11 August 2021

4imprint Group plc

Half year results for the 26 weeks ended 3 July 2021 (unaudited)

4imprint Group plc (the "Group"), a direct marketer of promotional products, today announces its half year results for the 26 weeks ended 3 July 2021.

Financial Overview	Half year 2021 $m	Half year 2020 $m
Revenue	**326.81**	265.81
Underlying* profit before tax	**3.55**	0.25
Profit before tax	**3.37**	0.03
Cash	**52.80**	37.49
Underlying* basic EPS (cents)	**9.65**	0.73
Basic EPS (cents)	**9.12**	0.07
Interim dividend per share (cents)	**15.00**	nil
Interim dividend per share (pence)	**10.83**	nil

* Underlying is before defined benefit pension charges (see note 9 for reconciliation to equivalent IFRS measure).

The results for the half year and prior half year are unaudited.

Operational Overview

- Robust recovery in demand:
  - 616,000 total orders processed in H1 2021 (H1 2020: 470,000; H1 2019: 778,000)
  - 113,000 new customers acquired in H1 2021 (H1 2020: 81,000; H1 2019: 147,000)
  - July 2021 order counts running above pre-pandemic (2019) levels
- Marketing portfolio successfully re-shaped during the pandemic; well positioned in recovering markets
- Attractive market share opportunity in H2; will require careful management in conjunction with pandemic-related supply chain challenges and cost increases
- Re-introduction of biannual dividend payments; interim dividend of 15.00c per share declared
- Strong financial position: cash balance of $52.80m (27 June 2020: $37.49m); no debt

Paul Moody, Chairman said:

"The Board is confident that the Group's markets remain highly attractive and addressable, and that the core strength of its flexible business model and competitive positioning will allow it to return to its pre-COVID-19 organic growth profile."

For further information, please contact:

4imprint Group plc
Tel. + 44 (0) 20 3709 9680
hq@4imprint.co.uk
Kevin Lyons-Tarr - CEO
David Seekings - CFO

MHP Communications
Tel. + 44 (0) 20 3128 8794
4imprint@mhpc.com
Katie Hunt
Rachel Mann

Chairman's Statement

Backdrop

A year ago, our attention was fully focused on navigating the extraordinary societal and commercial disruption caused by the early phases of the COVID-19 pandemic. Although the true extent and impact of the pandemic is yet to be fully realised, we are confident that the decisions we made at a time of severe stress have been successful in protecting the long-term prospects of the business and the interests of all our stakeholders.

In particular, the following themes have been central to our approach in leading the business through the severe downturn, whilst positioning it to take full advantage of the opportunities presented by a recovery: (i) We have taken a people-led approach at all times. We are in no doubt that our team members are at the heart of our culture and are therefore fundamental to our recovery from the pandemic and to our future success; (ii) We rapidly adapted to a 'work from home' solution for many of our office-based team members. Initially borne out of necessity, our evolving 'hybrid' flexible working model promises to enhance our culture and service capabilities as we move forward; (iii) We have maintained strong and ethical relationships with our supplier partners throughout the crisis. These close partnerships will be key in developing innovative solutions to help us work through the evolving supply chain challenges set in motion by the pandemic; and (iv) We have taken advantage of an unprecedented and extremely difficult situation to make bold, but well considered, moves in re-shaping our marketing portfolio, leaving 4imprint well positioned to take further market share.

The benefit of these decisions and actions has been evident in the improving performance of the Group in the first half of 2021 and they remain fundamental to the delivery of our strategy.

Performance

Given the dramatic disruption to trading patterns during 2020, a comparison of current order intake against the same period in 2019 (the most recent 'normal' year) gives the best indicator to gauge the extent of the recovery. In our AGM trading statement on 18 May 2021 we mentioned that total Group order counts had recovered to 85% of 2019 levels over the preceding three weeks. Since that time, total order counts have continued to improve, rising to over 96% of the 2019 comparative in the month of June 2021 (79% year to date). This much improved performance comes despite the Canadian and UK markets being in some form of lockdown throughout the first half of 2021. Since the end of June our primary US market has continued to gain significant momentum, with total order intake in the month of July up an average of 12% over 2019 levels. Importantly, new customer orders in that same period were up 18% over 2019, representing a very encouraging recovery of demand in the business.

Group revenue in the first half of 2021 was $326.81m, an increase of $61.00m, or 23% over H1 2020. Profit before tax for the period was $3.37m (H1 2020: $0.03m), resulting in basic earnings per share of 9.12c, (H1 2020: 0.07c).

The continuing cash-generative characteristics of the business model produced a strong cash performance for the half year. Consequently, the Group remains very well financed, with a cash balance of $52.80m at the 2021 half year (27 June 2020: $37.49m).

Product supply and margins

The Group's revenue outlook is fast improving. At the same time, challenges in the second half of the year from global logistical issues are expected to cause sporadic disruption in the availability of some of the products that we sell, as well as increasing transportation costs. This will combine with wage inflation at our tier 1 domestic suppliers to increase our overall cost of goods. The labour element of this increase will likely be permanent, whereas we expect that the transportation disruption element will be mainly transient. Market-driven internal wage inflation will also impact margins. In the aggregate we expect these cost pressures to temper net margins in the second half. We will address these challenges proactively without compromising our market share opportunity.

Dividend

As a measure of our increasing confidence in the recovery of the business, we are pleased to re-introduce our biannual dividend payment programme, which had been suspended to conserve cash during the pandemic. The Board has declared an interim dividend of 15.00c per share (H1 2020: nil). The well-established Group balance sheet funding and capital allocation guidelines will continue to shape future dividend payments to Shareholders.

Board

John Gibney was appointed as a Director on 8 March 2021, duly succeeding John Warren as Chair of the Audit Committee after John's retirement at the AGM in May 2021.

Further, we announced with our 2020 final results on 16 March 2021 that we had commissioned a search for additional non-executive talent with a view to strengthening the depth and diversity of our Board. We are pleased to welcome two additional Non-Executive Directors.

Lindsay Beardsell is currently Executive Vice President and General Counsel at Tate & Lyle plc, and she has held similar positions in other public companies including Ladbrokes Coral Group plc and SuperGroup plc. We look forward to benefitting from the breadth of legal, governance and commercial experience that Lindsay will bring to our Board.

Jaz Rabadia MBE is currently Director of Energy, Sustainability and Social Impact at WeWork, the commercial real estate company. Prior to this, she held senior positions at Starbucks Coffee Company and Sainsbury's Supermarkets Ltd with responsibility mostly in the areas of energy management and sustainability. Jaz's contribution is eagerly anticipated as we further develop our sustainability agenda in the years ahead.

Both Lindsay and Jaz will be appointed formally as Non-Executive Directors of 4imprint Group plc on 1 September 2021.

Outlook

The Group has remained in a strong financial position throughout the COVID-19 pandemic. This has permitted management to make a series of sound business decisions, always in alignment with the Group's culture and purpose and with a view towards the long-term.

The benefit of these decisions is reflected in recent demand activity; total orders are now running at or higher than pre-pandemic levels as the recovery takes shape in the markets we serve.

We are cognisant of the challenges that the pandemic still presents. In particular, the potential risks posed by virus variants, product availability issues and pressure on operating margins in the second half of the year mean that a range of outcomes is possible. Equally, we are confident in our ability, over time, to turn these challenges into opportunities.

The Board is confident that the Group's markets remain highly attractive and addressable, and that the core strength of its flexible business model and competitive positioning will allow it to return to its pre-COVID-19 organic growth profile.

Paul Moody

Chairman

11 August 2021

Operating and Financial Review

Operating Review

Revenue	**Half year 2021 $m**	Half year 2020 $m
North America	**321.70**	260.54
UK and Ireland	**5.11**	5.27
Total	**326.81**	265.81

Underlying* operating profit	**Half year 2021 $m**	Half year 2020 $m
Direct Marketing operations	**5.69**	1.92
Head Office	**(1.92)**	(1.79)
Total	**3.77**	0.13
Operating profit/(loss)	**3.60**	(0.03)

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

* Underlying is before defined benefit pension charges (see note 6 for reconciliation to equivalent IFRS measure).

The results for the half year and prior half year are unaudited.

Performance overview

The first half of 2021 saw a continuing steady recovery in the business after the severe downturn in demand for our products caused by the COVID-19 pandemic in early 2020. Our team has been tireless in working through the many challenges presented by the crisis culminating in a return, in recent weeks, to pre-pandemic activity levels.

In our 2020 final results announcement released on 16 March 2021, we noted that total order counts in January and February 2021 were at an average of 65% of 2019 levels (the most recent 'normal' year and thus the best comparative). Since then, vaccine rollouts and the easing of restrictions in our main US market have resulted in substantial recovery in business volumes. At our AGM in May 2021 we mentioned that total order counts were at 85% of the same period in 2019; this had risen to over 96% of 2019 levels in the month of June 2021 and in the month of July we have seen total orders exceeding pre-pandemic volumes at 112% compared to July 2019.

In total 616,000 orders were processed in the first half of 2021, an increase of 31% compared to 470,000 orders in H1 2020. It is encouraging that we have continued to attract new customers at a relatively steady rate throughout the pandemic. In the first half of 2021 we acquired 113,000 new customers, an increase of 39% over the 81,000 acquired over the same period in 2020. This momentum has accelerated in the month of July, resulting in new customer order counts up an average of 18% over the same weeks in 2019.

This gradually improving trading environment resulted in a better year-on-year financial performance. Group revenue for the 2021 half year of $326.81m was 23% improved over $265.81m in the prior year. Underlying operating profit for the period was $3.77m, compared to $0.13m in H1 2020, however it should be noted that the comparative was boosted by a non-recurring credit of $3.64m in respect of employee retention credits under the US CARES Act and UK Government Job Retention Scheme.

The 4imprint direct marketing business model remains very cash generative, with a cash balance at the 2021 half year of $52.80m (27 June 2020: $37.49m) underpinning the financial strength of the Group.

Operational highlights

We are confident that the important decisions we have made and the actions we have taken throughout the pandemic were directionally appropriate, consistent with 4imprint's culture and values, and supportive of the Group's long-term future. Some of the more important themes are set out below.

- **People.** A business is only as strong as its people. Consistent with our principles and our culture we have taken a people-led approach from the onset of the pandemic. Health and safety protocols have been and remain a top priority in the business. We resolved to protect and retain all of our team members through the depths of the crisis, secure in the knowledge that our people represent the foundation on which our success is built and are the key to making the most of the opportunities presented in recovering markets. This approach has delivered tangible benefit in recent months as we retained the necessary resource to capture the rapidly increasing demand, providing excellent service to our customers at a time when labour constraints in our primary US market have tightened considerably and some other businesses have struggled to rebuild their workforce.

- **Flexible working.** The experience gained from the actions taken to enable the majority of our office-based team members to work from home has allowed us to test new working practices, in particular the development of a permanent 'hybrid' working environment that will further enhance our culture and as such, our competitive position. We have begun to roll out the new computer hardware and software to support this new way of working and to provide the team with the necessary tools to do their work effectively and efficiently.
- **Supply.** We have collaborated closely with our valued supplier partners throughout the pandemic, dealing with challenging disruptions in the supply chain. Early problems included managing production difficulties caused by lockdowns and a rapidly changing product mix. The current phase of the pandemic has brought challenges around global logistics, inventory availability and the difficulty and increased cost of finding production labour to keep up with recovering demand. As with the previous phases of the pandemic, these challenges will present a period of acute pressure as we assess the situation and identify effective solutions in support of our strategic objectives.
- **Marketing.** Prior to the pandemic, we were already well underway with our strategic initiative to significantly evolve our marketing portfolio through building a brand awareness pillar. From the start we believed this represented an opportunity to strengthen the business for the long-term and also to provide more flexibility than our previous mix. In many ways, the pandemic provided the ultimate 'stress test' to this approach as we have been able to be aggressive in the way that we have re-calibrated the marketing portfolio through the crisis. The flexibility of the new portfolio allowed us to dramatically reduce costs as order volumes plummeted at the start of the pandemic by substantially reducing our print (direct mail) element, whilst simultaneously taking full advantage of the reduced cost of brand marketing to ensure we maintained our place in the minds of current and potential customers. We think that our increasing investment in brand awareness prior to, and during the pandemic will also help us to take full advantage of the recovery. In effect, we took the opportunity to accelerate strategic changes in the marketing mix (primarily increasing the brand and decreasing the print components) that typically would have occurred over a longer timeframe. The results we have seen during the pandemic and into the recovery phase give us confidence that these changes leave our marketing engine in good shape to continue to power the business in the years ahead.

ESG

We are excited to have made good progress in our ESG initiatives in the first half of the year, particularly in respect of environmental matters. Our Environmental Committee has convened monthly to manage and prioritise our various initiatives, including:

- Working to understand further and audit the scope 1 and scope 2 carbon footprint of our operations, as well as selected scope 3 elements material to our business, most notably transportation.
- Progressing existing carbon reduction projects, for example LED lighting in our main offices.
- Refining the constituent elements of our plan towards meeting the 'CarbonNeutral®' certification of our external consultant Natural Capital Partners, with a view to becoming a carbon neutral business no later than December 2022.
- A broad review of our product range and how it is presented on our website with the aim of providing our customers with easy access to as much information and product variety as possible to enable them to consider choices based on verified sustainability criteria.

Competitive position

We believe that the experience of dealing with the many challenges presented by the COVID-19 pandemic will leave 4imprint stronger and more focused than ever. The impact of the pandemic will continue to be felt in various ways for some time to come, but the significant rebound in demand seen in recent months gives confirmation that our strategy remains fully relevant, and that our markets are attractive and ready to be addressed via our agile and resilient low fixed cost business model.

Financial Review

	Half year 2021 Underlying* $m	Half year 2020 Underlying* $m	**Half year 2021 Total $m**	Half year 2020 Total $m
Underlying* operating profit	**3.77**	0.13	**3.77**	0.13
Defined benefit pension plan administration costs			**(0.17)**	(0.16)
Net finance (cost)/income	**(0.21)**	0.12	**(0.23)**	0.06
Profit before tax	**3.56**	0.25	**3.37**	0.03

* Underlying is before defined benefit pension charges (see notes 6 and 9 for reconciliations to equivalent IFRS measures).

The results for the half year and prior half year are unaudited.

The Group's underlying operating result in the period, summarising expense by function, was as follows:

	Half year 2021 $m	Half year 2020 $m
Revenue	**326.81**	265.81
Gross profit	**95.61**	77.28
Marketing costs	**(59.89)**	(47.16)
Selling costs	**(15.43)**	(15.21)
Admin & central costs	**(16.19)**	(14.36)
Share option related charges	**(0.33)**	(0.42)
Underlying* operating profit	**3.77**	0.13

* Underlying is before defined benefit pension charges (see note 6 for reconciliation to equivalent IFRS measure).

The first six months of 2021 have shown very encouraging progress in the recovery of the business from the effects of the COVID-19 pandemic. Demand levels have built steadily throughout the period consistent with vaccination rollouts and the gradual easing of restrictions in our primary markets. This has resulted in Group revenue for the period of $326.81m (H1 2020: $265.81m), an increase of 22.9%.

The gross profit percentage in the first half has improved slightly to 29.3% (H1 2020: 29.1%), although this is below pre-pandemic levels by a couple of percentage points. The primary influences impacting the margin include a change in the order mix (strong apparel performance at typically lower product margin percentages), continuing strength in average order values, and increases in other directly variable costs such as transportation.

Marketing costs were 18.3% of revenue in the period, compared to 17.7% of revenue in H1 2020. Our financial strength has permitted continued investment in marketing activity throughout the COVID-19 pandemic, facilitating a significant re-shaping of the marketing portfolio ready to take advantage of the market share opportunity presented by the recovery in demand.

Shown within the H1 2020 admin costs is $3.64m of employee retention credits received under the US CARES Act and UK Government Job Retention Scheme; no similar credits have been received in 2021. Head Office costs of $1.92m (H1 2020: $1.79m) were stable, in underlying currency, year-over-year.

As a result of the above factors, underlying operating profit increased from $0.13m in H1 2020 to $3.77m in 2021.

Foreign exchange

The primary US dollar exchange rates relevant to the Group's results were as follows:

	Half year 2021		Half year 2020		Full year 2020	
	Period end	**Average**	Period end	Average	Period end	Average
Sterling	**1.38**	**1.39**	1.23	1.26	1.36	1.28
Canadian dollars	**0.81**	**0.80**	0.73	0.73	0.79	0.75

The Group reports in US dollars, its primary trading currency. It also transacts business in Canadian dollars, Sterling and Euros. Sterling/US dollar is the exchange rate most likely to impact the Group's financial performance.

The primary foreign exchange considerations relevant to the Group's operations are as follows:

- Translational risk in the income statement remains low with most of the Group's revenue arising in US dollars, the Group's reporting currency. The net impact on the 2021 half year income statement from trading currency movements was not material to the Group's results.
- Most of the constituent elements of the Group balance sheet are US dollar-based. The main exception is the Sterling-based defined benefit pension liability. Currency movements produced an exchange loss on the pension liability of $0.04m for the first half of 2021.
- The Group generates cash mostly in US dollars, but its primary applications of post-tax cash are Shareholder dividends, pension contributions and some Head Office costs, all of which are paid in Sterling. As such, the Group's cash position is sensitive to Sterling/US dollar exchange movements. To the extent that Sterling weakens against the US dollar, more funds are available in payment currency to fund these cash outflows.

Share option charges

A total of $0.33m (H1 2020: $0.42m) was charged in the period in respect of IFRS 2 'Share-based Payments'. This was made up of two elements: (i) senior management awards under the 2015 Incentive Plan; and (ii) charges in respect of the 2019 UK SAYE Scheme and the 2021 US Employee Stock Purchase Plan.

Current options and awards outstanding are 116,191 share options under the UK SAYE and US Employee Stock Purchase Plan schemes; and 51,925 share awards under the 2015 Incentive Plan.

Net finance cost

Net finance cost in the period was $0.23m (H1 2020: net finance income $0.06m). This comprises fees on borrowing facilities and lease interest charges under IFRS 16, partially offset by external interest received on deposits. The year-over-year reduction in net external interest is due to lower yields on deposits and higher lease interest charges following the signing of an extension to the Oshkosh office lease commencing 1 October 2020.

Taxation

The tax charge for the half year was $0.81m (H1 2020: $0.01m), giving an effective tax rate of 24% (H1 2020: 21%). This takes into account the impact on the deferred tax balances of the increase in the main corporation tax rate in the UK from 19% in tax year 2022, to 25% for the tax year 2023, that was substantively enacted in May 2021. The tax charge relates principally to taxation payable on profits earned in North America.

Earnings per share

Underlying basic earnings per share was 9.65c (H1 2020: 0.73c). This reflects the continued recovery in demand and earnings from the COVID-19 pandemic that heavily impacted the 2020 half year period, and a weighted average number of shares in issue similar to prior year.

Basic earnings per share was 9.12c (H1 2020: 0.07c).

Dividends

Dividends are determined in US dollars and paid in Sterling, converted at the exchange rate on the date that the dividend is declared.

Due to significant uncertainty as to how quickly markets might recover from the COVID-19 pandemic, and in the interests of financial prudence, the Board cancelled the payment of the 2019 final dividend and did not propose 2020 interim or 2020 final dividends.

Underpinned by net cash at the half year end of $52.80m (27 June 2020: $37.49m) and an improving commercial outlook for the Group, the Board has decided to declare an interim dividend for 2021 of 15.00c per share (H1 2020: nil). In Sterling, the interim dividend per share will be 10.83p (H1 2020: nil). The dividend will be paid on 21 September 2021 to Shareholders on the register at the close of business on 27 August 2021.

Defined benefit pension plan

The Group sponsors a legacy UK defined benefit pension plan (the "Plan") which has been closed to new members and future accruals for several years. The Plan has 110 pensioners and 235 deferred members.

At 3 July 2021, the deficit of the Plan on an IAS 19 basis was $2.24m, compared to $3.31m at 2 January 2021. Gross Plan liabilities under IAS 19 were $39.53m, and assets were $37.29m.

The change in deficit is analysed as follows:

	$m
IAS 19 deficit at 3 January 2021	**3.31**
Company contributions to the Plan	**(2.07)**
Pension administration costs	**0.17**
Pension finance charge	**0.01**
Re-measurement gain due to changes in assumptions	**(2.66)**
Return on Plan assets (excluding interest income)	**3.44**
Exchange loss	**0.04**
IAS 19 deficit at 3 July 2021	**2.24**

The net liability reduced by $1.07m in the period, driven primarily by employer's contributions of $2.07m and a re-measurement gain of $2.66m, partially offset by a negative return on assets of $3.44m. In Sterling, the net deficit decreased by £0.80m in the period to £1.63m.

A triennial actuarial valuation of the Plan was completed in September 2019 and this forms the basis of the IAS 19 valuation for the 2021 half year set out above.

The contributions to the Plan are part of a recovery plan agreed by the Company and the Trustee that aims towards funding on a buy-out basis by mid-2024.

Cash flow

Net cash was $52.80m at 3 July 2021 (27 June 2020: $37.49m; 2 January 2021: $39.77m).

Cash flow in the period is summarised as follows:

	Half year 2021 $m	Half year 2020 $m
Underlying* operating profit	**3.77**	0.13
Share option related charges	**0.32**	0.42
Depreciation and amortisation	**1.76**	1.65
Lease depreciation	**0.67**	0.82
Change in working capital	**11.32**	9.18
Capital expenditure	**(0.96)**	(3.33)
Underlying operating cash flow	**16.88**	8.87
Tax and interest	**(1.04)**	(0.02)
Defined benefit pension contributions	**(2.07)**	(10.91)
Own share transactions	**(0.30)**	(0.22)
Capital element of lease payments	**(0.55)**	(0.81)
Exchange movement and other	**0.12**	(0.56)
Free cash flow^	**13.04**	(3.65)
Dividends to Shareholders	**-**	-
Net cash inflow/(outflow) in the period	**13.04**	(3.65)

* Underlying is before defined benefit pension charges (see note 6 for reconciliation to equivalent IFRS measure).

^ Free cash flow comprises the net movement in cash and exchange movements thereon and is before dividend payments.

The Group free cash inflow for the period was $13.04m (H1 2020: outflow of $3.65m), further emphasising the efficient and cash generative qualities of the Group's business model, even in the challenging circumstances resulting from the COVID-19 pandemic. The half year 2020 Group free cash outflow of $3.65m is after a special pension contribution of $9.14m; adjusting for the impact of this, the Group generated a free cash inflow in the comparative period of $5.49m.

Working capital inflow of $11.31m (H1 2020: $9.18m) reflects the favourable cash characteristics of the direct marketing business model, particularly in the North American business where a significant proportion of customers pay by credit card.

Capital expenditure was $0.96m in the period (H1 2020: $3.33m). In the interests of cash conservation, capital expenditure projects have been rephased until later in the year or into 2022.

The share requirements for the satisfaction of senior management awards made under the Group's 2015 Incentive Plan continue to be met through the staggered purchase of 4imprint Group plc shares via the employee benefit trust. Net purchases of own shares during the period were $0.30m (H1 2020: $0.22m).

Balance sheet and Shareholders' equity

Net assets at 3 July 2021 were $67.46m, compared to $65.37m at 2 January 2021. The balance sheet is summarised as follows:

	3 July 2021 $m	2 January 2021 $m
Non-current assets	**41.39**	43.27
Working capital	**(12.81)**	(1.50)
Cash	**52.80**	39.77
Lease liabilities	**(12.65)**	(13.21)
Pension deficit	**(2.24)**	(3.31)
Other assets – net	**0.97**	0.35
Net assets	**67.46**	65.37

Shareholders' equity increased by $2.09m since the 2020 year-end. Constituent elements of the movement were net profit in the period of $2.56m, exchange gains of $0.14m and $0.32m of share option related movements, net of own shares purchased of $(0.30)m and the after tax impact of losses on pension plan assets and re-measurement gains on pension plan obligations of $(0.63)m.

The Group had a net negative working capital balance of $12.81m at 3 July 2021, (2 January 2021: $1.50m). This is a typical working capital profile reflecting the low capital requirements of the Group and its cash generative business model.

Financing and liquidity

Full details of the Board's balance sheet funding guidelines and capital allocation priorities are set out on page 23 of the 2020 Annual Report. The Board retains the same guidelines in both areas.

The primary aim of the Group's conservative balance sheet funding approach is to facilitate continued investment in marketing, people and technology through different economic cycles, recognising that an economic downturn typically represents a market share opportunity for the business. As a result of this approach, the Group has been able to make decisions to benefit the longer-term position of the business throughout the COVID-19 pandemic, whilst also managing to increase its cash position.

The Group has a $20.0m working capital facility with its principal US bank, JPMorgan Chase, N.A. The facility has a minimum EBITDA test and standard debt service coverage ratio and debt to EBITDA covenants. The interest rate is US$ LIBOR plus 2.0%, and the facility expires on 31 May 2023. In addition, an overdraft facility of £1.0m, with an interest rate of bank base rate plus 2.00% or 2.00% if higher, is available from the Group's principal UK bank, Lloyds Bank plc.

The Group had cash balances of $52.80m at the period end and has no current requirement or plans to raise additional equity or core debt funding.

Critical accounting policies

Critical accounting policies are those that require significant judgments or estimates and potentially result in materially different results under different assumptions or conditions. It is considered that the Group's only critical accounting policies are in respect of revenue and leases.

Key sources of estimation uncertainty

Determining the carrying amount of some assets and liabilities requires estimation of the effects of uncertain future events. The key sources of estimation uncertainty are considered to be in relation to the valuation of the defined benefit plan liabilities and assets.

Principal risks and uncertainties

The Group may be affected by a number of risks and uncertainties. The principal risks comprise: macroeconomic conditions; markets & competition; currency exchange; climate change & environmental; business facility disruption; disruption to the product supply chain or delivery service; disturbance in established marketing techniques; reliance on key personnel; failure or interruption of information technology systems and infrastructure; failure to adapt to new technological innovations; and cyber threats.

At the 2021 half year these risks, uncertainties and associated mitigating activities remained largely consistent with the detailed review set out on pages 26 to 31 of the Group's Annual Report 2020, a copy of which is available on the Group's website: https://investors.4imprint.com. However, the lingering effects of the COVID-19 pandemic have caused some stress in the first half of 2021 in certain risk areas. The Group continues to address these evolving risks in a proactive and effective manner, and we anticipate that the same factors will continue to shape the risk agenda for the remaining months of the 2021 financial year. The heightened risk areas identified, with associated commentary, are:

Macroeconomic conditions:	The COVID-19 crisis initially resulted in severe economic disruption and a significant reduction in overall demand in the promotional products industry. Demand activity for 4imprint has gradually recovered to pre-pandemic levels, however much uncertainty remains over the future prevalence and effects of the virus and associated variants. The aftermath of COVID-19 has also increased economic uncertainty in the form of inflation. The promotional products industry will face cost increases and therefore margin pressure over the remaining six months of the year on cost of product, transportation and payroll. Mitigation strategies will include supplier negotiations and price adjustments where appropriate.
Business facility disruption:	The 4imprint business model relies on centralised facilities. During 2020 various 'lockdown' restrictions meant that our office and distribution facilities were either closed or severely limited for periods in the year. Should a resurgence of COVID-19 and/or variants result in future facility restrictions, we remain particularly exposed in respect of embroidery production capacity at our Oshkosh distribution centre. We are, however, in much better shape in respect of our office facilities as a result of a robust 'work from home' capability now in place for essential customer service functions as well as the vast majority of support functions.
Disruption to the product supply chain or delivery service:	The Group's supply chain suffered disruption in the first half of 2021, and this is likely to intensify in the second half. Early pandemic-related problems around the management of production difficulties caused by lockdowns and a rapidly evolving product mix have now been largely superseded by challenges anticipated in the second half of the year around global logistics, (inventory availability and cost of transportation) and the difficulty and increased cost of our suppliers being able to find enough production labour to keep up with recovered demand. In mitigation, we will look for innovative solutions by staying very close to our valued supplier partners, as we have throughout the pandemic.
Cyber threats:	Even though the basic nature of cyber risks remains constant, recent well-publicised instances of the deployment of 'ransomware' show that the likelihood and/or potential severity of attacks has increased and cannot be under-estimated. We have deployed and continue to invest in significant resource in order to mitigate this risk.

The Board has ultimate responsibility for risk management. In practice this takes the form of a pragmatic overall approach that is tailored specifically towards the nature of the Group's business model and operations, and the way that it is structured and controlled. Business operations are conducted from centralised facilities, with short reporting lines. The Executive Directors are close to day-to-day business operations, facilitating early identification of and proactive response to ongoing and emerging risks. In addition, in the first half of 2021 a revised risk management and internal control framework was approved and a new Business Risk Management Committee became operational.

Going concern statement

In making their assessment of the Group's ability to continue as a going concern, the Directors have carefully considered:

- The Group's strategy, market position and business model, as set out in the Strategic Report section on pages 9 to 19 of the 2020 Annual Report.

- The principal risks and uncertainties facing the Group, as outlined in the Principal risks and uncertainties section of this Financial Review.
- Information contained in this Financial Review concerning the Group's financial position, cash flows and liquidity position.
- Regular management reporting and updates from the Executive Directors.
- Recent detailed financial forecasts and analysis for the period to 31 December 2022.

The strength of the Group's business model, market position, and successful adaptation of business operations and management of costs throughout the COVID-19 pandemic has enabled the Group to maintain a strong financial position. The successful roll-out of vaccines and easing of restrictions in our primary markets over the six months ended 3 July 2021 has supported the recovery of order volumes and revenues as we build back to pre-pandemic 2019 levels.

Given the continued uncertainty of COVID-19, we however remain cautious about the economic backdrop.

<u>Financial position</u>

The Group had net cash of $52.80m at 3 July 2021 (2 January 2021: $39.77m). The Group maintains a $20.0m working capital facility with its principal US bank, JPMorgan Chase, N.A., and an overdraft facility of £1.0m is available from the Group's principal UK bank, Lloyds Bank plc. Based on our forecast, we have no requirement to draw on either of these facilities.

<u>Financial modelling</u>

Towards the end of 2020 we modelled a range of potential scenarios for different severities of the COVID-19 pandemic for a three-year period to 30 December 2023. This included 'base case' and 'distressed' scenarios, as set out in the Viability statement on pages 24 and 25 of the 2020 Annual Report.

Under both of these scenarios, the Group preserved a strong liquidity position in the form of cash balances, did not require the use of its bank facilities, and maintained options to undertake further mitigating actions, including additional cuts to marketing costs and headcount reductions, that were not reflected in either the 'base case' or the 'distressed' forecasts.

Whilst some uncertainty remains over the recovery from COVID-19, the modelling of different scenarios, including a 'distressed' case, has demonstrated that the Group has significant flexibility in its variable costs, a very low fixed cost base, and is able to respond quickly to changes in trading conditions. Combined with a strong net cash position maintained throughout the pandemic, this has demonstrated the Group's ability to remain cash positive, even under severe economic stress.

Demand in the six months ended 3 July 2021 has seen a faster recovery in orders, revenue, and cash generation than forecast in the 'base case' scenario. The resulting improved financial position and the recent forecast, compared to the 'base case' scenario modelled towards the end of 2020, give the Board additional confidence that despite residual uncertainty as to future market conditions, the Group will be in a good position both to withstand further economic stress and to take market share opportunities in a recovering market.

<u>Going concern</u>

Based on the assessment outlined above, the Directors have a reasonable expectation that the Group will continue to operate and to meet its liabilities as they fall due over the period to 31 December 2022. On this basis, the Directors continue to adopt the going concern basis in preparing these condensed consolidated financial statements.

Kevin Lyons-Tarr
Chief Executive Officer

David Seekings
Chief Financial Officer

11 August 2021

Condensed Consolidated Income Statement (unaudited)

For the 26 weeks ended 3 July 2021

	Note	**Half year 2021 $'000**	Half year 2020 $'000	Full year 2020 $'000
Revenue	6	**326,808**	265,808	560,040
Operating expenses	7	**(323,213)**	(265,841)	(556,068)
Operating profit/(loss)	6	**3,595**	(33)	3,972
Finance income		**15**	154	168
Finance costs		**(228)**	(33)	(193)
Pension finance charge		**(15)**	(62)	(104)
Net finance (cost)/income		**(228)**	59	(129)
Profit before tax		**3,367**	26	3,843
Taxation	8	**(808)**	(5)	(753)
Profit for the period		**2,559**	21	3,090

		Cents	Cents	Cents
Earnings per share				
Basic	9	**9.12**	0.07	11.03
Diluted	9	**9.09**	0.07	11.00
Underlying basic*	9	**9.65**	0.73	12.55

* Underlying is before defined benefit pension charges.

Condensed Consolidated Statement of Comprehensive Income (unaudited)

For the 26 weeks ended 3 July 2021

	Half year 2021 $'000	Half year 2020 $'000	Full year 2020 $'000
Profit for the period	**2,559**	21	3,090
Other comprehensive income			
Items that may be reclassified subsequently to the income statement:			
Currency translation differences	**137**	(16)	863
Items that will not be reclassified subsequently to the income statement:			
Return on pension plan assets (excluding interest income)	**(3,440)**	1,194	1,261
Re-measurement gains/(losses) on post-employment obligations	**2,664**	(3,931)	(5,550)
Tax relating to components of other comprehensive expense	**147**	520	1,000
Effect of change in UK tax rate	**-**	238	241
Other comprehensive expense	**(492)**	(1,995)	(2,185)
Total comprehensive income/(expense) for the period	**2,067**	(1,974)	905

Condensed Consolidated Balance Sheet (unaudited)
At 3 July 2021

	Note	**At 3 July 2021 $'000**	At 27 June 2020 $'000	At 2 Jan 2021 $'000
Non-current assets				
Property, plant and equipment		**24,063**	26,002	24,832
Intangible assets		**1,078**	1,140	1,100
Right-of-use assets		**12,395**	1,164	13,065
Deferred tax assets		**3,857**	3,553	4,272
		41,393	31,859	43,269
Current assets				
Inventories		**12,646**	8,625	11,271
Trade and other receivables		**48,652**	31,400	36,799
Current tax debtor		**2,449**	1,233	1,976
Cash and cash equivalents		**52,802**	37,494	39,766
		116,549	78,752	89,812
Current liabilities				
Lease liabilities	12	**(1,133)**	(1,234)	(1,117)
Trade and other payables		**(74,110)**	(44,067)	(49,569)
Current tax creditor		**-**	-	(432)
		(75,243)	(45,301)	(51,118)
Net current assets		**41,306**	33,451	38,694
Non-current liabilities				
Lease liabilities	12	**(11,519)**	-	(12,089)
Retirement benefit obligations	11	**(2,244)**	(3,509)	(3,310)
Deferred tax liabilities		**(1,478)**	(624)	(1,193)
		(15,241)	(4,133)	(16,592)
Net assets		**67,458**	61,177	65,371
Shareholders' equity				
Share capital		**18,842**	18,842	18,842
Share premium reserve		**68,451**	68,451	68,451
Other reserves		**6,254**	5,238	6,117
Retained earnings		**(26,089)**	(31,354)	(28,039)
Total Shareholders' equity		**67,458**	61,177	65,371

Condensed Consolidated Statement of Changes in Shareholders' Equity (unaudited)

For the 26 weeks ended 3 July 2021

	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 29 December 2019	18,842	68,451	5,254	(3,029)	(26,570)	62,948
Profit for the period					21	21
Other comprehensive expense			(16)		(1,979)	(1,995)
Total comprehensive expense			(16)		(1,958)	(1,974)
Share-based payment charge					415	415
Proceeds from options exercised					17	17
Own shares purchased				(229)		(229)
Own shares utilised				491	(491)	-
At 27 June 2020	18,842	68,451	5,238	(2,767)	(28,587)	61,177
Profit for the period					3,069	3,069
Other comprehensive expense			879		(1,069)	(190)
Total comprehensive income			879		2,000	2,879
Share-based payment charge					210	210
Proceeds from options exercised					2,153	2,153
Own shares purchased				(1,000)		(1,000)
Own shares utilised				3,186	(3,186)	-
Deferred tax relating to share options					(83)	(83)
Deferred tax relating to losses re share options					35	35
At 2 January 2021	18,842	68,451	6,117	(581)	(27,458)	65,371
Profit for the period					**2,559**	**2,559**
Other comprehensive expense			**137**		**(629)**	**(492)**
Total comprehensive income			**137**		**1,930**	**2,067**
Share-based payment charge					**321**	**321**
Own shares purchased				**(301)**		**(301)**
Own shares utilised				**572**	**(572)**	**-**
Balance at 3 July 2021	**18,842**	**68,451**	**6,254**	**(310)**	**(25,779)**	**67,458**

Condensed Consolidated Cash Flow Statement (unaudited)

For the 26 weeks ended 3 July 2021

	Note	**Half year 2021 $'000**	Half year 2020 $'000	Full year 2020 $'000
Cash flows from operating activities				
Cash generated from operations	13	**15,770**	1,206	3,184
Tax paid		**(820)**	(141)	(507)
Finance income received		**15**	154	168
Finance costs paid		**(42)**	(7)	(49)
Lease interest		**(193)**	(26)	(132)
Net cash generated from operating activities		**14,730**	1,186	2,664
Cash flows from investing activities				
Purchases of property, plant and equipment		**(769)**	(3,109)	(3,427)
Purchases of intangible assets		**(194)**	(218)	(390)
Proceeds from sale of property, plant and equipment		**-**	82	93
Net cash used in investing activities		**(963)**	(3,245)	(3,724)
Cash flows from financing activities				
Capital element of lease payments		**(554)**	(811)	(1,418)
Proceeds from share options exercised		**-**	17	2,170
Purchases of own shares		**(301)**	(229)	(1,229)
Dividends paid to Shareholders	10	**-**	-	-
Net cash used in financing activities		**(855)**	(1,023)	(477)
Net movement in cash and cash equivalents		**12,912**	(3,082)	(1,537)
Cash and cash equivalents at beginning of the period		**39,766**	41,136	41,136
Exchange gains/(losses) on cash and cash equivalents		**124**	(560)	167
Cash and cash equivalents at end of the period		**52,802**	37,494	39,766
Analysis of cash and cash equivalents				
Cash at bank and in hand		**45,878**	37,494	39,766
Short-term deposits		**6,924**	-	-
		52,802	37,494	39,766

Notes to the Interim Financial Statements

1 General information

4imprint Group plc is a public limited company incorporated in England and Wales, domiciled in the UK and listed on the London Stock Exchange. Its registered office is 25 Southampton Buildings, London, WC2A 1AL.

These condensed consolidated interim financial statements, which were authorised for issue in accordance with a resolution of the Directors on 11 August 2021, do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the period ended 2 January 2021 were approved by the Board of Directors on 16 March 2021 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

The financial information contained in this report has neither been audited nor reviewed by the auditors, pursuant to Auditing Practices Board guidance on Review of Interim Financial Information.

2 Basis of preparation

These condensed consolidated interim financial statements for the 26 weeks ended 3 July 2021 have been prepared, in US dollars, in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and IAS 34 'Interim Financial Reporting', as adopted by the United Kingdom, and should be read in conjunction with the Group's financial statements for the period ended 2 January 2021, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

As outlined in the Going concern section of the Financial Review, the Directors consider it appropriate to continue to adopt the going concern basis in preparing these condensed consolidated financial statements.

The tax charge for the interim period is accrued based on the best estimate of the tax charge for the full financial year.

3 Accounting policies

The accounting policies applied in these condensed consolidated financial statements are consistent with those of the annual financial statements for the period ended 2 January 2021, as described in those annual financial statements. New accounting standards applicable for the first time in this reporting period have no impact on the Group's results.

4 Use of assumptions and estimates

The preparation of the interim financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

There have been no changes in the critical accounting judgments and key sources of estimation uncertainty since the 2020 year-end, other than the assumptions and sensitivities on the recalculation of the defined benefit pension obligations as shown in note 11.

5 Financial risk management

The Group's activities expose it to a variety of financial risks: currency risk; credit risk; liquidity risk; and capital risk. These condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements for the period ended 2 January 2021. There have been no changes in any financial risk management policies since that date.

Notes to the Interim Financial Statements

6 Segmental analysis

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 3 July 2021, the Group has two operating segments, North America and UK and Ireland. The costs of the Head Office are reported separately to the Board, but this is not an operating segment.

Revenue	**Half year 2021 $'000**	Half year 2020 $'000	Full year 2020 $'000
North America	**321,698**	260,537	549,873
UK and Ireland	**5,110**	5,271	10,167
Total Group revenue	**326,808**	265,808	560,040

Profit	**Half year 2021 $'000**	Half year 2020 $'000	Full year 2020 $000
North America	**6,654**	2,830	9,170
UK and Ireland	**(968)**	(909)	(1,605)
Underlying* operating profit from 4imprint Direct Marketing	**5,686**	1,921	7,565
Head Office costs	**(1,919)**	(1,789)	(3,173)
Underlying* operating profit	**3,767**	132	4,392
Defined benefit pension plan administration and past service costs	**(172)**	(165)	(420)
Operating profit/(loss)	**3,595**	(33)	3,972
Net finance (cost)/income	**(213)**	121	(25)
Pension finance charge	**(15)**	(62)	(104)
Profit before tax	**3,367**	26	3,843
Taxation	**(808)**	(5)	(753)
Profit after tax	**2,559**	21	3,090

* Underlying is before defined benefit pension charges.

Other segmental information

	Assets			Liabilities		
	3 July 2021 $'000	27 June 2020 $'000	2 Jan 2021 $'000	**3 July 2021 $'000**	27 June 2020 $'000	2 Jan 2021 $'000
North America	**98,152**	64,548	86,755	**(84,645)**	(44,213)	(62,216)
UK and Ireland	**2,752**	2,753	2,055	**(3,156)**	(1,195)	(1,673)
Head Office	**57,038**	43,310	44,271	**(2,683)**	(4,026)	(3,821)
	157,942	110,611	133,081	**(90,484)**	(49,434)	(67,710)

Head Office assets include cash and cash equivalents and deferred tax assets, Head Office liabilities include retirement benefit obligations.

7 Operating expenses

Operating expenses are shown net of US Government Employee Retention Credits and UK Government Job Retention Scheme claims totalling $nil (H1 2020: $3.64m; FY 2020: $4.14m).

Notes to the Interim Financial Statements

8 Taxation

The taxation rate was 24%, based on the estimated rate for the full year (H1 2020: 21%; FY 2020: 20%). Tax paid in the period was $0.82m (H1 2020: $0.14m; FY 2020: $0.51m).

The deferred tax assets/liabilities at 3 July 2021 have been calculated at a tax rate of 19% for items reversing pre-April 2023 and 25% for all other items (H1 2020: 19%; FY 2020: 19%) in respect of UK deferred tax items and 25% (H1 2020: 25%; FY 2020: 25%) in respect of US deferred tax items.

9 Earnings per share

Basic, diluted and underlying

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

	Half year 2021 $'000	Half year 2020 $'000	Full year 2020 $'000
Profit after tax	**2,559**	21	3,090

	Half year 2021 $'000	Half year 2020 $'000	Full year 2020 $'000
Profit before tax	**3,367**	26	3,843
Adjustments:			
Defined benefit pension plan administration and past service costs	**172**	165	420
Pension finance charge	**15**	62	104
Underlying profit before tax	**3,554**	253	4,367
Taxation	**(808)**	(5)	(753)
Tax relating to above adjustments	**(36)**	(43)	(100)
Underlying profit after tax	**2,710**	205	3,514

	Half year 2021 Number 000's	Half year 2020 Number 000's	Full year 2020 Number 000's
Basic weighted average number of shares	**28,072**	28,001	28,003
Adjustment for employee share options	**65**	97	95
Diluted weighted average number of shares	**28,137**	28,098	28,098

	Cents	Cents	Cents
Basic earnings per share	**9.12**	0.07	11.03
Diluted earnings per share	**9.09**	0.07	11.00
Underlying basic earnings per share	**9.65**	0.73	12.55
Underlying diluted basic earnings per share	**9.63**	0.73	12.51

The basic weighted average number of shares excludes shares held in the employee share trust. The effect of this is to reduce the average by 13,340 (H1 2020: 84,682; FY 2020: 82,090).

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

Notes to the Interim Financial Statements

10 Dividends		**Half year 2021**	Half year 2020	Full year 2020
		$'000	$'000	$'000
Dividends paid in the period		**-**	-	-

		Cents	Cents	Cents
Dividends per share declared	- Interim	**15.00**	-	-
	- Final	**-**	-	-

The interim dividend for 2021 of 15.00c per ordinary share (interim 2020: nil; final 2020: nil) will be paid on 21 September 2021 to Shareholders on the register at the close of business on 27 August 2021.

11 Employee pension plans

The Group operates defined contribution pension plans for the majority of its UK and US employees. The regular contributions are charged to the income statement as they are incurred.

The Group also sponsors a legacy UK defined benefit pension plan which is closed to new members and future accruals. The funds of the Plan are held in trust, administered by a corporate trustee, and are independent of the Group's finances.

The last full actuarial valuation was carried out by a qualified independent actuary as at 30 September 2019 and this has been updated on an approximate basis to 3 July 2021 in accordance with IAS 19. There have been no changes in the valuation methodology adopted for this period's disclosures compared to previous periods' disclosures.

The principal assumptions applied by the actuaries at 3 July 2021 were:

	Half year 2021	Half year 2020	Full year 2020
Rate of increase in pensions in payment	**3.10%**	2.75%	2.85%
Rate of increase in deferred pensions – CPI or 5.0% p.a. if less	**2.60%**	2.00%	2.30%
Discount rate	**1.80%**	1.40%	1.25%
Inflation assumption - RPI	**3.20%**	2.80%	2.90%
Inflation assumption - CPI	**2.60%**	2.00%	2.30%

The mortality assumptions adopted at 3 July 2021 imply the following life expectancies at age 65:

	Half year 2021 Years	Half year 2020 Years	Full year 2020 Years
Male currently aged 45	**22.4**	22.4	22.3
Female currently aged 45	**24.2**	24.2	24.2
Male currently aged 65	**21.3**	21.3	21.3
Female currently aged 65	**23.1**	23.0	23.0

The movement on the net pension obligation is shown in the Financial Review.

The sensitivities on key actuarial assumptions at the period end were:

	Change in assumption	Change in defined benefit obligation
Discount rate	Decrease of 0.25%	+4.2%
Rate of inflation	Increase of 0.25%	+2.3%
Rate of mortality	Increase in life expectancy of one year	+4.3%

Notes to the Interim Financial Statements

12 Leases

The Group leases office space in office facilities in Oshkosh. The movement in lease liabilities in the period is shown below:

	3 July 2021 $'000	27 June 2020 $'000	2 Jan 2021 $'000
At start of period	**13,206**	2,045	2,045
Additions	**-**	-	12,579
Interest charge	**193**	26	132
Lease interest payments – operating cash flow	**(193)**	(26)	(132)
Lease capital payments – financing cash flow	**(554)**	(811)	(1,418)
At end of period	**12,652**	1,234	13,206

13 Cash generated from operations

	Half year 2021 $'000	Half year 2020 $'000	Full year 2020 $'000
Profit before tax	**3,367**	26	3,843
Adjustments for:			
Depreciation charge	**1,547**	1,423	2,992
Amortisation of intangibles	**216**	223	443
Depreciation of right-of-use assets	**672**	819	1,498
Gain on disposal of property, plant and equipment	**-**	(82)	(80)
Share option non-cash charges	**321**	415	625
Net finance cost/(income)	**228**	(59)	129
Defined benefit pension plan administration and past service costs – non-cash	**172**	165	420
Contributions to defined benefit pension plan*	**(2,069)**	(10,909)	(13,278)
Changes in working capital:			
(Increase)/decrease in inventories	**(1,375)**	2,829	186
(Increase)/decrease in trade and other receivables	**(11,778)**	21,340	16,119
Increase/(decrease) in trade and other payables	**24,469**	(14,984)	(9,713)
Cash generated from operations	**15,770**	1,206	3,184

* Full year 2020 and Half year 2020 include a special pension contribution of $9.14m.

14 Capital commitments

The Group had capital commitments contracted but not provided for in these financial statements of $1.49m (27 June 2020: $0.30m; 2 January 2021: $0.30m).

15 Related party transactions

The Group did not participate in any related party transactions that require disclosure.

16 Alternative performance measures

An Alternative Performance Measure ("APM") is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified within IFRS.

The Group uses APMs to supplement standard IFRS measures to provide users with information on underlying trends and additional financial measures, which the Group considers will aid the users' understanding of the business.

The Group's APMs have not changed in the current period and definitions can be found on page 124 of the 2020 Annual Report.

Statement of Directors' Responsibilities

The Directors confirm that, to the best of their knowledge, these condensed consolidated interim financial statements have been prepared in accordance with IAS 34 as adopted by the United Kingdom and that the interim management report includes a fair review of the information required by DTR 4.2.7 and 4.2.8, namely:

- An indication of the important events that have occurred during the first half year and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- Material related party transactions in the first half year and any material changes in the related party transactions described in the last annual report.

The Directors of 4imprint Group plc are as listed in the Group's Annual Report and Accounts 2020, except that Mr. John Warren stepped down as a Non-Executive Director at the AGM held on 18 May 2021. A list of current Directors of 4imprint Group plc is maintained on the Group website: https://investors.4imprint.com.

By order of the Board

Kevin Lyons-Tarr
Chief Executive Officer

David Seekings
Chief Financial Officer

11 August 2021