James Cropper PLC

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

Preliminary Audited Results for the 52 weeks ended 1 April 2017

	2017	**2016**
	£m	**£m**
Revenue	92.4	87.9
Adjusted operating profit (excluding IAS 19 and net exceptional costs)*	6.9	6.3
Adjusted profit before tax (excluding IAS 19)	6.6	5.2
Impact of IAS 19	(0.9)	(1.3)
Profit before tax	**5.6**	**3.9**
Earnings per share - diluted	50.0p	31.8p
Dividend per share declared	11.8p	9.3p
Net borrowings	(7.4)	(7.3)
Equity shareholders' funds	21.9	26.7
Gearing % - before IAS 19 deficit	20%	22%
Capital expenditure	5.3	4.1

* Net exceptional costs of £20,000 (2016: £765,000)

Financial Highlights

- Adjusted profit before tax (excluding IAS 19), up 27% to £6.6m
- Sales higher in every division with TFP up 14% on last year, and Paper up 3%
- Strong operating profit growth in Paper +24% on last year, and TFP up 1%
- Diluted earnings per share up 57% to 50.0p (38.1p on prior year)
- Dividend up 27% to 11.8p (9.3p prior year)

Commercial and Operational Highlights

- Growth strategy across the businesses is delivering
- Continued investment in research and development across the whole group to support increased growth
- Appointment of a Managing Director for the paper division
- James Cropper 3D Products commences commercial production
- Increased investment overseas to support a focus on higher export sales
- Increased costs from labour and depreciation in preparation for utilising the increased capacity at TFP

Mark Cropper, Chairman, commented:

"I feel this year has represented something of a watershed for the Group. We have built on prior successes and are beginning to deliver a level of potential we have felt possible for so long."

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Summary of Results	2017 £'000	2016 £'000
Revenue	92,363	87,920
Adjusted operating profit (excluding IAS 19 and exceptionals)	6,869	6,264
Adjusted profit before tax (excluding IAS 19 impact)	6,566	5,173
Impact of IAS 19	(926)	(1,305)
Profit before tax	**5,640**	**3,868**
Earnings per share – diluted	50.0p	31.8p

	2017 £'000	2016 £'000
Revenue		
James Cropper Paper	71,024	69,182
James Cropper 3D Products	7	-
Technical Fibre Products	21,332	18,738
	92,363	**87,920**
Adjusted operating profit (Excluding IAS 19 impact and exceptionals)		
James Cropper Paper	3,209	2,592
James Cropper 3D products	(426)	(438)
Technical Fibre Products	5,940	5,904
Other Group expenses	(1,854)	(1,794)
	6,869	6,264
Net interest (before IAS 19 Finance Costs)	(283)	(326)
Adjusted profit before tax (excluding IAS19 impact and exceptionals)	6,586	5,938
Exceptional costs	(20)	(765)
Adjusted profit before tax (excluding IAS19 impact)	6,566	5,173
IAS 19 pension adjustments		
Net current service charge against operating profits	(661)	(839)
Finance costs charged against interest	(265)	(466)
	(926)	(1,305)
Profit before Tax	**5,640**	**3,868**
Adjusted operating profit		
James Cropper Paper	3,209	2,592
James Cropper 3D Products	(426)	-
Technical Fibre Products	5,940	5,904
Other Group expenses	(2,515)	(3,071)
Adjusted operating profit (excluding exceptionals)	6,208	5,425
Exceptional costs	(20)	(765)
Net interest	(548)	(792)
Profit before tax	**5,640**	**3,868**

The IAS 19 pension adjustments are explained in detail in the Financial Review section of the Annual Report. The total amount excluded from the IAS 19 pension charged is £926,000 (2016: £1,305,000). The adjustment, which we refer to in these accounts as "IAS 19 impact" represents the difference between the pension charge as calculated under IAS 19 and the cash contributions for the current service cost only as determined by the latest triennial valuation. The Directors consider that the adjusted pension charge better reflects the actual pension costs for ongoing service compared to the IAS 19 charge. This adjustment is made internally when we assess performance and is also used in the EBITDA and EPS targets used in management incentive schemes.

We also exclude exceptional items from certain internal profit measures and in setting management incentive scheme targets. These items, which by their nature are material items which are not expected to recur, are excluded in order to provide a clearer picture of the underlying performance of the Group.

Balance Sheet Summary	**2017 £'000**	**2016 £'000**
Non-pension assets – excluding cash	63,374	57,470
Non-pension liabilities – excluding borrowings	(18,503)	(17,019)
	44,871	40,451
Net IAS 19 pension deficit (after deferred tax)	(15,620)	(6,453)
	29,251	33,998
Net borrowings	(7,364)	(7,305)
Equity shareholders' funds	**21,887**	**26,693**
Gearing % - before IAS 19 deficit	20%	22%
Gearing % - after IAS 19 deficit	34%	27%
Capital expenditure	5,315	4,086

CHAIRMAN'S LETTER

Dear Shareholders

I am very pleased to report that 2016/17 has seen another year of sustained growth in line with our aspirations for the Group.

This is a direct result of our strategic plans introduced in recent years and executed with the utmost care and attention under the leadership of CEO Phil Wild and his team.

The progress of the Group is also testament to the contribution provided by each and every one of our employees. The value in the business, as noted previously and within this report, truly comes from its people and I wish to thank them all. Accordingly, I was delighted that there was strong support for a revised (and uplifted) profit related bonus scheme for employees. This took effect from 1 April 2017 and will see our employee share ownership grow in the coming years.

Turning to our divisions in turn, TFP, led by Martin Thompson, demonstrated continued growth in revenue. However, owing to extra costs – predominantly associated with investment in additional capacity for growth in future years – profits were only marginally ahead of the prior year. TFP's market position continues to look strong. It has seen an upsurge in fuel cell activity, where it enjoys a good position, and this should be sustained within stationary power generation as well as – in time- the automotive sector. Meanwhile, the F35 Joint Strike Fighter programme continues to grow in line with expectations, as does the composites transport market.

Paper made good progress in the year in margin growth and with some revenue improvements. As previously, this has been underpinned by focusing on core markets such as packaging and digital imaging as well as ensuring we maintain excellent relationships with key accounts.

Another important development in Paper during the year was the appointment of Steve Adams as Managing Director of this £70m+ division. Steve joined the Group and Board from 3M where he notched up over 30 years of highly relevant commercial and general management experience. The Board felt it was important to provide Paper with its own dedicated leader, the role having been undertaken by the CEO for many years. This change allows Phil Wild to give greater support across the Group on business growth strategies.

Our businesses have also benefitted significantly in the year from operational improvements spearheaded by COO Dave Watson and team. There are many positive performance indicators of progress in operations, ranging from improved delivery metrics to lower process losses, all of which have contributed to this year's good performance.

Safety statistics, the most important measure of all, also continue on a positive trend. While we remain determined to reduce our lost time accident levels to zero, it was encouraging to see them halve to four in the financial year and the severity rating fall by 90%. In line with this, we were recently awarded the RoSPA gold award for safety performance for the third year running.

Last and not least, our new business unit James Cropper 3D Products (3DP) had an eventful year. There was significant investment in production equipment, now fully commissioned, and the business is seeing strong interest in its unique range of coloured moulded pulp, designed to replace plastics in a range of industries. It is envisaged the business will be cash generative this year with strong growth potential for many years thereafter.

Another key event in the year, albeit outside the Group, was Brexit. The vote was not the result the Company was seeking but it has not led to any changes in our investment programmes or other strategies. To date the prime impact has been weaker Sterling which led to modest currency gains for the Group owing to more than 50 per cent of our turnover being exported. Nevertheless, the Board is monitoring the potential risks very carefully. Brexit has been an agenda item reviewed at every Board meeting since the vote and scenario planning is underway. One crucial factor could be the government's Industrial Strategy. We have responded to consultations on this directly and via membership organisations such as the CBI and Confederation of Paper Industries and await further developments with some anticipation.

The year saw another notable exit with the retirement of Non-Executive Director Doug Mitchell, who stepped down at the end of the financial year. Doug has played a critical role in the turnaround of the Group's fortune in the last five years. I would like to extend him our profound thanks for his careful counsel and the transformation this has catalysed.

Basic earnings per share has increased by 54% to 50.5p per share with diluted earnings per share increasing by 57% to 50.0p per share.

The Board is recommending a final dividend of 9.3 pence per share, making a total dividend for the financial period of 11.8 pence per share, an increase of 27% on the prior period.

Outlook

I feel this year has represented something of a watershed for the Group. We have built on prior successes and are beginning to deliver a level of potential we have felt possible for so long. An important element of this has been lifting margins (and related measures such as cashflow or EBITDA) to a level that is stronger and more reliable, albeit still with room for improvement. I am hopeful our vision and values are underpinning a business that is sustainable in every sense of the word: not only as represented in our products and materials, but also in terms of our people at all levels. A recent upshot of this is that the Board now feels more able to turn its attention to the longer term, looking at strategies to ensure growth beyond the customary three years. It is too early to say much more, but owing to our determination to remain independent, organic growth centred on an outstanding culture of innovation is likely to feature strongly.

Mark Cropper

Chairman

CHIEF EXECUTIVE'S REVIEW

Profit

I am pleased to report a 10% growth in adjusted operating profit, prior to the impact of IAS 19 pension adjustments and exceptional costs, a profit of £6.9m in the year to 1 April 2017, compared to £6.3m in the prior year.

Adjusted profit before tax (after exceptionals and prior to IAS 19) was £6.6m, up £1.4m on 2016, representing an increase of 27%.

Profit before tax of £5.6m was up £1.7m, or 46% on the prior year.

Revenue and Operating profit

Group revenue for the financial year was £92.4m, up 5% on the prior year.

Revenue for James Cropper Paper grew by 3% in the year to £71.0m and operating profit by 24% to £3.2m.

Revenue for Technical Fibre Products grew by 14% in the year to £21.3m and operating profit up 1% at £5.9m.

Research and development

Research and development is a fundamental part of our growth strategy, adding to our capability, maintaining our competitiveness and bringing new product lines into our target markets. The Group continues to invest in research and development with expenditure in R&D of £1.4m this year, of which £0.5m has been capitalised in respect of 3DP.

Capital expenditure

Capital expenditure during the year was £5.3m (2016: £4.1m).

Cash and debt

The Group had gross debt of £9.3m at the balance sheet date and cash of £1.9m, giving a net debt of £7.4m (2016: £7.3m). The Group had undrawn overdraft and revolving credit facilities of £7.8m, as at 1 April 2017, and borrowings of £1.6m to be repaid within 12 months. The undrawn facilities and the cash provide funds against which the short term borrowings can be paid, leaving £8.1m of cash available to the Group at the year end.

Gearing at the financial year end, after deduction of the IAS 19 pension deficit, was 34% up from 27% on the previous year. Gearing, excluding the impact of IAS 19, was 20%, down from 22% on the previous year.

BUSINESS MODEL

BUILDING TODAY'S BUSINESS TO CREATE TOMORROW'S

Our five strategic platforms remain steadfast and prominent as we continue to progress our growth strategy across the James Cropper Group. Most importantly, it is clear that our strategy is delivering: Following a record profit last year, this year, as we again report record profits for James Cropper PLC, and as we move forward our expectation is that we build on this.

- Building a high performance culture
- Delivering superior levels of operational excellence
- Growing in existing markets
- Growing in new profitable markets
- Building customer intimacy and brand presence

WORKING WITH CLEAR FOCUS

This has been a year of refining our focus in terms of our core business, our core capabilities and our unique potential for diversification.

James Cropper PLC holds three core pillars of capability, and we have worked hard to understand and define these throughout our business. The purpose of this is to steer and fine-tune our investments and developments – maximising the impact of everything we do.

EXPERTS IN FIBRE INNOVATION – Our in-depth understanding of 'fibre science' enables us to push the boundaries of performance and creativity across wide-ranging sectors. For example, TFP have developed a range of products that improve fracture toughness by 400% for composite materials.

EXPERTS IN COLOUR – We lead the paper and fibre industry in colour choice, quality, consistency and technical performance. For example, our 3DP business provides the widest range of coloured moulded fibre products available in the global market today.

STRENGTH THROUGH SUSTAINABILITY – Sustainable manufacturing & supply chain. Sustainable products. Sustainable success. For example, we upcycle 0.5 billion consumable coffee cups a year to create high quality, beautiful packaging papers.

WORKING WITH LONG TERM VISION

Clear focus has driven new investment in technical capabilities and leadership skills – in order to strengthen our core business. This can be observed with our apprenticeship schemes, partnerships with leading universities for technical and leadership best practice and our internal leadership programmes.

By leveraging the capabilities of our employees, we have been able to spread experience and skills throughout the Group in a way that creates new opportunity for innovation and diversification. An example of this is the creation of lightweight damage resistant aerospace fuel pipes with the potential to save up to 26 tonnes of fuel for each aircraft per year.

We look to embrace technically challenging innovations, where we have a unique ability to create new value and enter new markets with confidence. This synergy of our core capabilities and new diversification gives us the competitive edge that will continue to shape our future.

STRENGTHENING CORE BUSINESS- FOCUSING ON CORE CAPABILITIES – SYNERGY IN DIVERSIFICATION

SHAPING THE FUTURE

James Cropper 3D Products business combines the highest levels of expertise in pulp-based manufacture and colour blending. We are unique in our ability to bring together these levels of expertise within our business – creating something that's simply not possible to achieve in the same way elsewhere. This is how we have addressed a major challenge in the packaging industry, and are meeting global demand for a new generation of renewable, recyclable, moulded fibre packaging that enables brands to reduce their environmental impact without creative compromise.

JAMES CROPPER 3D PRODUCTS

James Cropper 3D Products demonstrates synergy between our core strengths and the focus of our diversifications – as we respond to global demand for sustainable innovation in product packaging, delivering a product with less than 50% carbon footprint compared to its plastic alternative.

COLOUR – Creative freedom in sustainable packaging

FIBRE – Progress in technical performance

SUSTAINABILITY – Renewable, recyclable and biodegradable

KNOWING WHO WE ARE

It is striking how everything we do today resonates so clearly with the values that have driven James Cropper PLC for over 170 years.

This respect for our heritage is important. James Cropper has always been a forward–thinking business with a commitment to people, skills and innovation. As the world changes we continue to thrive on our strengths while also finding new relevance for our expertise.

A business with such long heritage brings a deep social responsibility, one that we are proud to embrace both locally and globally. We value people and we go above and beyond to ensure fair and ethical employment in all our territories. We value natural resources not only in our local environment, but globally as we remain committed to ethical sourcing of raw materials and innovation with recycled fibres. We value our communities providing support for local education, infrastructure and local charities.

Going above and beyond has always been the James Cropper way – and always will be.

Phil Wild
Chief Executive Officer
JAMES CROPPER PLC

GROUP STATEMENT OF COMPREHENSIVE INCOME

James Cropper PLC
Group Statement of Comprehensive Income

	52 week period to 1 April 2017 Continuing Operations	53 week period to 2 April 2016 Continuing Operations	Exceptional Items *	53 week period to 2 April 2016 Total
	£'000	£'000	£'000	£'000
Continuing operations				
Revenue	92,363	87,920	-	87,920
Other income	322	505	1,000	1,505
Changes in inventories of finished goods and work in progress	(180)	1,771	-	1,771
Raw materials and consumables used	(34,793)	(35,795)	-	(35,795)
Energy costs	(4,501)	(4,519)	-	(4,519)
Employee benefit costs	(26,238)	(25,155)	-	(25,155)
Depreciation and amortisation	(2,297)	(2,306)	-	(2,306)
Other expenses	(18,468)	(16,996)	-	(16,996)
Provisions for uninsured risks and losses *	(20)	-	(1,765)	(1,765)
Operating Profit	**6,188**	**5,425**	**(765)**	**4,660**
Interest payable and similar charges	(548)	(793)	-	(793)
Interest receivable and similar income		1	-	1
Profit before taxation	**5,640**	**4,633**	**(765)**	**3,868**
Tax expense	(910)	(724)	(150)	(874)
Profit for the period	**4,730**	**3,909**	**(915)**	**2,994**
Earnings per share - basic	50.5p			32.6p
Earnings per share - diluted	50.0p			31.8p
Other comprehensive income				
Profit for the period	**4,730**	**3,909**	**(915)**	**2,994**
Items that are or may be reclassified to profit or loss				
Foreign currency translation	224	114	-	114
Loss on interest rate hedge	(9)	-	-	-
Items that will never be reclassified to profit or loss				
Retirement benefit liabilities – actuarial (losses)/ gains	(11,386)	6,554	-	6,554
Deferred tax on actuarial losses/(gains) on retirement benefit liabilities	1,847	(1,488)	-	(1,488)
Income tax on other comprehensive income	-	77	-	77
Other comprehensive (expense)/income for the year	(9,324)	5,257	-	5,257
Total comprehensive (expense)/income for the period attributable to equity holders of the Company	**(4,594)**	**9,166**	**(915)**	**8,251**

* The exceptional items relate to additional income/costs arising as a consequence of the flood following the aftermath of Storm Desmond in December 2015.

STATEMENT OF FINANCIAL POSITION

	Group	Group	Company	Company
	As at **1 April 2017**	As at 2 April 2016	As at **1 April 2017**	As at 2 April 2016
	£'000	£'000	**£'000**	£'000
Assets				
Intangible assets	569	123	69	54
Property, plant and equipment	26,572	23,650	1,942	1,752
Investments in subsidiary undertakings	-	-	7,350	7,350
Deferred tax assets	2,270	78	3,733	1,609
Total non- current assets	29,411	23,851	13,094	10,765
Inventories	14,097	14,102	-	-
Trade and other receivables	23,066	19,595	45,191	38,792
Cash and cash equivalents	1,921	3,186	526	642
Current tax assets	-	-	463	261
Total current assets	39,084	36,883	46,180	39,695
Total assets	68,495	60,734	59,274	50,460
Liabilities				
Trade and other payables	18,493	15,067	19,470	18,075
Other financial liabilities	9	-	9	-
Loans and borrowings	1,570	3,886	79	74
Current tax liabilities	1	613	-	-
Total current liabilities	20,073	19,566	19,558	18,149
Long-term borrowings	7,715	6,605	6,427	4,094
Retirement benefit liabilities	18,820	7,870	18,820	7,870
Total non-current liabilities	26,535	14,475	25,247	11,964
Total liabilities	46,608	34,041	44,805	30,113
Equity				
Share capital	2,367	2,306	2,367	2,306
Share premium	1,472	1,079	1,472	1,079
Translation reserve	602	378	-	-
Reserve for own shares	(853)	(343)	-	-
Retained earnings	18,299	23,273	10,630	16,962
Total shareholders' equity	21,887	26,693	14,469	20,347
Total equity and liabilities	68,495	60,734	59,274	50,460

STATEMENT OF CASH FLOWS

For the period ended 1 April 2017 (2016: for the period ended 2 April 2016)

	Group 2017 £'000	Group 2016 £'000	Company 2017 £'000	Company 2016 £'000
Cash flows from operating activities				
Net profit	4,730	2,994	3,370	438
Adjustments for:				
Tax	910	874	326	(7)
Depreciation and amortisation	2,297	2,306	120	196
Net IAS 19 pension adjustments within SCI	926	1,305	926	1,305
Past service pension deficit payments	(1,362)	(1,323)	(1,362)	(1,323)
Foreign exchange differences	84	(166)	78	(65)
Loss on disposal of property, plant and equipment	14	-	-	-
Net bank interest income & expense	282	326	(648)	(847)
Share based payments	283	274	283	274
Dividends received from Subsidiary Companies	-	-	(6,000)	(3,500)
Changes in working capital:				
Decrease / (increase) in inventories	105	(1,021)	-	-
(Increase) in trade and other receivables	(4,113)	(3,861)	(2,661)	(2,819)
Increase in trade and other payables	3,932	2,770	2,094	4,772
Interest received	2	2	720	914
Interest paid	(293)	(333)	(73)	(66)
Tax paid	(1,081)	(429)	(1,081)	(429)
Net cash generated from / (used by) operating activities	**6,716**	**3,718**	**(3,908)**	**(1,206)**
Cash flows from investing activities				
Purchase of intangible assets	(486)	(133)	(28)	(125)
Purchases of property, plant and equipment	(4,828)	(3,953)	(286)	(125)
Proceeds from sale of property, plant and equipment	4	-	-	-
Dividends received	-	-	6,000	3,500
Net cash (used in) / generated from investing activities	**(5,310)**	**(4,086)**	**5,686**	**3,250**
Cash flows from financing activities				
Proceeds from issue of ordinary shares	454	59	454	59
Proceeds from issue of new loans	2,450	4,790	2,270	4,000
Repayment of borrowings	(4,115)	(3,284)	(68)	(2,075)
Issue of inter-company loans	-	-	(3,602)	(4,574)
Purchase of LTIP investments	(510)	(74)	-	-
Dividends paid to shareholders	(881)	(772)	(881)	(772)
Net cash (used in) / generated from financing activities	**(2,602)**	**719**	**(1,827)**	**(3,362)**
Net (decrease) / increase in cash and cash equivalents	**(1,196)**	**351**	**(49)**	**(1,318)**
Effect of exchange rate fluctuations on cash held	(69)	114	(67)	57
Net (decrease) / increase in cash and cash equivalents	**(1,265)**	**465**	**(116)**	**(1,261)**
Cash and cash equivalents at the start of the period	3,186	2,721	642	1,903
Cash and cash equivalents at the end of the period	**1,921**	**3,186**	**526**	**642**
Cash and cash equivalents consists of:				
Cash at bank and in hand	1,921	3,186	526	642

STATEMENT OF CHANGES IN EQUITY
GROUP
All figures in £'000

All figures in £'000	Share capital	Share premium	Translation reserve	Own Shares	Retained earnings	Total
28 March 2015	**2,292**	**1,034**	**264**	**(269)**	**15,541**	**18,862**
Profit for the period	-	-	-	-	2,994	2,994
Exchange differences	-	-	114	-	-	114
Actuarial gains on retirement benefit liabilities (net of deferred tax)	-	-	-	-	5,066	5,066
Other comprehensive income tax	-	-	-	-	77	77
Total other comprehensive income	-	-	114	-	5,143	5,257
Dividends paid	-	-	-	-	(772)	(772)
Share based payment charge	-	-	-	-	274	274
Tax on share options	-	-	-	-	135	135
Proceeds from issue of ordinary shares	14	45	-	-	-	59
Distribution of own shares	-	-	-	(42)	(42)	-
Consideration paid for own shares	-	-	-	(116)	-	(116)
Total contributions by and distributions to owners of the Group	14	45	-	(74)	(405)	(420)
At 2 April 2016	**2,306**	**1,079**	**378**	**(343)**	**23,273**	**26,693**
Profit for the period	-	-	-	-	4,730	4,730
Exchange differences	-	-	224	-	-	224
Actuarial losses on retirement benefit liabilities (net of deferred tax)	-	-	-	-	(9,539)	(9,539)
Loss on interest rate hedge	-	-	-	-	(9)	(9)
Total other comprehensive income	-	-	224	-	(9,548)	(9,324)
Dividends paid	-	-	-	-	(881)	(881)
Share based payment charge	-	-	-	-	283	283
Tax on share options	-	-	-	-	634	634
Proceeds from issue of ordinary shares	61	393	-	-	-	454
Distribution of own shares	-	-	-	192	(192)	-
Consideration paid for own shares	-	-	-	(702)	-	(702)
Total contributions by and distributions to owners of the Group	61	393	-	(510)	(156)	(212)
At 1 April 2017	**2,367**	**1,472**	**602**	**(853)**	**18,299**	**21,887**

COMPANY

All figures in £'000	**Share capital**	**Share premium**	**Retained Earnings**	**Total**
At 28 March 2015	**2,292**	**1,034**	**11,786**	**15,112**
Profit for the period	-	-	438	438
Actuarial gains on retirement benefit liabilities (net of deferred tax)	-	-	5,066	5,066
Other comprehensive income tax	-	-	77	77
Total other comprehensive income	-	-	5,143	5,143
Dividends paid	-	-	(772)	(772)
Share based payment charge	-	-	274	274
Tax on share options	-	-	135	135
Proceeds from issue of ordinary shares	14	45	-	59
Distribution of own shares	-	-	(42)	(42)
Total contributions by and distributions to owners of the Group	14	45	(405)	(346)
At 2 April 2016	**2,306**	**1,079**	**16,962**	**20,347**
Profit for the period	-	-	3,370	3,370
Loss on interest rate hedge	-	-	(9)	(9)
Actuarial loss on retirement benefit liabilities (net of deferred tax)	-	-	(9,539)	(9,539)
Total other comprehensive income	-	-	(9,548)	(9,548)
Dividends paid	-	-	(881)	(881)
Share based payment charge	-	-	283	283
Tax on share options	-	-	636	636
Proceeds from issue of ordinary shares	61	393	-	454
Distribution of own shares	-	-	(192)	(192)
Total contributions by and distributions to owners of the Group	61	393	(154)	300
At 1 April 2017	**2,367**	**1,472**	**10,630**	**14,469**

Notes to Preliminary Results for the 52 week period ended 1 April 2017

- The accounting "year" for the Group is a 52 week period ended 1 April 2017, (2016: 53 week period ended 2 April 2016).
- Both the parent company financial statements and the Group financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act 2006, as applicable to companies reporting under IFRS.
- The financial information set out above does not constitute the statutory accounts for the years ended 1 April 2017 or 2 April 2016. Statutory accounts for 2016 have been delivered to the Registrar of Companies and those for 2017 will be delivered following the Company's Annual General Meeting. The auditor has reported on these accounts, the report was unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.
- Basic earnings per share have been calculated on the profit after taxation of £4,730,000 (2016: £2,994,000) divided by the weighted average number of Ordinary shares in issue during the period of 9,373,232 (2016: 9,191,512).
- The dividend will, if approved, be paid in cash only on 11 August 2017 to all shareholders on the register on 14 July 2017.

Pensions

- The Group operates two funded pension schemes providing defined benefits for a decreasing number of its employees. The defined benefit pension schemes are sensitive to a number of key factors: the value of the assets, the discount rate used to calculate the schemes liabilities (based on a premium above gilt yields), the rate of inflation and the mortality assumptions for members of the schemes. Changes in these assumptions will impact the deficit positively or negatively.
- The latest actuarial “on-going” valuations of the Group’s pension Schemes at April 2016, determined the combined deficit of the schemes to be £15.8 million. These valuations are conducted on a triennial basis and provide a steady platform to manage the deficit from one valuation to the next. It is the Group’s legal responsibility to fund the defined benefit pension scheme deficits. The April 2016 valuation resulted in liability management and a new agreement with the trustees on payments to reduce the deficit. Under IAS 19 the pension deficit is likely to be volatile and may in the future be very different from this current year end position. The IAS 19 pension deficit net of Deferred Tax, increased by £9,167,000 over the year to £15,620,000.
- A reconciliation of the movement in the Statement of Financial Position of Retirement benefit liabilities is shown below:

	2017
	£'000
At 2 April 2016	(7,870)
Total expense	(1,455)
Contributions paid	1,891
Actuarial losses recognised in SCI	(11,386)
At 1 April 2017	**(18,820)**

- The Annual Report and accounts for 2017 will be posted to shareholders on 4 July 2017. The Annual Report will be available on the Company’s website (www.cropper.com/financials/) on 27 June 2017, and on request from the Company’s registered office, Burneside Mills, Kendal, Cumbria LA9 6PZ from 4 July 2017.
- The Annual General Meeting of the Company will be held at 11.00am on Wednesday 26 July 2017 at the Bryce Institute, Burneside, Kendal, Cumbria.