4imprint Group plc

Interim Company financial statements for the 26 weeks ended 1 July 2023 (unaudited)

Company registration number 00177991

Company Income Statement (unaudited)
For the 26 weeks ended 1 July 2023

	£'000
Administrative expenses	**(1,732)**
Dividends received from shares in group undertakings	**46,932**
Profit before interest	**45,200**
Finance income	**6,264**
Finance costs	**(3,245)**
Pension finance income	**41**
Net finance income	**3,060**
Profit before tax	**48,260**
Taxation	**(1,169)**
Profit for the period	**47,091**

Company Balance Sheet
At 1 July 2023

	At 1 July 2023	At 31 Dec 2022
	Unaudited	Audited
	£'000	£'000
Non-current assets		
Property, plant and equipment	**15**	19
Investments	**105,117**	105,222
Deferred tax assets	**1,084**	1,286
Retirement benefit asset	**42**	1,025
Other receivables	**251,760**	258,816
	358,018	366,368
Current assets		
Other receivables	**548**	895
Other financial assets – cash deposits	**-**	29,000
Cash and cash equivalents	**6,248**	3,717
	6.796	33,612
Current liabilities		
Amounts due to subsidiary companies	**(1,401)**	(708)
Other payables (note A)	**(3,778)**	(828)
	(5,179)	(1,536)
Net current assets	**1,617**	32,076
Non-current liabilities		
Amounts due to subsidiary companies	**(125,846)**	(132,901)
Net assets	**233,789**	265,543
Shareholders' equity		
Share capital	**10,802**	10,802
Share premium reserve	**38,575**	38,575
Capital redemption reserve	**208**	208
Retained earnings	**184,204**	215,958
Total equity	**233,789**	265,543

The unaudited interim financial statements of 4imprint Group plc (registered number 177991) were approved by the Board of Directors on 3 August 2023 and were signed on its behalf by:

David Seekings
Chief Financial Officer

Statement of Changes in Company Shareholders' Equity (unaudited)
For the 26 weeks ended 1 July 2023

	Share capital £'000	Share premium reserve £'000	Capital redemption reserve £'000	Retained earnings: Own shares £'000	Retained earnings: Profit and loss* £'000	Total equity £'000
Balance at 2 January 2022	10,802	38,575	208	(617)	192,854	241,822
Profit for the period					41,547	41,547
Other comprehensive income						
Re-measurement losses on post-employment obligations					(3,605)	(3,605)
Current tax relating to components of other comprehensive income					963	963
Deferred tax relating to components of other comprehensive income					457	457
Total comprehensive income					39,362	39,362
Proceeds from options exercised					279	279
Own shares purchased				(982)		(982)
Own shares utilised				949	(949)	-
Share-based payment charge					69	69
Capital instrument granted to subsidiary					590	590
Deferred tax relating to UK tax losses					120	120
Dividends					(15,717)	(15,717)
Balance at 31 December 2022	10,802	38,575	208	(650)	216,608	265,543
Profit for the period					**47,091**	**47,091**
Other comprehensive income						
Re-measurement loss on buy-in policy (note A)					**(3,722)**	**(3,722)**
Other re-measurement losses on post-employment obligations (excluding impact of buy-in policy)					**(1,845)**	**(1,845)**
Current tax relating to components of other comprehensive income					**1,525**	**1,525**
Deferred tax relating to components of other comprehensive income					**(558)**	**(558)**
Total comprehensive income					**42,491**	**42,491**
Proceeds from options exercised					**54**	**54**
Own shares purchased				**(403)**		**(403)**
Own shares utilised				**490**	**(490)**	**-**
Share-based payment charge					**47**	**47**
Capital instrument granted to subsidiary					**347**	**347**
Dividends					**(74,290)**	**(74,290)**
Balance at 1 July 2023	**10,802**	**38,575**	**208**	**(563)**	**184,767**	**233,789**

* The profit and loss reserve of £184,767,000 (31 December 2022: £216,608,000) includes £127,977,000 (31 December 2022: £129,267,000), which is non-distributable.

Notes to the Company's Financial Statements

General information

4imprint Group plc (the 'Company'), registered number 177991, 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. The Company's financial statements are presented in Sterling. Numbers are shown in pounds thousands.

Basis of preparation

The unaudited interim financial statements of the Company have been prepared in accordance with Sections 836 and 838 of the Companies Act 2006 for the purposes of determining the distributable reserves of the Company in anticipation of a proposed distribution.

Accounting policies

The accounting policies applied in these unaudited interim company financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the period ended 31 December 2022, as described in those annual financial statements.

On 20 June 2023 the UK Finance Bill was substantively enacted in the UK, including legislation to implement the OECD Pillar Two income taxes for periods beginning on or after 31 December 2023. The Company has applied the exception in the Amendments to IAS 12 issued in May 2023 and endorsed in July 2023 and has neither recognised nor disclosed information about deferred tax assets or liabilities relating to Pillar Two income taxes.

A. Defined benefit pension plan

The Company sponsors a UK defined benefit pension scheme (the "Plan") which is closed to new members and future accrual. The funds of the scheme are held in trust, administered by a corporate Trustee, and are independent of the Company's finances.

At the end of June 2023, the Trustee of the Plan entered into an agreement with Legal and General Assurance Society Limited to insure substantially all remaining pension benefits of the Plan through the purchase of a bulk annuity policy. The transaction took the form of a buy-in arrangement, with the insurer funding the Plan for payment of liabilities. The fair value of the bulk annuity policy matches the liabilities being insured, thus eliminating inflation, interest rate and longevity risks. The premium of £20.7m was settled by the transfer of the Plan's existing investment portfolio valued at £17.5m and a cash amount of £3.2m (included in other payables at the balance sheet date) paid by the Company after the date of these interim financial statements in early July 2023.

This buy-in agreement was an investment decision for the Plan, consistent with both the Trustee's overriding objective to enhance the security of the benefits payable to members and the Group's long-term commitment to the full de-risking of its legacy defined benefit pension obligations. The Plan retains the legal and constructive obligation to pay the benefits and the Trustee continues to administer the Plan. As such, management's judgment was that the purchase of the policy did not constitute a settlement, as defined by IAS 19, and the excess of the cost of the annuity over the IAS 19 valuation of the obligations covered of £3.7m has been recorded in other comprehensive income.

B. Post balance sheet events

On 25 July 2023, the Company issued 87,000 ordinary shares for a consideration of £1.9m to satisfy option exercises under the 2021 US Employee Stock Purchase Plan. Full details of the Company's share option schemes are given in notes 22 and 23 of the Company's Annual Report and Accounts 2022.