made as nil cost options, subject to the performance conditions covering the three financial years ending 31 March 2026. Performance targets were set against the following measures:

PERFORMANCE MEASURE	WEIGHTING
GROWTH IN ADJUSTED EARNINGS PER SHARE ("EPS")	40%
CUMULATIVE OPERATING CASH FLOW	30%
REDUCTION IN CARBON EMISSIONS INTENSITY RATIO	30%

Each performance measure is 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 adjusted EPS performance targets were set from a base adjusted EPS of 25.1 pence as follows:

	THRESHOLD	MAXIMUM
TARGET	COMPOUND ANNUAL GROWTH IN ADJUSTED EPS OF 35%	COMPOUND ANNUAL GROWTH IN ADJUSTED EPS OF 70%
VESTING	10%	100%

AWARDS UNDER THE LTIP IN FY21

Due to the Group's performance over the 3-year performance period, awards made in FY21 under the Group's LTIP did not vest.

DIRECTORS' INTERESTS

DIRECTOR	SHAREHOLDING		UNVESTED LTIP AWARDS	UNVESTED DBSP AWARDS
	BENEFICIAL	NON-BENEFICIAL*		
MARK CROPPER	1,927,254	559,571	0	0
STEVE ADAMS	1,099	0	40,750	0
ANDREW GOODY	1,564	0	13,997	0
PATRICK WILLINK	61,705	108,058	20,082**	0
JIM SHARP	11,380	81,751	0	0
LYNDSEY SCOTT	500	81,571	0	0
SARAH MILES	500	81,571	0	0
MARTIN COURT	500	81,571	0	0

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

ADVISORS TO THE COMMITTEE

In FY24, the Committee engaged the services of H2Glenfern Remuneration Advisory in connection with the preparation of the Remuneration Report and Pinsent Masons LLP in connection with the review of discretionary share schemes.

DIRECTORS' REPORT

The Directors present their Annual Report and the audited financial statements of James Cropper Group for the financial year ended 30 March 2024.

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 2 to 60 reports on the performance of the Group for the period ended 30 March 2024 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)
- Steve Adams (Chief Executive Officer)
- Andrew Goody (Chief Financial and Operations Officer) (appointed 27 November 2023)
- Patrick Willink (Chief Innovation Officer)
- Martin Court (Senior Independent Director)
- Sarah Miles (Non-Executive Director)
- Lyndsey Scott (Non-Executive Director)
- Jim Sharp (Non-Executive Director)
- Isabelle Maddock (stood down 14 June 2023)
- James Gravestock (stood down 31 January 2024)

The biographies of the Directors as at the date of this report are on pages 62 to 63.

As announced in July 2024, Jon Yeung will join the Board as a Non-Executive Director and Audit Committee Chair following the AGM in September 2024. Jim Sharp will stand down from the Board at the AGM.

Details of the Directors' remuneration are shown in the Remuneration Committee Report on pages 73 to 77. Details of the Directors' interests in the share capital of the Company are set out below.

RESULTS AND DIVIDENDS

The results for the period are shown in the Statement of Comprehensive Income on page 89.

An interim dividend of 3.0p per ordinary share was paid on 8 January 2024.

The Directors are not recommending the payment of a final dividend in respect of the financial year ended 30 March 2024. The total dividend for the year will therefore remain at 3.0p per ordinary share.

Full details of dividends in respect of the year ended 30 March 2024 are given in note 7 of the financial statements.

CORPORATE GOVERNANCE

A report on Corporate Governance is set out on pages 64 to 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 issues 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 £10,529 (2023: £6,327) were during the year made 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 44 to 45 (also known as the Section 172 statement).

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

EMPLOYEE ENGAGEMENT, DIVERSITY AND INCLUSION

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 44-45 and our People Report on page 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, reducing energy consumption and transitioning from the use from fossil fuels to green electricity sources.

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 20 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 23 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 to renew an existing authority which expires at the Annual General Meeting 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 Annual General Meeting 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 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 accounting policy relating to going concern is set out in note 1 to the financial statements.

Based on the evaluation set out in note 1 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 Annual General Meeting.

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; and
- 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 Annual General Meeting, which sets out the resolutions to be proposed at the forthcoming Annual General Meeting 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 4 September 2024.

SUBSTANTIAL INTERESTS (INCLUDING CONCERT PARTY)

Shareholdings in excess of 3% of the Company's issued share capital at 28 June 2024 were as set out in the table below.

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 77.

Any material related party transactions between the Directors and the Company are set out in note 28 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 22 July 2024.

Matthew Ratcliffe
General Counsel and Company Secretary

SHAREHOLDER	NUMBER OF SHARES	% OF ISSUED SHARE CAPITAL
CROPPER FAMILY* (BENEFICIAL AND NON-BENEFICIAL HOLDINGS)	3,117,971	32.63
WILLINK FAMILY* (BENEFICIAL AND NON-BENEFICIAL HOLDINGS)	456,357	4.78
ACLAND FAMILY* (BENEFICIAL HOLDINGS)	52,386	0.55
TOTAL CONCERT PARTY*		37.96
LIONTRUST ASSET MANAGEMENT LIMITED	1,263,179	13.22

*The Cropper, Willink and Acland families are related and are deemed to be acting in concert with the total holding of 37.96% in 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.

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;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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; and
- 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.

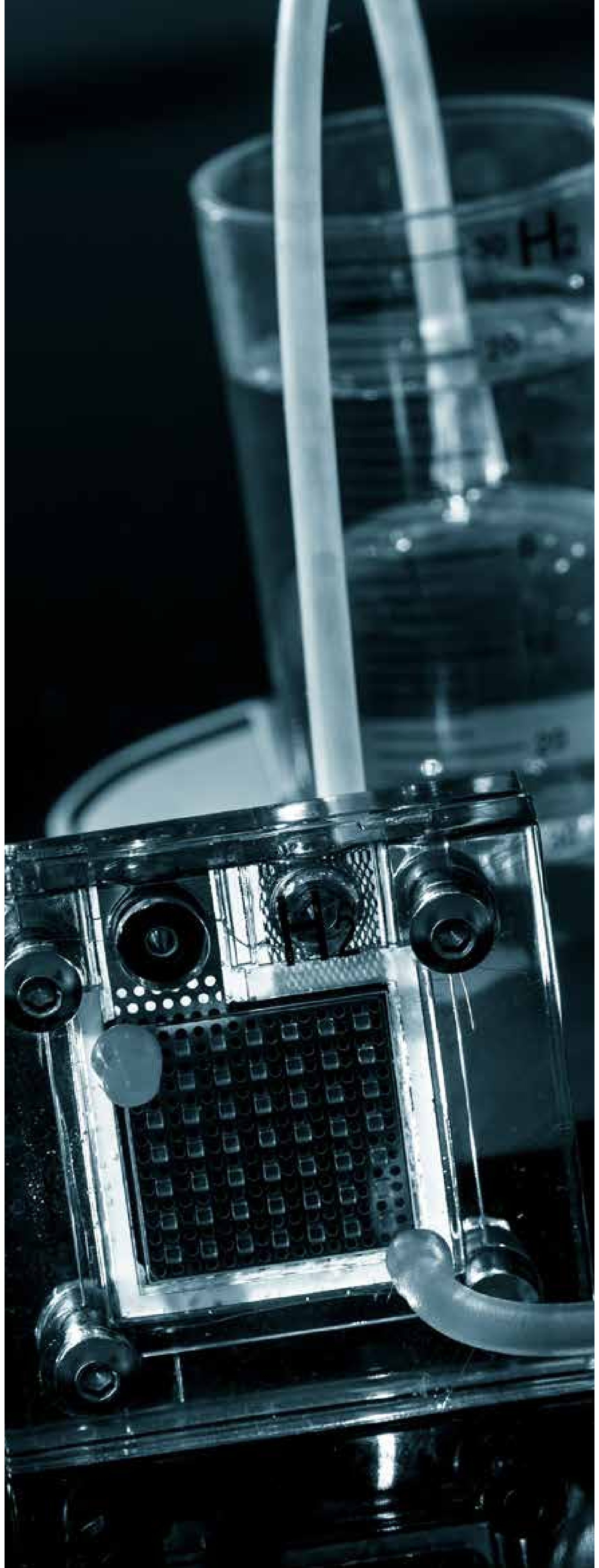
To the best of our knowledge:

- the group financial statements, prepared in accordance with UK-adopted international 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; and
- 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 22 July 2024 and signed on its behalf by

M Ratcliffe

Matthew Ratcliffe
General Counsel and Company Secretary



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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 30 March 2024, which comprise the Group Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Group Statement of Changes in equity, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group 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 30 March 2024 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.

Our evaluation of the directors' assessment of the Group's and the parent company's ability to continue to adopt the going concern basis of accounting included:

- Performing procedures on the directors' going concern assessment for a period of at least 12 months from the date the financial statements are approved. This included challenge of management's forecasts and supporting Board paper;
- Assessing the funding agreements in place to ensure sufficient funding availability within the going concern assessment period;
- Reviewing subsequent events following the year 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 the strategic business plans.
- Obtaining post year end results achieved and compared to the going concern forecast to determine whether the business is trading in line with forecast;
- We have evaluated management's reverse stress test over the forecast period, considering the impact of changing key assumptions and understanding how these could break the forecast to assess the likelihood of such a situation occurring and assessed the likelihood of the downside scenario;
- Sensitising revenue and EBITDA to account for each assessment scenario performed by management, including assessing the impact on cash flow and covenants;
- Corroborating the existence of the Group's loan facilities and related covenant requirements, including confirming the reset of covenants, for the period covered by management's forecasts. We analysed and considered the level of headroom on covenants throughout the going concern period;
- Analysing the movement in net debt and assumptions in respect of working capital; and
- Assessing the adequacy of the going concern disclosures included within the financial statements.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and the parent company's business model including effects arising from macro-economic uncertainties such as inflationary pressures, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and the parent company's financial resources or ability to continue operations over the going concern period.

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.

OUR APPROACH TO THE AUDIT

OVERALL MATERIALITY:

Group: £802,000, which represents approximately 0.75% of the Group's revenue.

Parent company: £480,000, which represents 1% of the parent company's total assets.

KEY AUDIT MATTERS WERE IDENTIFIED AS:

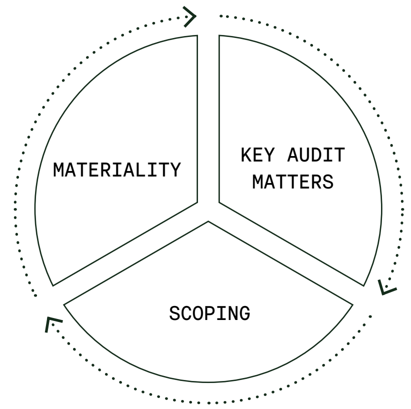
- Valuation of pension benefit obligation (same as previous period)
- Impairment of fixed assets in the Paper and Packaging CGU (new in the current period); and
- Valuation of investments in subsidiaries and intra-group loans (new in the current period).

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: 79%
- Group total assets: 76%

We performed an audit of the financial information of two components using component materiality (full-scope audit), an audit of one or more account balances, classes of transactions or disclosures of the component (specific scope audit) for two components assessed to be material and specified audit procedures on one component.

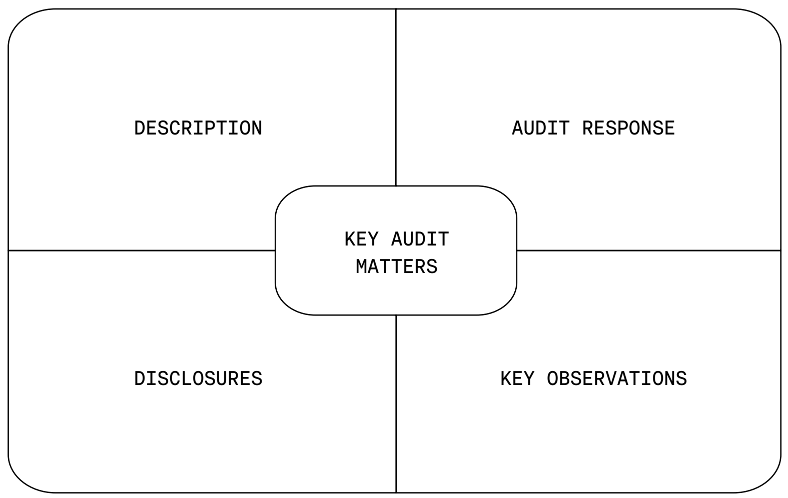
We performed analytical procedures at Group level on the financial information of all the remaining eleven components.



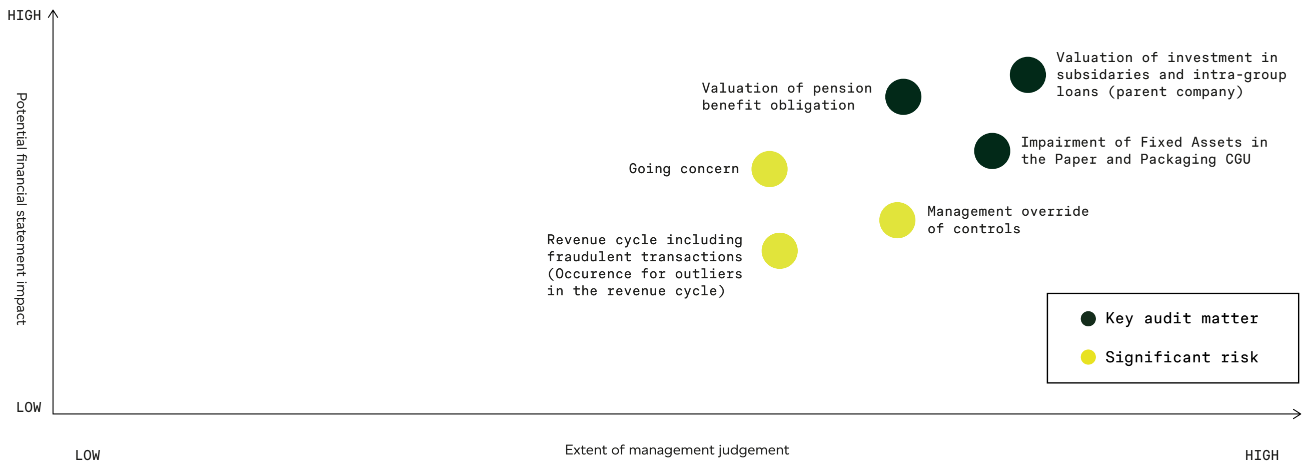
In the previous year, we performed full-scope audits on two components, specific-scope audits on six components and analytical procedures on eight components. The change in scoping is as a result of changes in the relative contribution of the components in scope.

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 below, 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 MATTERS – GROUP

VALUATION OF PENSION BENEFIT OBLIGATION

We assessed the pension 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 30 March 2024, the net pension obligation amounts to £17.3m (2023: £16.1m), the loss recognised in other comprehensive income amounts to £1.8m (2023: £3.9m), the fair value of the plan assets is £69.7m (2023: £73.2m), and the present value of the defined benefit obligation is £87.0m (2023: £89.3m).

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.

HOW OUR SCOPE ADDRESSED THE MATTER

In responding to the key audit matter, we performed the following audit procedures for both schemes:

- Assessed the competence, capabilities and objectivity of the pension scheme actuary and the completeness and reliability of the data provided;
- Obtained and analysed the pension report directly from the actuary and compared the report disclosures to those in the financial statements;
- Considered the nature and scope of the work of the actuary and the appropriateness of the assumptions used in the calculation of the estimate;
- Engaged our internal actuarial expert to assess the reasonableness of assumptions made in relation to the schemes focussing primarily on the discount rate, inflation, and mortality assumptions;
- Tested 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
- Assessed the completeness and accuracy of the disclosures included within the financial statements.

RELEVANT DISCLOSURES IN THE ANNUAL REPORT

- Financial statements; Use of Estimates and Judgements; Retirement benefits
- Financial statements; Note 21; Retirement benefits

KEY OBSERVATIONS

Based on our audit work, we determined 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 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.

IMPAIRMENT OF FIXED ASSETS IN THE PAPER AND PACKAGING CGU

We identified the impairment of fixed assets within the Paper and Packaging CGU as one of the most significant assessed risks of material misstatement due to error.

The carrying value of the paper and packaging division's fixed assets at 30 March 2024 was £12.3m after an impairment charge of £4.4m. Based on the current trading of the Paper and Packaging CGU, we have identified a significant risk in relation to the impairment of fixed assets in the Paper and Packaging CGU due to performance being lower than forecasted, resulting in a lower headroom in the current year than expected.

There are key judgements made by management in assessing the recoverable amount when assessing non-current assess for impairment, including revenue growth and discount rates applied in the discounted cash flow calculations, as well as the identification of CGUs. We recognise that these judgements are subject to management bias and error and can also significantly impact the results of the impairment assessment.

HOW OUR SCOPE ADDRESSED THE MATTER

In responding to the key audit matter, we performed the following audit procedures:

- Assessed and challenged management's identification of CGUs in accordance with the requirements of IAS 36;
- Assessed and challenged management's short, medium and long-term revenue growth rates used in the forecast, including comparison to economic and industry forecasts, where appropriate;
- Assessed and challenged 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;
- Utilised 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;
- Evaluated historical forecasting accuracy by comparing results achieved in prior years to budgets;
- Performed 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
- Assessed 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
- Financial statements; Note 10; Property, Plant and Equipment

KEY OBSERVATIONS

From the work performed, our challenge of management regarding the cash flows and growth rates included in the impairment model resulted in a £4.4m change in the impairment charge recorded.

Following the recording of the impairment charge, we did not identify further material misstatements in the valuation of the fixed assets related to the Paper and Packaging CGU.

KEY AUDIT MATTERS – PARENT COMPANY

VALUATION OF INVESTMENTS IN SUBSIDIARIES AND INTRA-GROUP LOANS

We identified the valuation of investments in subsidiaries and the intra-group loans as one of the most significant assessed risks of material misstatement due to error.

There is an increased risk that the valuation of investments in subsidiaries are impaired as per International Accounting Standards ('IAS') 36 'Impairment of Assets' because of the high level of estimation uncertainty in management's assessment of the future performance of the Group and in determining appropriate operating cash flows, long-term growth rates and discount rate to apply in calculating the recoverable amounts of the investments and intra-group loans.

Similarly, we note that there is also an increased risk surrounding the recoverability of intra-group loans as per International Financial Reporting Standards ('IFRS') 9 'Financial Instruments' due to the reasons noted above regarding estimation uncertainty of the Group's future performance.

We have pinpointed this significant risk to the investments in and intra-group loans from James Cropper Speciality Paper and James Cropper 3D Products (Colourform). This is on the basis that actual performance has been below budget in the current financial year for these companies.

HOW OUR SCOPE ADDRESSED THE MATTER

In responding to the key audit matter, we performed the following audit procedures:

- Obtained and evaluated management's assessment of whether there are indicators of impairment in the investments held to assess compliance with IAS 36;
- Assessed and challenged management's medium and long-term growth rates used in the forecast including comparison to short-term economic and industry forecasts where appropriate;
- Assessed and challenged management's impairment review, including determining whether appropriate costs and cash flows are included, and that these appropriately factor in the current economic climate, and corroborate medium and long-term growth assumptions to relevant evidence, such as external market data;
- Utilised valuation experts to independently determine a weighted average cost of capital, to assess whether the WACC used by management, as determined by their expert, is appropriate;
- Evaluated historical forecasting accuracy by comparing results achieved in prior years to budgets;
- Performed 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 value-in-use calculation;
- Assessed and challenged management's assessment of the expected credit loss provision against amounts owed by group undertakings; and
- Assessed whether the disclosures regarding impairment and expected credit loss within the financial statements are appropriate.

RELEVANT DISCLOSURES IN THE ANNUAL REPORT

- Financial statements; Use of Estimates and Judgements; Impairment
- Financial statements; Note 12; Investments in Subsidiary Undertakings
- Financial statements; Note 13; Amounts Owed by the Group Undertakings

KEY OBSERVATIONS

From the work performed, our challenge of management regarding the cash flows and growth rates included in the impairment/expected credit loss model resulted in a material change (£23.0m) in the impairment charge of investments and intra-group loans recorded.

Following the recording of the impairment charge, we did not identify further material misstatements in the valuation of investments in subsidiaries and 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 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 - GROUP

£802,000 (2023: £325,000), which represents approximately 0.75% of the Group's revenue.

MATERIALITY THRESHOLD - PARENT COMPANY

£480,000(2023: £130,000), which represents approximately 1% of the parent company's total assets.

SIGNIFICANT JUDGEMENTS MADE BY AUDITOR IN DETERMINING MATERIALITY - GROUP

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 year is higher than the level that we determined for the period ended 1 April 2023 as a result of an increase in the benchmark amount.

SIGNIFICANT JUDGEMENTS MADE BY AUDITOR IN DETERMINING MATERIALITY - PARENT COMPANY

In determining materiality, we made the following significant judgements:

- This benchmark is considered the most appropriate because the parent company is not a trading company.
- The percentage of 1% was selected based on the risk profile of the parent company as a component within a listed entity Group.

Materiality for the current year is higher than the level that we determined for the period ended 1 April 2023 as in the prior year it was capped as a proportion of Group materiality.

The parent company materiality is solely for the purposes of the parent company statutory audit. A lower component materiality has been used in respect of the parent company for the Group financial statement audit.

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 - GROUP

£561,400 (2023: £211,000) which is 70% (2023: 65%) of financial statement materiality.

PERFORMANCE MATERIALITY THRESHOLD - PARENT COMPANY

£336,000 (2023: £85,000), which is 70% (2023: 65%) of financial statement materiality.

SIGNIFICANT JUDGEMENTS MADE BY AUDITOR IN DETERMINING PERFORMANCE MATERIALITY - GROUP

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.
- The nature, size and volume of misstatements identified in the previous audit.

SIGNIFICANT JUDGEMENTS MADE BY AUDITOR IN DETERMINING PERFORMANCE MATERIALITY - PARENT COMPANY

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 did not identify any significant deficiencies.
- 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.

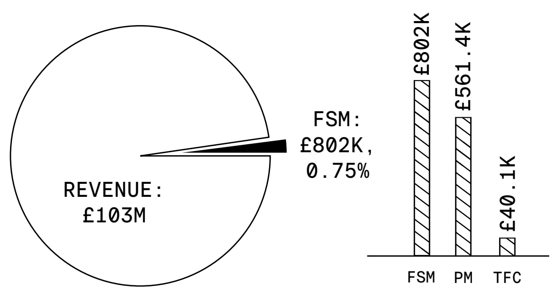
SPECIFIC MATERIALITY - GROUP AND PARENT COMPANY

We determined a lower level of specific materiality for the following areas:

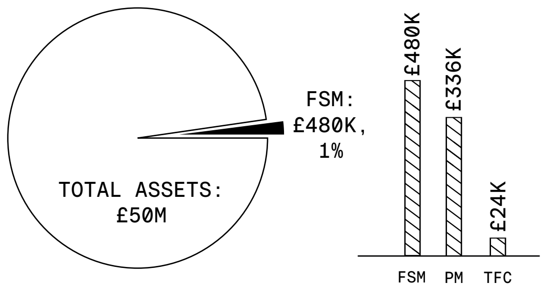
- Directors' remuneration; and
- Identified related party transactions outside of the normal course of business.

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

COMMUNICATION OF MISSTATEMENTS TO THE AUDIT COMMITTEE

We determine a threshold for reporting unadjusted differences to the audit committee.

THRESHOLD FOR COMMUNICATION - GROUP

£40,100 (2023: £16,250), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

THRESHOLD FOR COMMUNICATION - PARENT COMPANY

£24,000 (2023: £8,000), which represents 5% of financial statement materiality, and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

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, AND THEIR ENVIRONMENTS, INCLUDING GROUP-WIDE 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 SIGNIFICANT COMPONENTS

- 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)

- Audits of the financial information of the component using component materiality (full-scope audit) were performed on the financial information of two components. These procedures included a combination of tests of detail and analytical procedures.
- Audits of one or more account balances, classes of transactions or disclosures of the component (specific-scope audit) procedures were carried out on a further two components using component materiality. These procedures included a combination of tests of details and analytical procedures and were designed to increase coverage of the Group's financial statement line items;
- Specified audit procedures were carried out on one component using component materiality.
- For the eleven 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 specific-scope 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

- 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 parent company'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.

AUDIT APPROACH	NO. OF COMPONENTS	% COVERAGE TOTAL ASSETS	% COVERAGE REVENUE
FULL-SCOPE AUDIT	2 (2023: 2)	66 (2023: 64)	68 (2023: 74)
SPECIFIC-SCOPE AUDIT	2 (2023: 2)	10 (2023: 0)	11 (2023: 0)
SPECIFIED AUDIT PROCEDURES	1 (2023: 4)	9 (2023: 32)	0 (2023: 13)
ANALYTICAL PROCEDURES	11 (2023: 8)	15 (2023: 4)	21 (2023: 13)

CHANGES IN APPROACH FROM PREVIOUS PERIOD

- There has been a decrease 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, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 period 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 80, 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.

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 investments and 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

22 July 2024

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note	52 week period to 30 March 2024 £'000	53 week period to 1 April 2023 £'000
Revenue	2	102,968	129,664
Expected credit loss provision		130	134
Other income		1,970	650
Changes in inventories of finished goods and work in progress		(2,604)	817
Raw materials and consumables used		(34,785)	(48,556)
Energy costs		(7,130)	(15,162)
Employee benefit costs	24	(34,547)	(34,459)
Depreciation and amortisation	4	(4,619)	(4,278)
Impairment of property, plant and equipment	4	(4,427)	-
Write-off of assets on restructuring	4	(469)	-
Other expenses	4	(19,514)	(25,471)
OPERATING (LOSS) / PROFIT	2	(3,027)	3,339
Fair value movement on derivatives		-	(330)
Interest payable and similar charges	3	(2,234)	(1,697)
Interest receivable and similar income	3	-	1
(LOSS) / PROFIT BEFORE TAXATION	4	(5,261)	1,313
Tax income / (expense)	5	1,264	(797)
(LOSS) / PROFIT FOR THE PERIOD		(3,997)	516
(Loss) / earnings per share – basic and diluted	6	(41.8p)	5.4p

OTHER COMPREHENSIVE INCOME

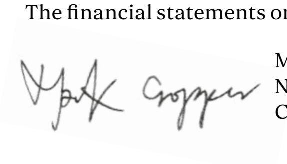
	Note	52 week period to 30 March 2024 £'000	53 week period to 1 April 2023 £'000
(Loss) / profit for the period		(3,997)	516
ITEMS THAT ARE OR MAY BE RECLASSIFIED TO PROFIT OR LOSS			
Exchange differences on translation of foreign operations		(196)	222
Cash flow hedges – effective portion of changes in fair value	14,18	(258)	1,040
Cash flow hedges – cost of hedging	14	109	(355)
ITEMS THAT WILL NEVER BE RECLASSIFIED TO PROFIT OR LOSS			
Retirement benefit liabilities – actuarial losses	21	(1,787)	(3,888)
Deferred tax on actuarial losses on retirement benefit liabilities		447	972
Other comprehensive expense for the period		(1,685)	(2,009)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		(5,682)	(1,493)

The accompanying notes form part of the financial statements

STATEMENT OF FINANCIAL POSITION

	Note	Group as at 30 March 2024 £'000	Group as at 1 April 2023 £'000	Company as at 30 March 2024 £'000	Company as at 1 April 2023 £'000 Restated
ASSETS					
Goodwill	8	1,264	1,264	-	-
Intangible assets	9	1,210	1,524	564	788
Property, plant and equipment	10	27,667	32,717	1,696	1,758
Right-of-use assets	11	6,028	6,765	270	402
Investments in subsidiary undertakings	12	-	-	2,350	7,350
Amounts owed by group undertakings	13	-	-	32,002	40,867
Other financial assets	14	341	654	341	654
Deferred tax assets	22	5,400	4,198	4,384	4,118
TOTAL NON-CURRENT ASSETS		41,910	47,122	41,607	55,937
Inventories	15	15,796	18,304	-	-
Trade and other receivables	16	17,723	24,763	3,275	13,124
Provision for impairment	16	(513)	(643)	-	-
Other financial assets	14	478	428	478	428
Cash and cash equivalents		9,211	7,679	5,021	3,506
Corporation tax		1,345	815	585	582
TOTAL CURRENT ASSETS		44,040	51,346	9,359	17,640
TOTAL ASSETS		85,950	98,468	50,966	73,577
LIABILITIES					
Trade and other payables	17	15,570	21,106	6,896	7,465
Other financial liabilities	18	-	58	-	58
Loans and borrowings	19	1,610	1,758	155	217
TOTAL CURRENT LIABILITIES		17,180	22,922	7,051	7,740
Long-term borrowings	19	23,138	22,515	14,944	13,019
Retirement benefit liabilities	21	17,293	16,140	17,293	16,140
Contingent consideration on business acquisition	17	-	1,423	-	-
Deferred tax liabilities	22	2,772	3,403	98	112
TOTAL NON-CURRENT LIABILITIES		43,203	43,481	32,335	29,271
TOTAL LIABILITIES		60,383	66,403	39,386	37,011
EQUITY					
Share capital	23	2,389	2,389	2,389	2,389
Share premium		1,588	1,588	1,588	1,588
Translation reserve		579	775	-	-
Reserve for own shares		(1,407)	(1,407)	(1,407)	(1,407)
Cash flow hedging reserve		782	1,040	776	1,092
Cost of hedging reserve		(246)	(355)	(246)	(355)
Retained earnings		21,882	28,035	8,480	33,259
TOTAL SHAREHOLDERS' EQUITY		25,567	32,065	11,580	36,566
TOTAL EQUITY AND LIABILITIES		85,950	98,468	50,966	73,577

The Parent Company reported a loss for the period ended 30 March 2024 of £(22,623)k (2023: profit of £4,042k).
The financial statements on pages 89 to 131 were approved by the Board of Directors on 22 July 2024 and were signed on its behalf by:



M A J Cropper
Non-Executive Chair
Company Registration No: 00030226

The accompanying notes form part of the financial statements

STATEMENT OF CASH FLOWS

For the period ended 30 March 2024 (2023: for the period ended 1 April 2023)

	Note	Group 2024 £'000	Group 2023 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit for the period		(3,997)	516
ADJUSTMENTS FOR:			
Tax (income) / expense	5	(1,264)	797
Depreciation and amortisation	4	4,619	4,278
Impairment of property, plant and equipment	4	4,427	-
Write-off of assets on restructuring	4	469	-
Earn out adjustment on contingent consideration on business acquisition	4	(422)	986
Net IAS 19 pension adjustments within profit		(6)	442
Past service pension deficit payments		(1,381)	(1,665)
Foreign exchange differences		(40)	(136)
Profit on disposal of property, plant and equipment and intangible assets	4	(40)	(589)
Interest receivable and similar income	3	-	(1)
Interest payable and similar charges	3	2,234	1,697
Share based payments		(152)	(59)
Fair value movements on derivatives		-	330
CHANGES IN WORKING CAPITAL:			
Decrease / (increase) in inventories		2,352	(696)
Decrease / (increase) in trade and other receivables		6,110	(3,614)
(Decrease) / increase in trade and other payables		(5,576)	2,396
Tax (paid) / received		(163)	868
NET CASH GENERATED FROM OPERATING ACTIVITIES		7,170	5,550
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of intangible assets	9	(965)	(1,126)
Purchase of property, plant and equipment	10	(3,220)	(5,267)
Proceeds on disposal of intangible assets		120	-
Contingent consideration on business acquisition paid	17	(250)	(250)
NET CASH USED IN INVESTING ACTIVITIES		(4,315)	(6,643)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of new loans	19	2,000	5,050
Repayment of borrowings	19	(429)	(288)
Repayment of lease liabilities	19	(1,449)	(1,561)
Interest received		-	1
Interest paid		(941)	(858)
Non-deliverable forward contract payment		-	(330)
Payments on interest rate cap		-	(495)
Dividends paid to shareholders	7	(664)	(897)
NET CASH USED IN / GENERATED FROM FINANCING ACTIVITIES		(1,483)	622
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,372	(471)
Effects of exchange rate fluctuations on cash held		160	400
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		1,532	(71)
Cash and cash equivalents at the start of the period		7,679	7,750
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		9,211	7,679
CASH AND CASH EQUIVALENTS CONSISTS OF:			
Cash at bank and in hand		9,211	7,679
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		9,211	7,679

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 26 MARCH 2022	2,389	1,588	553	(1,407)	-	-	31,391	34,514
Comprehensive income for the period	-	-	-	-	-	-	516	516
Total other comprehensive (expense) / income	-	-	222	-	(355)	1,040	(2,916)	(2,009)
Dividends paid	-	-	-	-	-	-	(897)	(897)
Share based payment charge	-	-	-	-	-	-	(59)	(59)
Total contributions by and distributions to owners of the Group	-	-	-	-	-	-	(956)	(956)
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

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 26 MARCH 2022	2,389	1,588	(1,407)	-	-	33,089	35,659
Comprehensive income for the period	-	-	-	-	-	4,042	4,042
Total other comprehensive income / (expense)	-	-	-	(355)	1,092	(2,916)	(2,179)
Dividends paid	-	-	-	-	-	(897)	(897)
Share based payment charge	-	-	-	-	-	(59)	(59)
Total contributions by and distributions to owners of the Group	-	-	-	-	-	(956)	(956)
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

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; and
- An analysis of revenue from contracts with customers has not been given.

BASIS OF PREPARATION

The accounting "year" for the Group is a 52 week accounting period ended 30 March 2024 (2023: 53 week accounting period ended 1 April 2023).

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.

In determining the appropriate basis of preparation, the impact of the energy crisis and other inflationary pressures have been considered.

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 3-year strategic plan against which performance is compared, and operates a monthly reporting and quarterly forecasting cycle, which the Board uses to monitor profitability and liquidity and ensure the Group has sufficient debt facilities to ensure its ongoing viability.

The Board believes that an 18-month planning horizon to September 2025, based on the Board approved annual budget and strategic plan, is an appropriate period over which to evaluate the Group's ability to continue as a going concern.

In carrying out this evaluation the Board considered the challenging trading environment during the second half of the financial period to 30 March 2024 and applied various sensitivities, including modelling a severe but plausible downside scenario that reduced revenue significantly below the levels assumed in the budget and strategic plan. 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. Given the market outlook and trading after the end of the financial period the Board concluded that the reverse stress test was an implausible scenario.

As part of its risk mitigation strategy the Group has agreed amendments to the two financial covenants in its UK bank loan for the June, September and December 2024 test dates to provide additional headroom against potential downside scenarios.

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.

The accompanying notes form part of the financial statements

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 man-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; and
- 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 up to the level of allocated allowances held.

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.

The portion of gain or loss on foreign currency borrowings that are used to hedge a net investment in a foreign operation, that is determined to be an effective hedge, is included as a movement in the cumulative translation reserve. On subsequent disposal such gains or losses will form part of the profit/loss on disposal within the Statement of Comprehensive Income. Any ineffective portion is recognised immediately in the Statement of Comprehensive Income.

(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 cash generating unit, 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 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 cash generating unit 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; and
- 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.

(J) 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 a 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; and
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.

(K) 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.

(L) 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.

(M) INVESTMENTS IN SUBSIDIARY UNDERTAKINGS AND AMOUNTS 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.

(N) 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.

(O) TRADE PAYABLES

Trade payables are recorded at their fair value. Trade payables are subsequently stated at amortised cost using the effective interest method.

(P) OTHER INCOME

Other income includes the research and development expenditure credit (RDEC), royalties received and grants received for funded projects.

(Q) 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.

(R) 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.

(S) 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.

(T) INTEREST

Interest is recognised in the Statement of Comprehensive Income on an accrual basis using the effective interest method.

(U) 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.

(V) 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 19 and details of shares are set out in note 23. 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.

(W) 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.

(X) 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.

(Y) 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.

(Z) 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

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 21 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%	86,993
0.15%	87,020
0.25%	87,107

iii. Impairment of property plant and equipment, 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 three 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 and Packaging CGU. Therefore an impairment review was carried out, which resulted in an impairment of £4.4m being recognised against the carrying value of the fixed assets in the Paper and Packaging business.

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.

Similar judgements were made by the parent company in relation to 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.

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 Products (Paper): comprising James Cropper Speciality Papers, a manufacturer of specialist paper and boards, James Cropper Converting, a converter of paper, and Colourform, a manufacturer of moulded fibre products.
- Technical Fibre Products (TFP) – a manufacturer 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 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

PERIOD ENDED 1 APRIL 2023

All figures in £'000	Paper Products	TFP	Group Services and Eliminations	Continuing Operations
REVENUE				
External	92,477	37,187	-	129,664
	92,477	37,187	-	129,664
SEGMENT PROFIT				
Adjusted Operating (Loss) / Profit before exceptional items and IAS 19	(3,904)	9,244	(573)	4,767
Exceptional costs	-	(986)	-	(986)
IAS 19 Pension adjustments to profit	-	-	(442)	(442)
OPERATING (LOSS) / PROFIT	(3,904)	8,258	(1,015)	3,339
Fair value movement on derivatives				(330)
Interest payable and similar charges				(1,697)
Interest receivable and similar income				1
PROFIT BEFORE TAX				1,313
Tax expense				(797)
PROFIT FOR THE PERIOD				516
TOTAL ASSETS	74,723	68,482	(44,737)	98,468
TOTAL LIABILITIES	83,422	56,874	(73,893)	66,403

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	2024	2023	2024	2023
UK	39,468	53,517	32,063	37,424
Europe	29,681	35,986	-	-
US	24,155	27,209	4,447	4,846
Asia	8,660	10,997	-	-
Rest of the Americas	440	966	-	-
Australasia	405	762	-	-
Africa	159	227	-	-
TOTAL	102,968	129,664	36,510	42,270

All figures in £'000	Paper	TFP	Group	Total
Additions to non-current assets	2,610	750	410	3,770

The accompanying notes form part of the financial statements

3 FINANCE COSTS

Finance costs include costs in respect of interest payable on borrowings and defined benefit pension schemes.

Finance income includes interest received from short term deposits.

All figures in £'000	2024	2023
FINANCE COSTS		
Interest payable on bank borrowings	782	705
Interest payable in relation to lease liabilities	219	268
Net finance costs arising on defined benefit schemes	753	345
Other finance charges	109	127
Fair value adjustment on contingent consideration	262	109
Fair value adjustments on derivatives	109	143
TOTAL FINANCE COSTS	2,234	1,697
FINANCE INCOME		
Finance income in respect of cash and short term investments	-	1
TOTAL FINANCE INCOME	-	1
NET FINANCE COSTS	2,234	1,696

4 PROFIT/(LOSS) BEFORE TAXATION

All figures in £'000

The following items have been charged / (credited) in arriving at profit/(LOSS) before tax:	Note	2024	2023
Employee benefit costs	24	34,547	34,459
Depreciation and amortisation			
- Intangible assets	9	195	205
- Property, plant and equipment	10	3,494	3,065
- Right-of-use assets	11	930	1,008
Write-off of assets on restructuring		469	-
Impairment of assets on restructuring	10	4,427	-
		9,515	4,278
Other income:			
- Government grants received		(36)	(307)
- Pension settlement		(1,404)	-
- Rental income		(40)	-
- Research and development tax credits		(490)	(338)
- Storage		-	(5)
		(1,970)	(650)
Other expenses:			
- Administration costs		10,771	10,711
- Distribution costs		2,724	4,869
- Earn-out adjustment on contingent consideration on business acquisition		(422)	986
- Environmental taxation		(317)	2,089
- Foreign exchange differences		(194)	(235)
- Profit on disposal of property, plant and equipment and intangible assets		(40)	(589)
- Repairs and maintenance expenditure on property, plant and equipment		5,948	6,326
- Sales and marketing costs		1,044	1,314
		19,514	25,471
Provision for impairment reversal – Trade receivables		(130)	(134)

The accompanying notes form part of the financial statements

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 30 March 2024 was £2,526k (2023: £3,207k) and is included 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	2024	2023
AUDIT SERVICES		
Fees payable to the Company's auditor for the audit of parent company and consolidated accounts	90	98
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)	230	250
Expenses billed	16	-
	336	348
Other non-audit services	-	10

5 TAXATION

Analysis of Group tax charges in the period.

All figures in £'000

CONTINUING OPERATIONS	Note	2024	2023
Current tax		122	419
Adjustments in respect of prior period current tax		(6)	70
TOTAL CURRENT TAX		116	489
Deferred tax		(1,320)	179
Adjustments in respect of prior period deferred tax		(60)	76
Effects of changes in tax rate		-	53
TOTAL DEFERRED TAX	22	(1,380)	308
TAX PER STATEMENT OF COMPREHENSIVE INCOME		(1,264)	797
TAX ON ITEMS CHARGED TO OTHER COMPREHENSIVE INCOME			
Deferred tax on actuarial gains on retirement benefit liabilities		(447)	(972)
TAX ON ITEMS CHARGED TO EQUITY			
Deferred tax on share options		(6)	10

The accompanying notes form part of the financial statements

The tax for the period is higher (2023: higher) than the standard rate of corporation tax in the UK of 25% (2023: 19%).

The differences are explained below:

All figures in £'000 Continuing operations	Group 2024	Group 2023
PROFIT/(LOSS) BEFORE TAX	(5,261)	1,313
Profit/(loss) on ordinary activities multiplied by rate of corporation tax in the UK of 25% (2023:19%)	(1,315)	249
Effects of:		
Adjustments to tax in respect of prior period	(66)	146
Changes to tax rates	-	53
Share options	(4)	64
Expenses not deductible for tax purposes	205	309
Deferred tax not recognised in overseas jurisdictions	(84)	15
Other	-	(39)
TOTAL TAX (CREDIT)/CHARGE	(1,264)	797

6 EARNINGS PER SHARE

Basic earnings per share is calculated on the Group's loss for the period attributable to equity shareholders of £(3,997)k (2023: profit of £516k) divided by 9.6m (2023: 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 30 March 2024 there were no potential dilutive share options outstanding (2023: nil).

	2024			2023		
	Loss £'000	Weighted average number of shares '000	Amount per share pence	Earnings £'000	Weighted average number of shares '000	Amount per share pence
Earnings attributable to ordinary shareholders	(3,997)	9,555	(41.8)	516	9,555	5.4
BASIC AND DILUTED EPS	(3,997)	9,555	(41.8)	516	9,555	5.4

7 DIVIDENDS

All figures in £'000	2024	2023
Final paid for the period ended 1 April 2023 / 26 March 2022	378	708
Interim paid for the period ended 30 March 2024 / 1 April 2023	286	189
Total dividends paid in the year	664	897
Final dividend per share for the period ended 1 April 2023 / 26 March 2022	4.0p	7.5p
Interim dividend per share for the period ended 30 March 2024 / 1 April 2023	3.0p	2.0p

The Directors are not proposing a final dividend in respect of the period ended 30 March 2024 (2023: 4.0 pence per share). The total dividend declared for the period is 3.0 pence per share (2023: 6.0 pence per share).

The accompanying notes form part of the financial statements

8 GOODWILL

All figures in £'000	Group 2024	Group 2023	Company 2024	Company 2023
COST AND CARRYING VALUE				
At 1 April 2023 / 26 March 2022	1,264	1,264	-	-
At 30 March 2024 / 1 April 2023	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 formally approved budgets covering the three-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 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 accompanying notes form part of the financial statements

Group All figures in £'000	Computer Software	Development Costs	Trade Secrets	Customer Relationships	Technology	Brands	Emission Allowances	Total
COST								
At 26 March 2022	4,334	457	310	567	359	31	570	6,628
Additions	231	-	-	-	-	-	3,145	3,376
Transfer to property, plant and equipment	(6)	-	-	-	-	-	-	(6)
Disposals/surrender of allowances	(229)	-	-	-	-	-	(3,221)	(3,450)
Derecognition of fully amortised assets	-	-	(310)	-	-	(31)	-	(341)
AT 1 APRIL 2023	4,330	457	-	567	359	-	494	6,207
AGGREGATE AMORTISATION								
At 26 March 2022	4,135	456	310	69	43	31	-	5,044
Charge for period	110	1	-	57	37	-	-	205
Transfer to property, plant and equipment	4	-	-	-	-	-	-	4
Derecognition of fully amortised assets	-	-	(310)	-	-	(31)	-	(341)
Disposals	(229)	-	-	-	-	-	-	(229)
AT 1 APRIL 2023	4,020	457	-	126	80	-	-	4,683
NET BOOK VALUE AT 1 APRIL 2023	310	-	-	441	279	-	494	1,524
NET BOOK VALUE AT 26 MARCH 2022	199	1	-	498	316	-	570	1,584

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 the allowances received through the UK Emissions Trading Scheme (UKETS) and are valued at market value at the date of initial recognition. The allocated allowances are held 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 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

Company All figures in £'000	Computer Software	Emission Allowances	Total
COST			
At 26 March 2022	4,194	570	4,764
Additions	215	3,145	3,360
Transfer to property, plant and equipment	(6)	-	(6)
Disposals/surrender of allowances	(223)	(3,221)	(3,444)
AT 30 MARCH 2024	4,180	494	4,674
ACCUMULATED AMORTISATION			
At 26 March 2022	3,995	-	3,995
Charge for the period	110	-	110
Transfer to property, plant and equipment	4	-	4
Disposals	(223)	-	(223)
AT 1 APRIL 2023	3,886	-	3,886
NET BOOK VALUE AT 1 APRIL 2023	294	494	788
NET BOOK VALUE AT 26 MARCH 2022	199	570	769

10 PROPERTY PLANT AND EQUIPMENT

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 at cost		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.

During the financial period the Group, as part of the restructuring program, mothballed one of the Paper making machines. This is shown as a disposal of £298k NBV of property, plant and equipment and the charge is an exceptional cost and is included in write-off of assets in restructuring in the Group Statement of Comprehensive Income.

Separately to this the Group recognised an impairment loss of £4.4m in respect of the net book value of the fixed assets in its Paper and Packaging business. The charge is an exceptional cost on the face of the Group Statement of Comprehensive Income.

The impairment has been recognised following three years of operating losses in the Group's Paper and Packaging business as a result of challenging market conditions. Following the impairment the recoverable amount of the fixed assets in the Paper and Packaging business at 30 March 2024 is £12.1m. The recoverable amount is based on value in use with future cash flows 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 Paper and Packaging business.

Cash flows in the Paper and Packaging cash generating unit cannot be attributed to specific assets. Therefore the impairment review was carried out based on the CGU represented by the Paper and Packaging business as a whole.

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 31 March 2024 with annual revenue and EBITDA growth forecast in mid-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% to extrapolate cash projections beyond this five-year period in line with the OECD's forecast long term growth rate for the UK economy. Direct input costs were forecast to increase in line with revenue and overheads at 3% pa.

An increase of one percentage point in forecast annual revenue growth in each of the last two years of the five-year forecast period would result in a £2.9m decrease of the impairment charge to £1.5m. A decrease of one percentage point in forecast annual revenue growth in each of the last two years of the five-year forecast period would result in an increase in the impairment charge of £2.9m to £7.3m. An increase of one percentage point in the discount rate to 15% would result in a £2.1m increase in the impairment charge to £6.5m.

Group All figures in £'000	Note	Freehold land & buildings	Plant & machinery	Assets under Construction[1]	Total
COST					
At 26 March 2022		15,243	94,250	2,896	112,389
Transfers		48	2,497	(2,545)	-
Transfer from intangible assets		-	6	-	6
Additions at cost		74	3,681	1,512	5,267
Disposals		-	(474)	-	(474)
Effects of movements in foreign exchange		-	263	-	263
AT 1 APRIL 2023		15,365	100,223	1,863	117,451
ACCUMULATED DEPRECIATION					
At 26 March 2022		7,970	73,868	-	81,838
Charge for period	4	347	2,718	-	3,065
Transfers		(201)	201	-	-
Transfers to Intangible assets		-	(4)	-	(4)
Disposals		-	(260)	-	(260)
Effects of movements in foreign exchange		-	95	-	95
AT 1 APRIL 2023		8,116	76,618	-	84,734
NET BOOK VALUE AT 1 APRIL 2023		7,249	23,605	1,863	32,717
NET BOOK VALUE AT 26 MARCH 2022		7,273	20,382	2,896	30,551

1. Assets under construction comprise the expenditure to date on a new gas compressor.

Company All figures in £'000	Freehold land & buildings	Plant & machinery	Total
COST			
At 1 April 2023	1,782	2,740	4,522
Additions at cost	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

Company All figures in £'000	Freehold land & buildings	Plant & machinery	Total
COST			
At 26 March 2022	1,694	2,548	4,242
Transfers	14	(14)	-
Transfers to intangible assets	-	6	6
Additions at cost	74	200	274
AT 1 APRIL 2023	1,782	2,740	4,522
ACCUMULATED DEPRECIATION			
At 26 March 2022	552	2,060	2,612
Transfers	10	(10)	-
Transfers to intangible assets	-	(4)	(4)
Charge for period	22	134	156
AT 1 APRIL 2023	584	2,180	2,764
NET BOOK VALUE AT 1 APRIL 2023	1,198	560	1,758
NET BOOK VALUE AT 26 MARCH 2022	1,142	488	1,630

11 RIGHT-OF-USE ASSETS

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

Group All figures in £'000	Note	Land & buildings	Plant, equipment & vehicles	Total
COST				
At 26 March 2022		3,944	5,651	9,595
Additions		26	255	281
Disposals		-	(47)	(47)
Effects of movements in foreign exchange		167	-	167
AT 1 APRIL 2023		4,137	5,859	9,996
ACCUMULATED DEPRECIATION				
At 26 March 2022		979	1,258	2,237
Charge for the period	4	423	585	1,008
Disposals		-	(38)	(38)
Effects of movements in foreign exchange		24	-	24
AT 1 APRIL 2023		1,426	1,805	3,231
NET BOOK VALUE AT 1 APRIL 2023		2,711	4,054	6,765
NET BOOK VALUE AT 26 MARCH 2022		2,965	4,393	7,358

Total cash outflow of leases in the year was £1,449k (2023: £1,561k). 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 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
BOOK VALUE AT 1 APRIL 2023	402	402

Company All figures in £'000	Plant, equipment & vehicles	Total
COST		
At 26 March 2022	538	538
Additions	245	245
Disposals	(47)	(47)
AT 1 APRIL 2023	736	736
ACCUMULATED DEPRECIATION		
At 26 March 2022	195	195
Charge for the period	177	177
Disposals	(38)	(38)
AT 1 APRIL 2023	334	334
NET BOOK VALUE AT 1 APRIL 2023	402	402
NET BOOK VALUE AT 26 MARCH 2022	343	343

12 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

All figures in £'000	Company 2024	2023
At cost	7,350	7,350
Less: provision for impairment	(5,000)	-
At 30 March 2024 / 1 April 2023	2,350	7,350

Investments in subsidiary undertakings are stated at cost less provision for impairment. During the year, given that the operating losses in the James Cropper Speciality Papers Limited (JCSP) over the past 3 years are a potential indicator of impairment, an impairment review was performed, as a result of which the investment in JCSP was impaired to nil.

A list of principal subsidiary undertakings is given below:

Company Name	Country of incorporation	Registered office (see below)	% holding 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 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	Dormant company

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 DWF Germany Rechtsanwaltsgesellschaft mbH, Habsburgerring 2, 50674 Koln, Germany.

13 AMOUNTS OWED BY THE GROUP UNDERTAKINGS

All figures in £'000	Company 2024	2023 Restated
Amounts owed by Group undertakings	50,023	40,867
Less: Provision for impairment of loans	(18,021)	-
Amounts owed by Group undertakings – net	32,002	40,867

Amounts owed by Group undertakings include loans of £26,000k (2023: £26,000k) with a fixed term of one year with an interest charge of 6.25% (2023: 3.2%) per annum and intercompany funding accounts of £24,023k (2023: £20,867k). A provision for impairment of £16,000k has been raised against the intercompany loans and £2,021k against the intercompany funding accounts.

The comparative has been restated as referred to in note 29.

14 OTHER FINANCIAL ASSETS

All figures in £'000	Group 2024	Group 2023	Company 2024	Company 2023
Interest Rate Cap	819	1,082	819	1,082
Non-current asset	341	654	341	654
Current asset	478	428	478	428

The loss arising in the Statement of Comprehensive Income on fair value hedging instruments was £56k (2023: £143k). The net (loss) / gain arising in the Statement of Other Comprehensive Income on fair value hedging instruments was £(207)k (2023: £737k).

15 INVENTORIES

All figures in £'000	Group 2024	Group 2023
Materials	7,504	7,251
Work in progress	1,996	2,677
Finished goods	6,296	8,376
	15,796	18,304

Inventories are stated after a provision for impairment of £1,301k (2023: £1,576k).

The total cost of inventories recognised in the Group Statement of Comprehensive Income for the year ended 30 March 2024, including direct and overhead costs absorbed into the cost of goods sold, was £60,873k (2023: £93,383k). 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.

16 TRADE AND OTHER RECEIVABLES

All figures in £'000	Group 2024	Group 2023	Company 2024	Company 2023 restated
Trade receivables	15,278	21,646	-	-
Less: Provision for impairment of receivables	(513)	(643)	-	-
Trade receivables – net	14,765	21,003	-	-
Amounts owed by Group undertakings	-	-	1,749	11,330
Other receivables	207	914	201	910
Prepayments	2,238	2,203	1,325	884
	17,210	24,120	3,275	13,124

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.

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.

As disclosed in note 29, certain amounts owed by group undertakings have been reclassified to non-current assets, as it is the expectation that these will be settled in over one year.

17 TRADE AND OTHER PAYABLES

All figures in £'000	Group 2024	Group 2023	Company 2024	Company 2023
Trade payables	6,554	11,188	983	1,179
Amounts owed to group undertakings	-	-	4,366	3,960
Other tax and social security payable	662	673	144	141
Other payables	339	1,114	243	935
Accruals	6,752	7,881	1,160	1,249
Contingent consideration[1]	1,263	250	-	-
DUE WITHIN ONE YEAR	15,570	21,106	6,896	7,464

The fair values of trade and other payables approximate to their carrying values.

CONTINGENT CONSIDERATION

All figures in £'000	Note	Group 2024	Group 2023
Balance as at 1 April 2023 / 26 March 2022		1,673	828
Payments made		(250)	(250)
Earn out adjustment based on performance in period	4	(422)	986
Fair value adjustment	3	262	109
Balance at 30 March 2024 / 1 April 2023		1,263	1,673
DUE AFTER ONE YEAR		-	1,423
DUE WITHIN ONE YEAR		1,263	250

The accompanying notes form part of the financial statements

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. The actual performance of TFP Hydrogen Products for the period ended 30 March 2024 fell short of expectations (1 April 2023: exceeded expectations), resulting in a decrease (1 April 2023: increase) in the contingent consideration due. The earn out period ended on 30 March 2024. The liability disclosed as at 30 March 2024 will be settled within one year.

18 OTHER FINANCIAL LIABILITIES

Group and Company

All figures in £'000	Note	2024	2023
Foreign exchange rate swaps for hedging	20	-	58
Current liabilities		-	58

The liabilities are held at fair value. The net gain / (loss) arising in the Statement of Other Comprehensive Income on fair value hedging instruments was £58k (2023: loss of £(52)k).

19 BORROWINGS

All figures in £'000	Note	Group 2024	Group 2023	Company 2024	Company 2023
CURRENT					
Bank loans and overdrafts due within one year or on demand:					
Unsecured bank loans[1]		537	464	30	68
Lease liabilities		1,073	1,294	125	149
	20.3	1,610	1,758	155	217
NON-CURRENT LOANS					
Unsecured bank loans[1]		18,377	16,933	14,825	12,797
Lease liabilities		4,761	5,582	119	222
	20.3	23,138	22,515	14,944	13,019

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	1 April 2023	Cash flow	Non-cash additions	Finance costs	Interest paid	Reclassify	Exchange movement	30 March 2024
Loans repayable within 1 year	464	(429)	-	1,462	(1,431)	471	-	537
Loans repayable after 1 year	16,933	2,000	-	-	-	(471)	(85)	18,377
	17,397	1,571	-	1,462	(1,431)	-	(85)	18,914
Lease liabilities repayable within 1 year	1,294	(1,449)	-	219	(84)	1,093	-	1,073
Lease liabilities repayable after 1 year	5,582	-	321	-	-	(1,093)	(49)	4,761
	6,876	(1,449)	321	219	(84)	-	(49)	5,834
Total borrowings	24,273	122	321	1,681	(1,515)	-	(134)	24,748
Cash and cash equivalents	7,679	1,372	-	-	-	-	160	9,211
NET DEBT	16,594	(1,250)	321	1,681	(1,515)	-	(294)	15,537

The accompanying notes form part of the financial statements

20 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.

20.1 FINANCIAL INSTRUMENTS BY CATEGORY

The fair values of the financial assets and liabilities of the Group are as follows:

Group		Fair value through profit or loss		Amortised cost loans and receivables	
All figures in £'000	Note	2024	2023	2024	2023
FINANCIAL ASSETS					
NON-CURRENT					
Other financial assets	14	341	654	-	-
		341	654	-	-
CURRENT					
Trade receivables	16	-	-	14,765	21,003
Other receivables	16	-	-	207	914
Other financial assets - Derivatives	14	478	428	-	-
Cash and cash equivalents		-	-	9,211	7,679
		478	428	24,183	29,596
FINANCIAL LIABILITIES					
CURRENT					
Trade payables	17	-	-	6,554	11,188
Other payables	17	-	-	339	1,114
Accruals	17	-	-	6,752	7,881
Contingent consideration	17	1,263	250	-	-
Other financial liabilities - Derivatives	18	-	58	-	-
Loans and borrowings	19	-	-	1,610	1,758
		1,263	308	15,255	21,941
NON-CURRENT					
Loans and borrowings	19	-	-	23,138	22,515
Contingent consideration	17	-	1,423	-	-
		-	1,423	23,138	22,515

The fair values of the financial assets and liabilities of the Company are as follows:

Company		Fair value through profit or loss		Amortised cost loans and receivables	
All figures in £'000	Note	2024	2023	2024	2023 restated
FINANCIAL ASSETS					
NON-CURRENT					
Amounts owed by Group undertakings	13	-	-	32,002	40,867
Other financial assets	14	341	654	-	-
		341	654	32,002	40,867
CURRENT					
Amounts owed by Group undertakings	16	-	-	1,749	11,330
Other receivables	16	-	-	201	910
Other financial assets - Derivatives	14	478	428	-	-
Cash and cash equivalents		-	-	5,021	3,506
		478	428	6,971	15,746
FINANCIAL LIABILITIES					
CURRENT					
Trade payables	17	-	-	983	1,179
Amounts owed to Group undertakings	17	-	-	4,366	3,960
Other payables	17	-	-	243	935
Accruals	17	-	-	1,160	1,249
Other financial liabilities - Derivatives	18	-	58	-	-
Loans and borrowings	19	-	-	155	217
		-	58	6,907	7,540
NON-CURRENT					
Loans and borrowings	19	-	-	14,944	13,019

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	2024 Level 2	2024 Total	2023 Level 2	2023 Total
FINANCIAL ASSETS (GROUP AND COMPANY)				
Derivatives	819	819	1,082	1,082
FINANCIAL LIABILITIES (GROUP AND COMPANY)				
Derivatives	-	-	58	58

The table below summarises the risk management exposure to fluctuations in reasonably possible changes in underlying benchmark prices, with all other variables held.

All figures in £'000	-100 bps	-50 bps	+0 bps	+50 bps	Total value +100 bps
FINANCIAL ASSETS (GROUP AND COMPANY)					
Derivatives	565	692	819	946	1,073

20.2 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 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	2024	2023
JC Speciality Papers	8,053	11,408
JC Converting	1,393	2,032
JC 3D Products	1,252	1,112
Technical Fibre Products	4,580	7,094
Trade receivables	15,278	21,646
Provision for impairment on trade receivables	(513)	(643)
	14,765	21,003

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 £513k (2023: £643k) 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 macro-economic 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:

2024		Trade Receivables days past due			
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

2023		Trade Receivables days past due			
All figures in £'000	Current	More than 30 days	More than 60 days	More than 90 days	Total
Expected credit loss rate	1%	6%	24%	48%	3%
Gross carrying amount	19,046	1,990	212	398	21,646
Lifetime expected credit loss	277	123	50	193	643

The accompanying notes form part of the financial statements

Movements in provision for impairment on trade receivables are as follows:

Group All figures in £'000	2024	2023
At 1 April 2023 / 26 March 2022	643	777
Decrease during the period	(130)	(134)
At 30 March 2024 / 1 April 2023	513	643

PROVISION FOR IMPAIRMENT – COMPANY

Intra-group loan receivables are as follows:

Group All figures in £'000	2024	2023
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)	-
Net Intra-group loans	10,000	26,000

The movement in the lifetime expected credit loss on intra-group loan receivables during the year was as follows:

Company All figures in £'000	2024	2023
At 1 April 2023 / 26 March 2022	-	-
Charged during the period	16,000	-
At 30 March 2024 / 1 April 2023	16,000	-

A further provision of £2,021k was recognised against the intercompany funding accounts in the year.

The accompanying notes form part of the financial statements

20.3 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	2024				2023			
All figures in £'000	Debt	Lease liabilities	Derivatives	Total	Debt	Lease liabilities	Derivatives	Total
In less than one year	572	1,266	-	1,838	498	1,344	58	1,900
In more than one year but not more than two years	3,626	954	-	4,580	517	1,062	-	1,579
In more than two years but not more than five years	11,925	2,388	-	14,313	11,418	2,447	-	13,865
In more than five years	3,000	2,128	-	5,128	5,200	2,694	-	7,894
	19,123	6,736	-	25,859	17,633	7,547	58	25,238

Company	2024				2023			
All figures in £'000	Debt	Lease liabilities	Derivatives	Total	Debt	Lease liabilities	Derivatives	Total
In less than one year	64	140	-	204	102	160	58	320
In more than one year but not more than two years	3,000	87	-	3,087	-	137	-	137
In more than two years but not more than five years	9,000	56	-	9,056	7,800	92	-	7,892
In more than five years	3,000	-	-	3,000	5,200	-	-	5,200
	15,064	283	-	15,347	13,102	389	58	13,549

TRADE PAYABLES

Trade payables at the reporting date were:

All figures in £'000	Group 2024	Group 2023	Company 2024	Company 2023
Trade payables	6,554	11,188	983	1,179
Total contractual cash flows	6,554	11,188	983	1,179

BORROWING FACILITIES

The Group has the following undrawn committed borrowing facilities available at the reporting date:

Group All figures in £'000	2024 Floating rate	2023 Floating rate
Expiring within one year	13,500	3,500
Expiring after one year	-	12,000

At the end of the financial period £10m was available under the Group's UK loan facility. On 14 June 2024, as a condition of resetting the bank covenants on this facility, the Group agreed to not make further drawdowns on the facility until March 2025.

The Group's expiry profile of the drawn down facilities is as follows:

All figures in £'000	Group 2024	Group 2023	Company 2024	Company 2023
March 2024	-	435	-	42
March 2025	507	513	-	-
March 2026	3,627	3,234	3,000	2,600
March 2027	5,925	5,560	3,000	2,600
March 2028	3,000	2,600	3,000	2,600
March 2029	3,000	2,600	3,000	2,600
March 2030	3,000	2,600	3,000	2,600
	19,059	17,542	15,000	13,042

The accompanying notes form part of the financial statements

20.4 CURRENCY RISK

The Group publishes its consolidated financial statements in pounds 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.

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

2023 Group All figures in £'000	USD	Euro	Other	Local Currency	Total
Trade Receivables	4,342	5,034	84	11,543	21,003
Trade Payables	2,243	1,989	4	6,952	11,188
Net exposure	2,099	3,045	80	4,591	9,815

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:

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)

2023 Company All figures in £'000	USD	Euro	Other	Local Currency	Total
Trade Receivables	-	-	-	-	-
Trade Payables	16	8	-	1,155	1,179
Net exposure	(16)	(8)	-	(1,155)	(1,179)

A one percent 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 2024	Group 2023	Company 2024	Company 2023
USD	-	(23)	-	-
Euro	(25)	(34)	-	-

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.

The accompanying notes form part of the financial statements

20.5 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 2024	Group 2023	Company 2024	Company 2023
Interest-bearing liabilities - floating Borrowings	18,914	17,396	14,855	12,866
Interest-bearing liabilities - fixed Lease liabilities	5,834	6,877	244	370
Interest-bearing liabilities	24,748	24,273	15,099	13,236

The effective interest rates at the reporting date were as follows:

	2024 %	2023 %
Borrowings	4.3	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 £41k 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 2024	Group 2023	Company 2024	Company 2023
Statement of comprehensive income	41	43	-	-

20.6 DERIVATIVE CONTRACTS

GROUP AND COMPANY

DERIVATIVE ASSETS

All figures in £'000	2024	2023
Derivatives designated as hedging instruments		
Interest rate cap	819	1,082
Total derivatives designated as hedging instruments	819	1,082
Total derivative financial assets	819	1,082
Non-current portion	341	654
Current portion	478	428

DERIVATIVE LIABILITIES

All figures in £'000	2024	2023
Derivatives designated as hedging instruments		
Forward foreign exchange contracts	-	58
Total derivatives designated as hedging instruments	-	58
Total derivative financial liabilities	-	58
Current portion	-	58

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 has 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	2024	2023
Carrying amount of the derivatives	819	1,082
Change in fair value of the designated hedging instrument	(263)	1,082
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.

The hedged forecast transactions denominated in foreign currency are expected to occur at various dates in the 12 months after the period end. Gains and losses on the effective element of forward foreign exchange contracts at the reporting date are recognised in the Group Statement of Comprehensive Income and tracked separately in the period or periods during which the hedged forecast transactions affects the Group Statement of Comprehensive Income. This is expected to be within 12 months of the end of the financial year in respect of the forward currency contracts taken out at the reporting date.

No ineffective portion of the forward foreign exchange contract was recognised in the Group Statement of Comprehensive Income in the period.

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	2024	2023
Carrying amount of the derivatives	-	58
Change in fair value of the designated hedging instrument	(58)	52
Change in fair value of the designated hedged item	58	(52)
Notional amount	-	12,032
Maturity date	-	18 March 2024

The accompanying notes form part of the financial statements

21 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	2024	2023
Defined contribution schemes	935	905
Personal pension contributions	76	97

Other pension costs totalled £861k (2023: £731k) 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.

The Staff and Works Schemes remain defined benefit schemes but they are 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 %	2024	2023	2024	2023
CPI Inflation assumption	2.85	2.95	2.85	2.95
RPI Inflation assumption	3.25	3.40	3.20	3.35
Rate of increase in pensionable salaries	1.70	1.70	1.65	1.70
Discount rate	5.00	4.85	5.05	4.90
Pension increases for in-payment benefits capped at 5%, with a 3% floor	3.65	3.75	3.45	3.50
Pension increases for in-payment benefits capped at 2.5%, with a 0% floor	2.10	2.15	2.10	2.15

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 Works 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.

For the Staff members the SAPS “S3” series table with a 135% rating has been used, 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 are not expected to peak until 2040, and expected to continue until 2080.

The accompanying notes form part of the financial statements

The amounts recognised in the Statement of Financial Position ("SFP") are determined as follows:

All figures in £'000	2024	2023	2022	2021	2020
Defined benefit obligation ("DBO")	(87,020)	(89,305)	(121,651)	(136,140)	(121,470)
Fair value of assets ("FVA")	69,727	73,165	109,909	117,704	113,968
Deficit	(17,293)	(16,140)	(11,742)	(18,436)	(7,502)
Effect of limit on recoverable surplus	-	-	(1,388)	-	(1,880)
Net liability recognised in the SFP	(17,293)	(16,140)	(13,130)	(18,436)	(9,382)

Staff scheme	(3,558)	(2,144)	1,623	(1,383)	1,880
Works scheme	(13,735)	(13,996)	(13,365)	(17,053)	(9,382)
Deficit	(17,293)	(16,140)	(11,742)	(18,436)	(7,502)
Effect of limit on recoverable surplus	-	-	(1,388)	-	(1,880)
Net liability recognised in the SFP	(17,293)	(16,140)	(13,130)	(18,436)	(9,382)

Overall, the combined funding position on an IAS19 measure for both schemes has worsened over the year from a deficit of £16,140k to a deficit of £17,293k. The mean term of the liabilities at the reporting date was 11 years for the Staff scheme (2023: 11 years) and 14 years for the Works scheme (2023: 14 years). The Group is aware of the High Court ruling in the case of Virgin Media v NTL Trustees II Limited and is waiting for the outcome of the appeal, scheduled for later in 2024, and any additional hearings, as well as confirmation from the Government as to whether it will issue new regulations in response to this issue.

The key risks relating to the pension schemes can be found in the Pension Report on pages 36 to 38.

The fair value of the plan assets comprises the following categories of asset in the stated proportions:

	Staff Scheme		Works Scheme	
All figures in %	2024	2023	2024	2023
Managed Growth	62.9	58.9	61.8	58.6
Annuities	3.6	3.5	1.0	1.0
Cash	4.6	2.9	3.8	2.5
Matching Assets	28.9	34.7	33.4	37.9

The pension plan assets do not include any investments in the shares of the Company (2023: 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	2024	2023
Total included within employee benefit costs - current service costs, past service costs and administrative costs	428	974
Interest income on plan assets	(3,494)	(2,954)
Interest cost on defined benefit obligation	4,247	3,261
Interest cost on irrecoverable surplus	-	38
Total included within interest	753	345
Total	1,181	1,319

Analysis of the movement in the Statement of Financial Position liability:

All figures in £'000	2024	2023
At 1 April 2023 / 26 March 2022	(16,140)	(13,130)
Total expense as above	(1,181)	(1,319)
Contributions paid	1,815	2,197
Actuarial losses recognised in Other Comprehensive Income	(1,787)	(3,888)
At 30 March 2024 / 1 April 2023	(17,293)	(16,140)

The actual return on plan assets was £277k deficit (2023: £32,849k 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 £17,823k (2023: £16,036k).

All figures in £'000	2024 Works Scheme FVA	Works Scheme DBO	Staff Scheme FVA	Staff Scheme DBO	2023 Works Scheme FVA	Works Scheme DBO	Staff Scheme FVA	Staff Scheme DBO
At 1 April 2023 / 26 March 2022	38,608	(52,604)	34,557	(36,701)	59,763	(73,128)	50,146	(48,523)
Interest income on plan assets	1,861	-	1,633	-	1,600	-	1,354	-
Current service costs	-	(353)	-	(75)	-	(772)	-	(202)
Benefits paid	(3,204)	3,204	(2,088)	2,088	(4,097)	4,097	(2,324)	2,324
Contributions by plan participants	241	(241)	63	(63)	257	(257)	72	(72)
Employer contributions	1,627	-	188	-	1,739	-	458	-
Interest cost on the DBO	-	(2,514)	-	(1,733)	-	(1,955)	-	(1,306)
Return on plan assets	(1,886)	-	(1,873)	-	(20,654)	-	(15,149)	-
Actuarial gain on DBO	-	1,526	-	446	-	19,411	-	11,078
At 30 March 2024 / 1 April 2023	37,247	(50,982)	32,480	(36,038)	38,608	(52,604)	34,557	(36,701)

EXPERIENCE ADJUSTMENTS

All figures in £'000	2024	2023	2022	2021	2020
Arising on plan assets	(3,759)	(35,803)	(5,356)	5,669	2,693
Percentage of scheme assets	(5.39%)	(48.93%)	(4.87%)	4.82%	2.36%
Arising on plan liabilities	1,972	30,489	11,521	(14,419)	12,244
Percentage of scheme liabilities	2.27%	34.14%	9.47%	(10.59%)	10.08%

SENSITIVITY ANALYSES

The sensitivity analyses below has 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	5.0% p.a.	0.25% decrease	994	+2.8%
Price inflation	3.25% p.a. (RPI)	0.25% increase	257	+0.7%
Mortality	135% of SAPS "S3" series table	Increase in life expectancy of 1 year	1,635	+4.5%

Works Scheme	Current assumption	Sensitivity	£'000	Effect on DBO
Discount rate	5.05% p.a.	0.25% decrease	1,699	+3.3%
Price inflation	3.20% p.a. (RPI)	0.25% increase	424	+0.8%
Mortality	135% of SAPS "S3" series table	Increase in life expectancy of 1 year	2,075	+4.1%

22 DEFERRED TAXATION

The movement on the deferred tax account is shown below:

All figures in £'000	Group 2024	Group 2023	Company 2024	Company 2023
At 1 April 2023 / 26 March 2022	795	141	4,006	3,336
Credit to other comprehensive income	447	972	447	972
Credit / (charge) to equity	6	(10)	2	(10)
Adjustments in respect of prior years	60	(76)	13	1
Credit / (charge) to statement of comprehensive income	1,320	(232)	(182)	(293)
At 30 March 2024 / 1 April 2023	2,628	795	4,286	4,006

DEFERRED TAX ASSETS

	Group				Company			
All figures in £'000	Pension	Share options	Other	Total	Pension	Share options	Other	Total
At 26 March 2022	3,283	114	137	3,534	3,283	114	62	3,459
Adjustment in respect of prior years	-	35	(35)	-	-	35	(33)	2
(Charge) / credit to statement of comprehensive income	(220)	(85)	7	(298)	(220)	(85)	-	(305)
Charge to equity	-	(10)	-	(10)	-	(10)	-	(10)
Credit to other comprehensive income	972	-	-	972	972	-	-	972
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

DEFERRED TAX LIABILITIES

	Group		Company	
All figures in £'000	Accelerated capital allowances	Total	Accelerated capital allowances	Total
At 26 March 2022	(3,393)	(3,393)	(123)	(123)
Adjustment in respect of prior years	(76)	(76)	-	-
Credit to statement of comprehensive income	66	66	11	11
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)

The Group has not recognised a deferred tax asset on the tax losses incurred by its US subsidiaries of £2,598k (2023: £2,944k).

23 SHARE CAPITAL

GROUP AND COMPANY

Issued and fully paid	Number of ordinary shares	£'000
At 30 March 2024 and 1 April 2023	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 82,624 ordinary shares of 25p by December 2026 (2023: 68,173 ordinary shares of 25p by September 2025). There were no share options exercised in the period (2023: nil). Further information on directors share options can be seen in the Remuneration Committee Report.

LONG TERM INCENTIVE PLAN

	Options at 1 April 2023	Options granted in the period	Options exercised in the period	Options not expected to vest	Options lapsed in the period	Options at 30 March 2024
Share options	68,173	82,624	nil	nil	(30,094)	120,703

The amount of gains made by Directors on share options exercised in the year totalled £nil (2023: £nil).

The Statement of Comprehensive Income includes an LTIP credit of £109,372 for the year in relation to Directors (2023: £69,039 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 as follows:

	Options at 1 April 2023	Options granted in the period	Options exercised in the period	Options not expected to vest	Options lapsed in the period	Options at 30 March 2024
Cash-settled options	16,465	24,158	nil	nil	nil	40,623

24 EMPLOYEES AND DIRECTORS

Employee benefit costs during the period:

All figures in £'000	Group 2024	Group 2023	Company 2024	Company 2023
Wages and salaries	28,122	29,139	3,349	2,698
Social security costs	2,771	2,945	439	433
Pension costs (note 21)	1,873	2,174	333	615
Termination benefits	1,781	201	363	201
	34,547	34,459	4,484	3,947

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	2024	2023	2024	2023
James Cropper Paper Products	385	431	388	439
Technical Fibre Products	156	156	159	159
James Cropper PLC	68	58	81	70
	609	645	628	668

25 CAPITAL COMMITMENTS

Employee benefit costs during the period:

All figures in £'000	Group 2024	Group 2023	Company 2024	Company 2023
Contracts placed for future capital expenditure not provided in the financial statements	793	1,196	113	34

26 CONTINGENCIES AND EVENTS POST THE REPORTING PERIOD

There were no contingent liabilities at the period end for the Group, or post-balance sheet events.

27 EXCEPTIONAL ITEMS

All figures in £'000	Group 2024	Group 2023
Restructuring costs	2,309	-
Impairment of property, plant and equipment	4,427	-
Earn-out adjustment on contingent consideration on business acquisition	(422)	986
Flood settlement costs	100	-
Pension settlement (income)	(1,404)	-
EXCEPTIONAL ITEMS IN OPERATING (LOSS) / PROFIT	5,010	986
Fair value adjustment on contingent consideration	262	109
EXCEPTIONAL ITEMS IN INTEREST PAYABLE AND SIMILAR CHARGES	262	109

On 19 April 2023 the company announced a major restructuring of the Paper division. The restructuring involved a reduction in the number of paper machines in operation from four to three, with two machines anticipated to be in production at any one time, to better align production capacity and cost base with market outlook. This led to a redundancy program and a reduction in overall headcount. The £2,309k restructuring costs is inclusive of a £469k write-off of machinery.

During the year the Group recognised a £4,427k impairment loss in respect of the fixed assets in the Paper and Packaging business. Further detail is provided on page 106.

The company incurred £100k of professional services fees in FY24 to assist with the correction and alignment of the corporation tax returns with the accounting treatment of a legacy flood provision, dating back to the widespread damage Storm Desmond inflicted on the site in 2015.

The company received income of £1,404k from the settlement of a longstanding legal claim concerning Pension equalisation.

A cost of £262k is recognised in interest payable and similar charges to reflect the unwinding of the discounted present value of the contingent consideration payable as part of the acquisition of PV3 Technologies Ltd (now known as TFP Hydrogen Products Ltd).
A credit of £(422)k has been booked to other expenses to adjust the accrued level of contingent consideration to the final amount due following the conclusion of the earn-out agreement.

The adjustments above are treated as exceptional items as they distort the underlying operating profitability of the Group and make year on year comparison of performance challenging.

28 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 £25k (2023: £22k) 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 £15k to NRD Ventures Ltd, a company in which David Hodgson (Director of TFP Hydrogen Products Ltd) is a Director, for manufacturing equipment.

COMPANY

During the period the Company paid £0k (2023: £1k) to Ellergreen Group LLP, a company in which M A J Cropper (Chairman and Non-Executive Director) is a director, for maintenance work. The Company paid £35k (2023: £24k) to Ellergreen Group LLP, a company in which M A J Cropper is a director, for imports of electricity from a hydro-electric plant. During the period the Company paid £11k to Burneside Community Energy Ltd, a company in which M A J Cropper is a director, for energy projects.

The Company also has the following transactions and balances with related entities:

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

2023 All figures in £'000	Management charges	Receivable/ (Payable)	Loans and net intercompany funding
James Cropper Speciality Papers Limited	4,715	4,126	8,100
James Cropper Converting Limited	404	106	3,363
James Cropper 3D Products Limited	686	147	19,039
Technical Fibre Products Limited	2,784	812	12,466
James Cropper Overseas Trading Limited	-	139	(60)
	8,589	5,330	42,908

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 to 77). There are 5 Directors who accrued retirement benefits under money purchase and defined benefit schemes in the year (2023: 6 Directors).

All figures in £'000	2024	2023
Salaries and fees	930	1,095
Short term employee benefits	81	106
Short term bonuses	15	51
Pension costs	25	50
Termination benefits	201	201
Total	1,252	1,503

The amount of gains made by Directors on share options exercised in the year totalled £nil (2023: £nil).

The accompanying notes form part of the financial statements

FINANCIAL STATEMENTS

29 PRIOR PERIOD RESTATEMENT

The comparatives detailed below have been restated. No adjustment impacts prior year profit or net assets.

Statement of Financial Position All figures in £'000	As previously reported 2023	Company Restatement 2023	Restated 2023
Amounts due by group undertakings	-	40,867	40,867
Total non-current assets	15,070	40,867	55,937
Trade and other receivables – amounts due by group undertakings	53,991	(40,867)	13,124
Total current assets	58,507	(40,867)	17,640

An adjustment has been made to the classification of intercompany receivables. In the prior year, certain intercompany debtors were presented as current assets however there was no expectation that these balances would be repaid within 12 months of the balance sheet date which means that the instruments were, in substance, non-current in nature. As a result, £40,867k was reclassified from trade and other receivables (within current assets) to amounts owed by group subsidiaries (within non-current assets).

2023 – 2024 SHAREHOLDER INFORMATION

REPORTING

Interim Results	9 November 2023
Full Year Results	23 July 2024
Annual General Meeting	4 September 2024

DIVIDENDS ON ORDINARY SHARES

Interim dividend of 3.0 pence per share paid on 8 January 2024 to Ordinary Shareholders registered on 8 December 2023.

The Board is not proposing a final dividend for the year ended 30 March 2024, leaving the full year dividend at 3.0 pence per share.

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