5 March 2014

4imprint Group plc
Final results for the period ended 28 December 2013

4imprint Group ("the Group"), a leading direct marketer of promotional products, today announces its full year results for the period ended 28 December 2013.

Highlights

Financial – continuing operations	2013 £m	2012 restated† £m	Change
Revenue	**212.86**	183.51	+16%
Underlying* profit before tax	**12.50**	9.20	+36%
Profit before tax	**9.25**	6.37	+45%
Underlying* basic EPS (p)	**35.51**	25.03	+42%
Basic EPS (p)	**25.64**	16.41	+56%
Proposed total dividend (p)	**17.00**	15.45	+10%

* Underlying is before share option related charges, defined benefit pension charges and exceptional items

† Restated for amendments to IAS 19, to classify SPS as a discontinued operation and to include delivery receipts and other income in revenue

Operational

- Strong growth in revenue and profit
- **4imprint Direct Marketing**
  - Continued organic growth in North America – Order numbers 15% ahead of 2012
    - More than 600,000 orders received
    - Re-order rates strong
  - UK Direct Marketing revenue 12% ahead of 2012
- Sale of SPS completed in February 2014 for gross proceeds of £7.25m
- Robust financial position; net cash £15.76m, an increase of £5.08m

John Poulter, Chairman said:

"2013 was another successful year. Following the sale of SPS, 4imprint is now a pure play Direct Marketing business with significant growth prospects.

Early indications for 2014 are of continuing good operational performance in line with our aspirations although the dollar exchange rate will, if sustained, act as a headwind on performance measured in sterling."

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Chairman's statement

2013 was another successful year for 4imprint Group plc. The strong performance is documented in the pages which follow.

The Direct Marketing business delivered revenue growth and operating margin percentage ahead of target, derived from an increased yield on revenue investment in marketing and favourable cost experience in its marketing expenditures.

The UK Direct Marketing business, now located in its new facility in Manchester, also enjoyed good growth.

SPS, having shown good performance improvement over the past three years, was sold shortly after year-end to a private equity/management vehicle, having completed a competitive process.

Following the sale, the Group has significant net cash which will be directed to further reductions in risk in the legacy defined benefit pension scheme. To this effect an, albeit minor, step is a proposal for individual flexible early retirement which has been offered to eligible deferred pensioners in February 2014.

Early indications for 2014 are of continuing good operational performance in line with our aspirations although the dollar exchange rate will, if sustained, act as a headwind on performance measured in sterling.

John Poulter
Chairman
5 March 2014

Strategic report

4imprint Direct Marketing is a leading direct marketer of promotional products in the USA, Canada, the UK and Ireland. Its strategy is to deliver profitable organic growth, gaining market share in the large and highly fragmented markets in which it operates. This is achieved through ongoing investment in marketing, people and technology.

From early 2014 onwards, 4imprint Direct Marketing, which generates 96% of its revenue in North America, is the sole business in the 4imprint Group (and represents the Group's "continuing operations"). This follows the disposal, in February 2014, of SPS, a UK based manufacturer of promotional products and the disposal, in 2012, of Brand Addition, a European distributor of promotional products to medium and large businesses. These businesses are both classified as "discontinued operations".

The disposal of these non-core businesses, allows the Group to concentrate on its strategy of doubling the revenue of its Direct Marketing business, at stable operating profit margin percentage, over the five year period 2011 to 2016, consistent with the achievement in the previous five years. In 2013, in respect of its continuing operations, the Group achieved revenue growth of 16%, underlying* profit before tax growth of 36% and underlying* basic EPS growth of 42%. This represented another year of delivery of this strategy.

The Group is in a strong financial position, with net cash, and will continue to focus its resources on i) growth in the profitable and cash generative Direct Marketing business and ii) reducing the risk and size of its legacy defined benefit pension scheme.

Operating review – continuing operations

Revenue	**2013 £m**	2012 (restated)† £m	Change
Sales of promotional products	**196.42**	168.90	
Delivery receipts and other income	**16.44**	14.61	
Total	**212.86**	183.51	16%

Underlying* operating profit	**2013 £m**	2012 (restated)† £m	Change
4imprint Direct Marketing	**14.60**	11.00	
Head Office	**(2.14)**	(1.84)	
Total	**12.46**	9.16	36%

Underlying profit is included because the Directors consider this gives a measure of the underlying performance of the business.

* Underlying is before share option related charges, defined benefit pension charges and exceptional items.

† Restated to classify SPS as a discontinued operation and to include delivery receipts and other income in revenue.

4imprint Direct Marketing

The 2013 results represent another year of progress consistent with the strategy to drive significant organic revenue growth at a stable percentage operating profit margin.

Revenue grew 16% compared to 2012 (15% at constant currency). Underlying operating profit increased 33% compared to prior year, (31% at constant currency), driven by a combination of stable gross margin, successful marketing execution and a favourable environment in respect of its catalogue costs in the year.

The North American business produced revenue growth of 15% to $294.91m. This compares to the US promotional products market as a whole which, according to industry estimates, grew by approximately 5-6% from 2012 to 2013. The business processed more than 600,000 individually customised orders, each backed by an 'on time or free' guarantee, demonstrating the robustness and scalability of its processes and systems.

Orders from new customers in North America increased by 8% compared to 2012, representing the acquisition of over 145,000 new customers, which was in line with the increased investment in new customer marketing activity. New customer activity was particularly strong in the second half of the year, driven by increased prospecting activity, powered by opportunities identified via advances in data analytics.

Orders from existing customers were 19% higher than prior year, demonstrating the productive and reliable nature of the customer file. The popular Blue Box™ sample mailings remain a key element of retention marketing.

Marketing spend in the year increased by 10%, in line with the strategy of investment to drive organic growth. The increase in spend included expansion of the current customer acquisition and retention techniques as well as the implementation of additional on and offline marketing activities. Online marketing spend increased by 25% in the year. Revenue generated per marketing dollar in 2013 improved to $5.72 (2012: $5.48). This was due to both improved yield on marketing initiatives and favourable postage and paper prices in 2013, which would ordinarily have been expected to increase.

All sales activity, whether to new or existing customers, is underpinned by a commitment to innovation and excellence in business operations. Merchandising initiatives and evolving supplier partnerships resulted in a stream of new products. In addition, continued investment in technology produced enhanced websites, process efficiency and further sophistication in data analysis. A commitment to providing a remarkable customer experience characterises the approach to customer care. Essential to making all of this happen is the ability to attract and retain a quality workforce. For the sixth year in succession, the North American business was named as a top 25 medium sized best workplace in the USA.

The UK business, based in Manchester, also had a successful year. Revenue was 12% higher than 2012, outpacing growth in the market. During 2013 there was an emphasis on expansion of the product range and further implementation of marketing and customer service techniques which have been tried and tested in the North American business. The same principles of innovation and excellence seen in the North American business drive the continued growth in the UK.

The Direct Marketing model remains highly cash generative with US$21.93m of pre tax operating cash generated in North America.

Head office

Head office costs of £2.14m (2012: £1.84m) comprised Board costs, UK corporate office and other plc related costs.

Finance review

Continuing operations	**2013 Underlying £m**	2012 Underlying (restated) £m	**2013 Total £m**	2012 Total (restated) £m
Revenue	**212.86**	183.51	**212.86**	183.51
Underlying operating profit	**12.46**	9.16	**12.46**	9.16
Share option related charges (incl. social security)			**(1.60)**	(0.65)
Exceptional items			**(0.25)**	(0.59)
Net finance income	**0.04**	0.04	**0.04**	0.04
Defined benefit pension charges			**(1.40)**	(1.59)
Profit before tax	**12.50**	9.20	**9.25**	6.37

Exchange

The average US dollar rate for the year was $1.56 (2012: $1.58). The closing US dollar rate for the year ended 28 December 2013 was $1.65 (2012: $1.62). The majority of the Group's revenue and its operating profit are earned in US dollars. If the average rate for the year had been $1.65 (the year end rate), revenue would have been £10.58m lower and profit before tax £0.74m lower.

The movement in the average rate for the year, compared to 2012, increased revenue by £2.66m and profit by £0.19m. The movement in the year end rate reduced US dollar denominated overseas subsidiaries assets by £0.28m.

Share option charges

The Group charged £1.60m (2012: £0.65m) to continuing operations in respect of IFRS 2, 'Share-based payments'. £1.52m related to the charge in respect of the Group Performance Share Plan approved by Shareholders on 27 April 2011, including £0.81m employers' social security costs in respect of options that have now vested and may be exercised from April 2014, as well as the charges in respect of UK and US SAYE schemes.

Exceptional items

Exceptional items in the year totalled £0.25m. These costs related to third party fees incurred in respect of a flexible early retirement offer made to 153 eligible deferred pensioners in February 2014, as part of the pension risk reduction exercise. Further costs will be incurred in respect of this exercise in 2014 and are dependent upon the number of people who accept the offer.

Exceptional costs of £0.59m in 2012 arose as a consequence of the sale of Brand Addition in that year.

Net finance income

Net finance income in the year was £0.04m (2012: £0.04m), which reflected the Group's net cash position, invested at the current rates of interest.

Taxation

The tax charge for continuing operations for the year was £2.47m (2012: £2.05m), an effective rate of 27% (2012: 32%). The charge comprised current tax of £1.91m representing tax payable in the USA and deferred tax of £0.56m. The tax charge for underlying profit before tax was £3.10m, an effective tax rate of 25% (2012: 29%).

The effective tax rate is above the UK corporate tax rate as the Group's profit is generated principally in the USA where there is a higher corporate tax rate.

Earnings per share

Underlying basic earnings per share in respect of continuing operations was 35.51p (2012: 25.03p), an increase of 42%, reflecting the increased earnings and lower underlying effective tax rate compared to 2012.

Basic earnings per share, from continuing operations, was 25.64p (2012: 16.41p), an increase of 56%.

Including the impact of discontinued operations, basic earnings per share was 14.74p (2012: 51.95p). 2013 EPS included a decrease of 10.90p in respect of the £2.89m loss related to discontinued operations (2012: an increase of 35.54p in respect of £9.34m profit from discontinued operations).

Dividends

The Board has proposed a final dividend of 11.40p which, together with the interim dividend of 5.60p, gives a dividend paid and proposed for the year of 17.00p, an increase of 10% compared to prior year, in line with its progressive dividend policy.

Discontinued operations

On 10 February 2014, the Group completed the sale of SPS, its UK based manufacturing operation, to the SPS senior management, backed by Maven Capital Partners, a leading UK private equity firm. The consideration was £7.25m (subject to post completion adjustments relating to the amount of working capital, debt and cash at completion). Net cash proceeds are expected to be circa £5.8m after costs of disposal, including a bonus payable to the SPS senior management on completion of the disposal.

In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', SPS has been presented as a discontinued operation in both the 2013 and 2012 Income Statements and as an asset held for sale in the 2013 Balance Sheet.

Revenue generated by SPS in 2013 was £15.33m, an increase of 9% compared to the prior year. Operating profit was £0.92m (2012: £0.78m). The improved performance was a result of successful focus on new product innovation and marketing initiatives, together with stable gross margin. SPS generated £0.84m of pre tax cash flow in 2013 (2012: £0.20m). Cash spend on costs related to the sale in 2013 was £0.18m.

A £3.65m provision for loss on the remeasurement of SPS net assets to their net realisable value, has been made in the year. This was based on year end net assets of £9.20m, adjusted to reflect normalised working capital, and takes into account the estimated costs of disposal.

The Group completed the sale of Brand Addition, its European distribution business, on 23 March 2012 for aggregate consideration of £24.00m, of which £1.25m was deferred for a year and received in March 2013. Profit on the sale in 2012 was £8.46m. Cash flow from discontinued operations in 2013 included £1.25m of deferred consideration received and payment of costs previously accrued of £0.08m in relation to this sale.

Defined benefit pension scheme

The Group sponsors a UK defined benefit pension scheme, closed to new members and future accrual. At the end of 2013 the scheme had 1,163 pensioners (including 436 with insured benefits), 591 deferred members and no active members.

The Board's strategy is to reduce the risk of the defined benefit pension scheme to the Group. The Group has completed a number of risk reduction exercises in previous years, including a partial buy-in of £20.47m of pensioner liabilities in 2012. In early 2014, the Group made a flexible early retirement offer to 153 eligible deferred pensioners. The Group is also considering the feasibility and cost of insuring further tranches of pensioner liabilities.

Amendments to IAS 19 have been adopted in the period. The Group is now required to include the administration costs of the Scheme (managed and paid by the Scheme Trustee) within operating expenses in the Group income statement. These costs totalled £0.48m (2012: £0.44m) and have been included within operating expenses and £0.08m (2012: nil) has been included within exceptional operating expenses. Prior periods have been restated.

In addition, the defined benefit pension finance charge has been calculated in line with the amendments to IAS 19 which requires the discount rate on Scheme liabilities to be used to calculate the interest income on Scheme assets, resulting in a charge of £0.92m (2012: £1.15m, increased by £0.12m to reflect the amendments to IAS 19).

Contributions to the Scheme in the year were £3.18m. During the year, the Scheme's triennial actuarial valuation at 5 April 2013 was finalised. The deficit, on a Scheme funding basis, at that date was £30.64m. The Company has agreed a schedule of contributions with the Trustee. The contribution to the Scheme in 2014 will be £3.28m and this amount will increase by 3% annually. The recovery plan period is 6.3 years, which takes into account the material funding improvement between the date of valuation and the date of the recovery plan (December 2013), as agreed with the Scheme Actuary. The improvement is principally due to an increase in UK gilt rates during that period.

At 28 December 2013, the deficit of the Scheme on an IAS 19 basis was £16.61m (2012: £22.89m).
The change in deficit is explained as follows:

	£m
IAS 19 deficit at 29 December 2012	**(22.89)**
Company contributions to the scheme	**3.18**
Pension finance and administration charges	**(1.40)**
Exceptional items – flexible early retirement offer costs	**(0.08)**
Remeasurement gains due to changes in assumptions	**4.58**
IAS 19 deficit at 28 December 2013	**(16.61)**

Cash flow

The Group had net cash of £15.76m at 28 December 2013, resulting from a net cash inflow of £5.08m in the year. Net cash at 28 December 2013 was represented by:

	2013 £m	2012 £m
Other financial assets – cash deposits	**4.95**	3.00
Cash and cash equivalents	**10.81**	14.10
Borrowings due in less than one year	**-**	(1.64)
Borrowings due after one year	**-**	(4.78)
Net cash	**15.76**	10.68

The Group has US$13.0m working capital facilities with its principal US bank, JPMorgan Chase. The interest rate is US$ LIBOR plus 1.5% and the facilities are due for repayment on 31 August 2015.

The movement in net cash is summarised below. This presentation shows an analysis of operating cash flow from continuing operations and discontinued operations cash flow is presented as a single line.

Operating cash flow	**2013 £m**
Underlying operating profit	**12.46**
Depreciation and amortisation	**1.15**
Change in working capital	**0.19**
Capital expenditure	**(1.14)**
Operating cash flow after capital expenditure– continuing operations	**12.66**
Interest and tax	**(1.68)**
Defined benefit pension contributions	**(3.18)**
Exchange and other	**(0.37)**
Free cash flow – continuing operations	**7.43**
Discontinued operations net cash inflow	**1.83**
Dividends to shareholders	**(4.18)**
Net cash inflow in the year	**5.08**

The Group delivered a strong cash flow performance in 2013, generating £12.66m of pre tax operating cash flow (after £1.14m of capital expenditure) from continuing operations. This demonstrates the cash generative profile of the Direct Marketing business which is one of the key strengths of the Group. The business has low fixed and working capital requirements and the North American business generated US$ 21.93m of pre tax operating cash flow in 2013 - an operating profit to cash conversion rate of 97% (2012: 98%).

Free cash flow from continuing operations (after the defined benefit pension contribution of £3.18m and pension related exceptional payments of £0.17m) was £7.43m, providing cover of 1.8 times the dividend paid in the year.

Cash flow from discontinued operations of £1.83m, included £1.25m of deferred proceeds from the sale of Brand Addition in 2012, £0.84m of pre tax operating cash inflow (after capital expenditure) from SPS offset by £0.26m cash spend in respect of disposal costs.

Balance sheet and Shareholders’ equity

Net assets at 28 December 2013 were £16.78m (2012: £13.79m), an increase of £2.99m.

In 2013, the net assets of SPS, which have been written down to net realisable value, are shown as assets and liabilities held for sale. In 2012 the assets and liabilities of SPS are included within each line item on the balance sheet.

	2013 £m	2012 £m
Non current assets	**9.99**	19.57
Working capital	**2.49**	6.20
Net cash	**15.76**	10.68
Pension deficit	**(16.61)**	(22.89)
Deferred consideration	**-**	1.25
Net assets held for sale	**5.74**	-
Other liabilities	**(0.59)**	(1.02)
	16.78	13.79

Shareholders’ equity has increased as a result of profit generated for the year of £3.90m (continuing operations: £6.79m, loss from discontinued operations: £2.89m), remeasurement gains on the pension scheme deficit net of tax of £2.35m; offset by dividends paid to shareholders of £4.18m and other items of £0.92m.

Return on capital employed

	Average operating capital employed† £m	**ROCE* %**
4imprint Direct Marketing	**9.87**	**148.0**

* Based on underlying operating profit.

† Includes fixed assets and operating working capital.

Treasury policy

Treasury policy is to manage centrally the financial requirements of the Group. The Group operates cash pooling arrangements separately for its North American operations and its UK operations. The Group enters into forward contracts to buy or sell currency relating to specific receivables and payables as well as remittances from its overseas subsidiaries. The Group holds the majority of its cash on deposit with its principal UK banker and working capital requirements of the North American business are funded by a facility with its principal US banker.

Critical accounting policies

Critical accounting policies are those that require significant judgements or estimates and potentially result in materially different results under different assumptions or conditions. It is considered that the Group’s only critical accounting policy is in respect of pensions.

New Accounting Standards

Amendments to IAS 19, ‘Employee Benefits’ are effective from accounting periods commencing on or after 1 January 2013. Although the Group’s 2013 accounting period began on 30 December 2012, the Group has adopted these amendments in its 2013 financial statements and 2012 has been restated. The impact of the restatement is disclosed in the notes. No other new standards have impacted the Group’s financial statements in the period.

Kevin Lyons-Tarr
CEO, 4imprint Direct Marketing

Gillian Davies
Group Finance Director

5 March 2014

Group income statement for the 52 weeks ended 28 December 2013

	Note	2013 £'000	2012 (restated)† £'000
Continuing operations			
Revenue	1	**212,861**	183,513
Operating expenses		**(202,724)**	(176,039)
Operating profit before exceptional items		**10,391**	8,066
Exceptional items	2	**(254)**	(592)
Operating profit	1	**10,137**	7,474
Finance income		**56**	199
Finance costs		**(17)**	(157)
Other net financing charges	5	**(924)**	(1,151)
Net finance cost		**(885)**	(1,109)
Profit before tax		**9,252**	6,365
Taxation	3	**(2,466)**	(2,053)
Profit for the period from continuing operations		**6,786**	4,312
Discontinued operations			
(Loss)/profit from discontinued operations	8	**(2,886)**	9,337
Profit for the period		**3,900**	13,649
Earnings per share			
Basic			
From continuing operations	4	**25.64p**	16.41p
From continuing and discontinued operations	4	**14.74p**	51.95p
Diluted			
From continuing operations	4	**24.38p**	16.18p
From continuing and discontinued operations	4	**14.01p**	51.20p
Underlying			
From continuing operations	4	**35.51p**	25.03p

† Restated for amendments to IAS 19, to classify SPS as a discontinued operation and to include delivery receipts and other income in revenue.

Group statement of comprehensive income for the 52 weeks ended 28 December 2013

	2013 £'000	2012 (restated) £'000
Profit for the period	**3,900**	13,649
Other comprehensive income/(expense)		
Items that may be reclassified subsequently to the Income Statement:		
Exchange differences on translation of foreign subsidiaries	**(423)**	(316)
Item that will not be reclassified subsequently to the Income Statement:		
Remeasurement gains/(losses) on post employment obligations	**4,586**	(10,124)
Tax relating to components of other comprehensive income	**(2,239)**	1,265
Effect of change in UK tax rate	**(483)**	(589)
Other comprehensive income/(expense) net of tax	**1,441**	(9,764)
Total comprehensive income for the period	**5,341**	3,885

	2013 £'000	2012 (restated) £'000
Total comprehensive income/(expense) attributable to equity Shareholders arising from		
- Continuing operations	**8,227**	(5,452)
- Discontinued operations	**(2,886)**	9,337
	5,341	3,885

Group balance sheet at 28 December 2013

	Note	**2013 £'000**	2012 £'000
Non current assets			
Property, plant and equipment		**5,337**	12,338
Intangible assets		**818**	954
Deferred tax assets		**3,834**	6,281
		9,989	19,573
Current assets			
Assets held for sale	8	**8,381**	-
Inventories		**2,235**	3,338
Trade and other receivables		**18,253**	20,190
Other financial assets – bank deposits		**4,950**	3,000
Cash and cash equivalents		**10,807**	14,101
		44,626	40,629
Current liabilities			
Trade and other payables		**(17,997)**	(16,075)
Current tax		**(150)**	(150)
Borrowings		**-**	(1,646)
Liabilities held for sale	8	**(2,646)**	-
		(20,793)	(17,871)
Net current assets		**23,833**	22,758
Non current liabilities			
Retirement benefit obligations	5	**(16,611)**	(22,894)
Borrowings		**-**	(4,777)
Deferred tax liability		**(289)**	(720)
Provisions for other liabilities and charges		**(147)**	(150)
		(17,047)	(28,541)
Net assets		**16,775**	13,790
Shareholders' equity			
Share capital		**10,286**	10,222
Share premium reserve		**38,575**	38,437
Other reserves		**(335)**	88
Retained earnings		**(31,751)**	(34,957)
Total Shareholders' equity		**16,775**	13,790

Group statement of changes in Shareholders' equity
for the 52 weeks ended 28 December 2013

	Share capital £'000	Share premium reserve £'000	Other reserves £'000	Retained earnings: Own shares £'000	Retained earnings: Profit and loss £'000	Total equity £'000
Balance at 31 December 2011	9,939	38,016	439	(124)	(35,213)	13,057
Profit for the period (restated)					13,649	13,649
Other comprehensive income/(expense)						
Exchange differences on translation of foreign subsidiaries			(316)			(316)
Remeasurement losses on post employment obligation (restated)					(10,124)	(10,124)
Tax relating to components of other comprehensive income (restated)					1,265	1,265
Effect of change in UK tax rate					(589)	(589)
Total comprehensive income			(316)		4,201	3,885
Shares issued	283	421				704
Own shares utilised				3	(3)	-
Own shares purchased				(605)		(605)
Share-based payment charge					685	685
Recycled translation differences of business sold			(35)			(35)
Dividends					(3,901)	(3,901)
Balance at 29 December 2012	10,222	38,437	88	(726)	(34,231)	13,790
Profit for the period					**3,900**	**3,900**
Other comprehensive income/(expense)						
Exchange differences on translation of foreign subsidiaries			**(423)**			**(423)**
Remeasurement gains on post employment obligations					**4,586**	**4,586**
Tax relating to components of other comprehensive income					**(2,239)**	**(2,239)**
Effect of change in UK tax rate					**(483)**	**(483)**
Total comprehensive income			**(423)**		**5,764**	**5,341**
Shares issued	**64**	**138**				**202**
Own shares utilised				**5**	**(5)**	**-**
Own shares purchased				**(130)**		**(130)**
Share-based payment charge					**795**	**795**
Deferred tax relating to share options					**961**	**961**
Dividends					**(4,184)**	**(4,184)**
Balance at 28 December 2013	**10,286**	**38,575**	**(335)**	**(851)**	**(30,900)**	**16,775**

Group cash flow statement for the 52 weeks ended 28 December 2013

	Note	2013 £'000	2012 £'000
Cash flows from operating activities			
Cash generated from/(used in) operations	7	**11,451**	(5,992)
Net tax paid		**(1,735)**	(1,421)
Finance income		**70**	169
Finance costs		**(14)**	(181)
Net cash generated from/(used in) operating activities		**9,772**	(7,425)
Cash flows from investing activities			
Purchases of property, plant and equipment		**(986)**	(1,685)
Purchases of intangible assets		**(311)**	(448)
Net proceeds from sale of business		**991**	18,543
Net cash (used in)/generated from investing activities		**(306)**	16,410
Cash flows from financing activities			
Repayment of borrowings		**(6,434)**	(2,452)
Proceeds from borrowings		**-**	2,142
Capital element of finance lease payments		**(151)**	(141)
Amounts placed on deposit		**(1,950)**	(3,000)
Proceeds from issue of ordinary shares		**202**	704
Purchase of own shares		**(130)**	(605)
Dividends paid to Shareholders	6	**(4,184)**	(3,901)
Net cash used in financing activities		**(12,647)**	(7,253)
Net movement in cash and cash equivalents		**(3,181)**	1,732
Cash and cash equivalents at beginning of the period		**14,101**	12,492
Exchange losses on cash and cash equivalents		**(113)**	(123)
Cash and cash equivalents at end of the period		**10,807**	14,101

Analysis of cash and cash equivalents		
Cash at bank and in hand	**6,557**	9,351
Short term deposits	**4,250**	4,750
	10,807	14,101

General information

4imprint Group plc, registered number 177991, is a public limited company incorporated and domiciled in the UK and listed on the London Stock Exchange. Its registered office is 7/8 Market Place, London W1W 8AG.

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 periods presented, except as noted below.

The Group has adopted IAS 19 (revised) in the period and prior periods have been restated (see note below). Other new and revised standards effective during the period have not impacted on the Group's financial statements.

Basis of preparation

This announcement was approved by the Board of Directors on 5 March 2014. The financial information in this announcement does not constitute the Group's statutory accounts for the periods ended 28 December 2013 or 29 December 2012 but it is derived from those accounts. Statutory accounts for 29 December 2012 have been delivered to the Registrar of Companies, and those for 28 December 2013 will be delivered after the Annual General Meeting. The auditors have reported on those accounts; their reports were unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The audited consolidated financial statements from which these results are extracted have been prepared under the historical cost convention in accordance with IFRS (International Financial Reporting Standards), as adopted by the EU, IFRS IC interpretations and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The standards used are those published by the International Accounting Standards Board (IASB) and endorsed by the EU and effective at the time of preparing these financial statements (March 2014).

After making enquiries, the Directors have reasonable expectations that the Group has adequate resources to continue to operate for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the consolidated financial statements.

Restatement

The 2012 income statement, statement of comprehensive income, statement of changes in Shareholders' equity and notes have been restated to classify SPS as a discontinued operation; to include income from delivery receipts and other activities in revenue; and also for the amendments to IAS 19 'Employee Benefits'.

The reclassification of SPS as a discontinued operation has no net impact on the profit for the period. The amounts reclassified to discontinued operations are shown by line item in note 8.

Revenue has been restated to include income from delivery receipts and other income which has been moved from operating expenses, where it was offset against the costs of these activities. Management consider that this is in line with current best practice. The amounts moved to revenue are disclosed in note 1. This change has no net impact on profit.

The IAS 19 amendments require the administration costs of the defined benefit pension scheme, which are managed and paid by the Scheme Trustee, to be included in operating expenses. Costs of managing the pension scheme assets continue to be deducted from the return on scheme assets within equity. In addition, the return on defined benefit pension scheme assets is required to be calculated using the same discount rate that is applied to calculate the present value of the defined benefit obligation. The impact of these changes in 2012 is to increase operating expenses by £438,000 and interest expense by £123,000, with associated deferred tax relief of £137,000. This results in a reduction in profit for the period of £424,000. Offsetting this, in the statement of comprehensive income, the remeasurement losses on post employment obligations are reduced by £561,000 and the tax relief relating to components of other comprehensive income is reduced by £137,000. Consequently there is no net impact on the balance sheet and no cash flow impact.

Critical accounting policies

Critical accounting policies are those that require significant judgement or estimates and potentially result in materially different results under different assumptions or conditions. Management consider the following to be the only critical accounting policy:

Pensions

As disclosed in note 5 the Group sponsors a defined benefit pension scheme closed to new members and future accruals. Period end recognition of the liabilities under this scheme and the return on assets held to fund these liabilities require a number of significant actuarial assumptions to be made including inflation, discount rate and mortality rates. Small changes in assumptions can have a significant impact on the expense recorded in the income statement and on the pension liability in the balance sheet.

1 Segmental reporting

The chief operating decision maker has been identified as the Board of Directors and the segmental analysis is presented based on the Group's internal reporting to the Board.

At 28 December 2013, the Group is reported as one primary operating segment and the costs of the Head Office:

Revenue – continuing operations

4imprint Direct Marketing	**2013 £'000**	2012 (restated) £'000
Sales of promotional products	**196,422**	168,905
Delivery receipts and other income	**16,439**	14,608
Total revenue from promotional products	**212,861**	183,513

Profit – continuing operations	Underlying		Total	
	2013 £'000	2012 (restated) £'000	**2013 £'000**	2012 (restated) £'000
4imprint Direct Marketing	**14,602**	11,002	**14,602**	11,002
Head Office	**(2,139)**	(1,848)	**(2,139)**	(1,848)
Underlying operating profit	**12,463**	9,154	**12,463**	9,154
Exceptional items – Head Office (note 2)			**(254)**	(592)
Share option related charges			**(1,594)**	(650)
Defined benefit pension scheme administrative expenses (note 5)			**(478)**	(438)
Operating profit	**12,463**	9,154	**10,137**	7,474
Net finance income	**39**	42	**39**	42
Defined benefit pension finance charge (note 5)			**(924)**	(1,151)
Profit before tax	**12,502**	9,196	**9,252**	6,365

Taxation charge of £2,466,000 (2012: £2,053,000) cannot be separately allocated to individual segments.

2 Exceptional items

Continuing operations	**2013 £'000**	2012 £'000
Pension flexible early retirement offer costs	**254**	-
Business separation costs	**-**	592
	254	592

In 2013, pension costs related to third party fees in respect of a flexible early retirement offer made to 153 eligible deferred pensioners in February 2014. The fees include £76,000 incurred and paid by the defined benefit pension scheme.

In 2012, business separation costs arose as a consequence of the sale of Brand Addition and included: office relocation; restructuring the Group's intercompany financing; and fees in respect of the pension buy-in exercise.

Cash expenditure in respect of the continuing Group's exceptional items in 2013 was £167,000 (2012: £1,057,000).

3 Taxation

Continuing operations	**2013** **£'000**	2012 (restated) £'000
Analysis of charge in the period:		
UK tax – current	**-**	-
Overseas tax – current	**1,906**	1,122
Total current tax	**1,906**	1,122
Origination and reversal of temporary differences	**549**	892
Effect of change in UK tax rate	**(3)**	1
Adjustment in respect of prior years	**14**	38
Total deferred tax	**560**	931
Taxation – continuing operations	**2,466**	2,053

The tax for the year is different to the standard rate of corporation tax in the UK (23.25%). The differences are explained below:

	2013 **£'000**	2012 £'000
Profit before tax – continuing operations	**9,252**	6,365
(Loss)/profit before tax from discontinued operations (note 8)	**(2,730)**	9,261
Profit before tax – total operations	**6,522**	15,626
Profit before tax multiplied by rate of corporation tax in the UK of 23.25% (2012: 24.5%)	**1,516**	3,828
Effects of:		
Adjustments in respect of foreign tax rates	**764**	376
Adjustments in respect of prior years	**26**	-
Expenses not deductible for tax purposes and non taxable income	**(505)**	(120)
Non deductible loss/(non taxable profit) on disposal of business	**849**	(2,073)
Timing differences and other differences	**45**	192
Utilisation of tax losses not previously recognised	**(26)**	(203)
Effect of change in UK tax rate on deferred tax balances	**(47)**	(23)
Taxation – total operations	**2,622**	1,977
Taxation – continuing operations	**2,466**	2,053
Taxation – discontinued operations (note 8)	**156**	(76)
Taxation – total operations	**2,622**	1,977

The main rate of UK corporation tax has been reduced to 21% from 1 April 2014 and to 20% from 1 April 2015. The net deferred tax asset at 28 December 2013 has been calculated at a tax rate of 20%.

4 Earnings per share

Basic, diluted and underlying

The basic, diluted and underlying earnings per share are calculated based on the following data:

	2013 **£'000**	2012 (restated) £'000
Profit after tax – continuing operations	**6,786**	4,312
(Loss)/profit after tax – discontinued operations	**(2,886)**	9,337
Profit after tax	**3,900**	13,649

	2013 **£'000**	2012 (restated) £'000
Profit before tax – continuing operations	**9,252**	6,365
Adjustments:		
Share option charges	**784**	650
Social security charges on share options	**810**	-
Exceptional items (note 2)	**254**	592
Defined benefit pension scheme administration charges (note 5)	**478**	438
Defined benefit net pension finance charges (note 5)	**924**	1,151
Underlying profit before tax – continuing operations	**12,502**	9,196
Taxation – continuing operations	**(2,466)**	(2,053)
Tax relating to above adjustments	**(638)**	(568)
Underlying profit after tax – continuing operations	**9,398**	6,575

	2013 **Number** **'000**	2012 Number '000
Basic weighted average number of shares	**26,463**	26,271
Dilutive potential ordinary shares – employee share options	**1,372**	388
Diluted weighted average number of shares	**27,835**	26,659

	2013	2012 (restated)
Basic earnings per share from continuing operations	**25.64p**	16.41p
Basic (loss)/earnings per share from discontinued operations	**(10.90)p**	35.54p
	14.74p	51.95p
Diluted earnings per share from continuing operations	**24.38p**	16.18p
Diluted (loss)/earnings per share from discontinued operations	**(10.37)p**	35.02p
	14.01p	51.20p
Underlying basic earnings per share from continuing operations	**35.51p**	25.03p
Underlying diluted basic earnings per share from continuing operations	**33.76p**	24.66p

The underlying basic earnings per share is calculated before the after tax effect of share option charges, exceptional items and defined benefit pension charges and is included because the Directors consider this gives a measure of the underlying performance of the continuing business.

5 Employee pension schemes

The Group operates defined contribution plans for the majority of its UK and US employees. The regular contributions are charged to the income statement as they are incurred. The charges recognised in the Income Statement are:

Continuing operations	**2013 £'000**	2012 £'000
Defined contribution plans – operating expenses	**463**	414

Pension charges in respect of discontinued operations were £74,000 (2012: £128,000) for defined contribution schemes.

The Group also sponsors a UK defined benefit pension scheme which is closed to new members and future accrual.

The amounts recognised in the income statement are as follows:

	2013 £'000	2012 (restated) £'000
Administrative expenses paid by the Scheme	**478**	438
Interest cost on net defined benefit obligation	**924**	1,151
Exceptional items – flexible early retirement offer costs	**76**	-
Total defined benefit pension charge – continuing operations	**1,478**	1,589

The amounts recognised in the balance sheet comprise:

	2013 £'000	2012 £'000
Present value of funded obligations	**(96,390)**	(100,263)
Fair value of scheme assets	**79,779**	77,369
Net liability recognised in the balance sheet	**(16,611)**	(22,894)

A full actuarial valuation was undertaken as at 5 April 2013 in accordance with the Scheme funding requirements of the Pensions Act 2004. This Scheme actuarial valuation showed a deficit of £30,636,000. The Company has agreed a schedule of contributions with the Trustee. The contributions to the Scheme in 2014 will be £3,279,000 in respect of the deficit and administration costs, and this amount will increase by 3% per annum. The recovery plan period is 6.3 years and takes into account the material funding improvement between the date of valuation and date of the recovery plan (December 2013) as agreed with the Scheme actuary. The improvement is principally due to an increase in UK gilt rates during that period.

For the purpose of IAS 19 the actuarial valuation as at 5 April 2013, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 28 December 2013. There have been no changes in the valuation methodology adopted for this period's disclosures compared to the previous period's disclosures.

The principal assumptions applied by the actuaries, as determined by the directors, at each period end were:

	2013	2012
Rate of increase in pensions in payment	**3.20%**	2.65%
Rate of increase in deferred pensions	**2.20%**	1.90%
Discount rate	**4.48%**	4.30%
Inflation assumption – RPI	**3.30%**	2.75%
– CPI	**2.30%**	2.00%

The mortality assumptions adopted at 28 December 2013 have been updated to align with those used in the Scheme valuation and imply the following life expectancies at age 65:

	2013	2012
Male currently age 40	**24.6 yrs**	24.5 yrs
Female currently age 40	**27.1 yrs**	28.0 yrs
Male currently age 65	**22.4 yrs**	22.1 yrs
Female currently age 65	**24.7 yrs**	25.4 yrs

6 Dividends

Equity dividends – ordinary shares		**2013 £'000**	2012 £'000
Interim paid:	5.60p (2012: 5.25p)	**1,482**	1,383
Final paid:	10.20p (2012: 9.60p)	**2,702**	2,518
		4,184	3,901

In addition, the Directors are proposing a final dividend in respect of the period ended 28 December 2013 of 11.40p per share, which will absorb an estimated £3.02m of Shareholders' funds. Subject to Shareholder approval at the Annual General Meeting, the dividend is payable on 9 May 2014 to Shareholders who are on the register of members at close of business on 11 April 2014. These financial statements do not reflect this proposed dividend.

7 Cash generated from operations

	2013 £'000	2012 (restated) £'000
Operating profit – continuing operations	**10,137**	7,474
– discontinued operations	**920**	801
Adjustments for:		
Depreciation charge	**1,364**	1,266
Amortisation of intangibles	**400**	460
Exceptional non cash items	**76**	10
Decrease in exceptional accrual/provisions	**(16)**	(475)
Share option charges – continuing	**784**	650
– discontinued	**11**	35
Defined benefit pension administration charge	**478**	438
Contributions to defined benefit pension scheme	**(3,175)**	(12,366)
Changes in working capital:		
Increase in inventories	**(811)**	(920)
Increase in trade and other receivables	**(3,428)**	(279)
Increase/(decrease) in trade and other payables	**4,711**	(3,086)
Cash generated from/(used in) operations	**11,451**	(5,992)

Analysis of net cash	**2013 £'000**	2012 £'000
Cash at bank and in hand	**6,557**	9,351
Short term deposits	**4,250**	4,750
Cash and cash equivalents	**10,807**	14,101
Other financial assets – bank deposits	**4,950**	3,000
Current finance lease creditor	**-**	(146)
Current bank loans	**-**	(1,500)
	15,757	15,455
Non current bank loans	**-**	(4,777)
Net cash	**15,757**	10,678

8 Discontinued operations

On 10 February 2014, the Group completed the sale of SPS to the SPS senior management team, backed by Maven Capital Partners. The consideration was £7.25m (subject to post completion adjustments relating to the levels of working capital, debt and cash at completion).

On 23 March 2012, the Group completed the sale of the Brand Addition business to H.I.G. for aggregate consideration of £24m, of which £1.25m was deferred for one year and which was received in March 2013.

The results of discontinued operations were as follows:

	2013 £'000	2012 (restated) £'000
Revenue	**15,327**	25,330
Operating expenses	**(14,407)**	(24,529)
Operating profit	**920**	801
Loss on remeasurement of assets of disposal group	**(3,650)**	-
Profit on disposal of business	**-**	8,460
(Loss)/profit before tax	**(2,730)**	9,261
Taxation	**(156)**	76
(Loss)/profit for the period from discontinued operations	**(2,886)**	9,337

2013 related entirely to SPS. 2012 includes both SPS and Brand Addition. The SPS elements of the restated numbers are: Revenue £14,018,000; operating expenses £13,239,000; operating profit £779,000; and a deferred taxation credit of £80,000.

The loss on remeasurement of SPS assets is calculated based on the best estimates of the adjusted consideration net of costs of disposal and expected net assets of the disposal group at the time of completion. Costs of £176,000 in respect of the disposal have been paid up to 28 December 2013.

Assets held for sale	Gross £'000	Provision £'000	28 Dec 2013 £'000
Non current assets			
Property, plant and equipment	**6,441**	**(3,474)**	**2,967**
Intangible assets	**34**	**-**	**34**
	6,475	**(3,474)**	**3,001**
Current assets			
Inventories	**1,848**	**-**	**1,848**
Trade and other receivables	**3,532**	**-**	**3,532**
	5,380	**-**	**5,380**
Assets held for sale	**11,855**	**(3,474)**	**8,381**

Liabilities held for sale			
Current liabilities			
Trade and other payables	**(2,220)**	**-**	**(2,220)**
Deferred tax liability	**(426)**	**-**	**(426)**
Liabilities held for sale	**(2,646)**	**-**	**(2,646)**
Net assets held for sale	**9,209**	**(3,474)**	**5,735**

Net assets held for sale at 28 December 2013 related to SPS. Net assets held for sale at 29 December 2012 were £nil.

9 Related party transactions

The Group did not participate in any related party transactions.

10 Principal risks and uncertainties

The principal risks and uncertainties which the business faces are: macroeconomic conditions; competition; exchange rate; failure or interruption of IT systems and infrastructure; failure to adopt technological innovations; security of customer data; business facility disruption; disruption to delivery services or product supply chain; purchase of material and services; and reliance on key personnel. A full description of these risks and the mitigating actions taken by the Group will appear in the 2013 Annual Report and Accounts.

Statement of Directors' responsibilities

Each of the Directors confirms that, to the best of their knowledge:

- the financial statements within the full Annual Report and Accounts from which the financial information within this Final Results announcement has been extracted, have been prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and

- the Strategic report, which includes the Operating review and Financial review, and principal risks and uncertainties (note 10) 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 it faces.