4imprint Group plc
Annual Report and Accounts 2014

Promoting growth

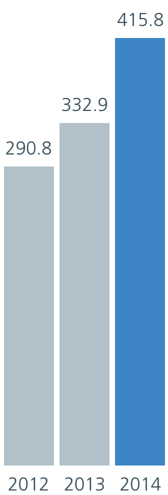
4imprint Group

4imprint is a UK listed promotional products business and the leading direct marketer of promotional products in the USA, Canada, the UK and Ireland. 96% of its revenue is generated in the USA and Canada, the business also serves UK and Irish customers out of its base in Manchester, England.

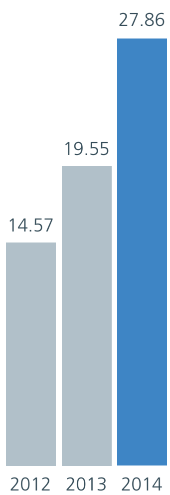
In 2014, 4imprint delivered organic growth in line with its strategy of gaining market share in the large and highly fragmented markets in which it operates. Following the disposal of SPS, a UK based manufacturing business, in February 2014, 4imprint Direct Marketing is the sole business of the 4imprint Group.

The Group has also continued to reduce the risk of its legacy defined benefit pension scheme, in line with its strategy.

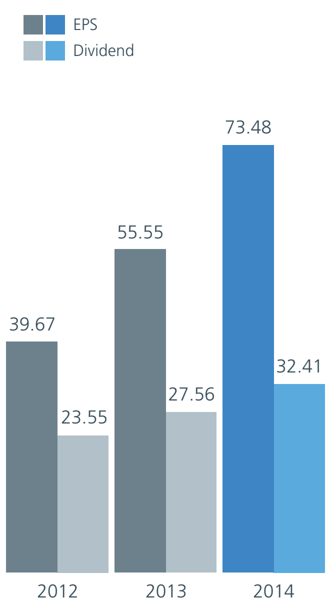
Revenue† ($m) – continuing operations



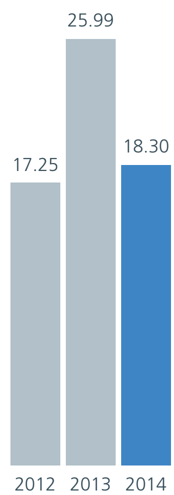
Underlying* PBT† ($m) – continuing operations



Underlying* EPS† and dividend per share (cents) – continuing operations



Net cash ($m)



* Underlying is before share option related charges, defined benefit pension charges and exceptional items.
† Restated for the change in presentational currency to US dollars.

Highlights

Financial – continuing operations

	2014 $m	2013 (restated)† $m	Change
Revenue	**415.77**	332.94	+25%
Underlying* profit before tax	**27.86**	19.55	+42%
Profit before tax	**23.34**	14.47	+61%
Underlying* basic EPS (cents)	**73.48**	55.55	+32%
Basic EPS (cents)	**59.73**	40.11	+49%
Proposed total dividend per share (cents)	**32.41**	27.56	+18%
Proposed total dividend per share (pence)	**20.45**	17.00	+20%

* Underlying is before share option related charges, defined benefit pension charges and exceptional items.
† Restated for the change in presentational currency to US dollars.

Operational

- Strong organic revenue growth in both North America (96% of revenue) and UK
  - Orders 24% ahead of 2013
  - More than 780,000 orders received
  - Re-order rates continue to be strong
- 79% of the pension liability now insured
- Robust financial position; net cash $18.30m
- Planned $9m infrastructure investment in the North American business in 2015 to support growth

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Chairman's statement

2014 was another year of good progress for the Group. Even by the growth standards established in prior years, the direct marketing business, now the Group's sole business, had an exceptional year.

Measured in US dollars, now the reporting currency of the Group, revenue and underlying operating profit grew by 25% and 42% respectively.

All growth is organic and is the consequence of data-driven marketing, using both traditional and internet based techniques. The performance has been enhanced, primarily, by the expansion of online marketing. The interaction between the different customer acquisition techniques remains key to the business' growth, which continued to be well ahead of the growth of its underlying market.

The business, with its low capital intensity, again generated pre-tax operating cash inflow broadly in line with underlying operating profit.

During 2014, a further substantial step was taken in removing the risk of the legacy defined benefit pension scheme by means of a buy-in with an insurance company. During 2015 further steps will be taken towards converting this into a buy-out, substantially removing the liability for pensions in payment.

As announced in December 2014, the Group will, from 31 March 2015, adjust its management responsibilities fully to reflect the evolution of the Group to a primarily US based business. Kevin Lyons-Tarr, CEO of the Direct Marketing business and an existing member of the Board, will be appointed CEO of 4imprint Group plc. Gillian Davies, Group Finance Director, will be leaving the Group and the Board wishes to thank her for her significant contribution over the past 10 years. David Seekings, who has been CFO of the Direct Marketing business since 2000, will become CFO of 4imprint Group plc.

Early indications for 2015 are positive and in line with our aspirations.

John Poulter
Chairman
4 March 2015

4imprint is the 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 promotional product markets in which it operates. This is achieved through ongoing investment in marketing, people and technology.

4imprint's strategy is to maximise organic revenue growth, at broadly stable profit margin. With revenue growth in the period in continuing operations of 25%, underlying* profit before tax growth of 42% and underlying* basic EPS growth of 32%, 2014 represented another year of delivery of this strategy.

4imprint is in a strong financial position, with net cash. Low working capital requirements allow growth to be funded through increased marketing spend whilst still generating cash. The business will continue to focus its resources on this profitable and cash generative revenue growth, whilst continuing to reduce the risk and size of its legacy defined benefit pension scheme.

25% growth in **Group revenue**

42% growth in underlying **profit before tax**

32% growth in underlying **earnings per share**

Business

4imprint sells an extensive range of customised products to individuals in businesses and organisations of all sizes. Hundreds of thousands of orders are processed each year and each one is individually customised with the customer's brand or logo. Items are imprinted and shipped directly to customers by 4imprint's suppliers.

4imprint provides an easy and convenient order process, allowing customers to purchase in a simple and secure way online or via telephone, with emphasis on excellent customer service, which is backed by service level guarantees. Organic growth is delivered by using a range of data-driven, offline and online direct marketing techniques to capture market share in the large and highly fragmented promotional products markets it serves.

Background

Promotional products are purchased by a wide range of individuals within all types and sizes of businesses and organisations. These products have a wide range of uses: as an integral part of sales and marketing activities; recruitment and recognition schemes; health and safety programmes; and other initiatives to make a connection between the customer's organisation and the recipient. The range of products is diverse from basic giveaways such as pens, bags and drinkware to more exclusive products such as embroidered clothing, business gifts and full colour trade show displays.

Market

4imprint is the largest direct marketer of promotional products in both the US and Canadian promotional products markets, which together total $25 billion, and in the £880 million UK market. The promotional products market place is highly fragmented. The largest market, the USA, is served by more than 23,000 distributors, of which more than 90% each have annual sales of less than $2.5 million.

The US and Canadian markets are serviced out of the principal office in Wisconsin, USA and the UK and Irish markets out of an office in Manchester, UK.

No.1
direct marketer of promotional products in the US and Canada

Business model

4imprint's business model allows it to access millions of potential customers, offering thousands of customised products.

Customers are offered an easy and convenient way to purchase an extensive range of products via telephone or online, with the assistance of a highly skilled customer service team. They receive free samples, free artwork and service level guarantees such as lowest price, on time delivery or free and total satisfaction or money back. 4imprint has a strong service culture, committed to equipping employees with the training and tools to deliver a superior customer experience which is a key component of growth.

Partnerships with suppliers facilitate rapid and efficient deliveries against short

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

lead times, underpinning 4imprint's service guarantees and allowing 4imprint to expand its product range without significant investment in inventory. A dedicated merchandising team works with suppliers, continually updating the product range, which comprises tens of thousands of products, to ensure that the business offers customers an extensive product choice, including products which are exclusive to 4imprint.

Growth is achieved through investment in marketing to increase the customer base. A wide range of innovative offline and online direct marketing techniques are used to acquire an increasing number of new customers. Once a customer has been acquired, targeted marketing such as Blue Boxes™ (product samples and tailored individual marketing packages sent to customers), catalogues, internet advertising and subscription e-mails are used to retain customers and generate further purchases.

This model is backed by innovative proprietary technology which provides a fast and simple experience for the customer, together with an efficient platform for processing hundreds of thousands of customised orders to tight lead times and seamless interfaces with key suppliers. Sophisticated database analytics support the targeted marketing to millions of potential and existing customers.

4imprint has developed its competitive advantage through the investment of cash flow to increase its market share, continually developing and enhancing bespoke marketing methods and proprietary technology. The continued growth of the business increases the competitive barriers to entry created by its scale and complexity.

Financials

Double-digit annual revenue growth has been achieved consistently over a number of years. This is driven by increasing the number of customers acquired each year and maintaining the rate at which customers repurchase. More than 30% of new customers place further orders within one year of acquisition and more than 40% within two years.

4imprint has grown significantly ahead of the North American promotional products market, consistently gaining market share. Growth has been achieved organically, driven by revenue investment in marketing, technology and people. Even after this investment, the business generates substantial operating cash flow. This is driven by low fixed and working capital requirements, working capital is generally less than 5% of annual revenue, due to limited inventory and a high proportion of customer payments being made by credit card.

Employee engagement

The contribution of each of its employees is key to 4imprint's success and the business is committed to a culture which encourages the training, development, wellbeing and participation of each employee. For each of the last seven years, the North American business has been named a top 25 medium sized best workplace in the USA.

Employees are informed of business objectives through quarterly briefings and are encouraged to contribute to the development of the business through these briefings and team meetings. All employees participate in a 'gain share' plan which is paid on a quarterly basis, dependent upon meeting specified targets which are regularly discussed with and communicated to them.

Training and development of new employees is usually carried out in-house and covers job specific skills and other soft skills required for their role. In addition, employees are regularly offered ongoing training to encourage their development in a variety of business related subjects, personal development, wellness and other areas.

4imprint's new digital magazine Amplify

The North American business, which is predominantly office based, has a wellness programme for its employees to mitigate health and safety risks. Employees are offered health risk assessments on site as well as a range of other services, such as nurse practitioner, nutritionist, physical therapist and exercise classes.

The business recognises the importance and benefit of ensuring employee diversity and strives to create a culture which recruits and promotes the development of all employees regardless of background or gender. At 27 December 2014, women made up 76% of total employees and 33% of the senior management team.

The North American business runs a 'one by one®' charitable giving programme which reflects its culture and philosophy. Each business day, the business gives a non-profit organisation $500 in promotional products to spread the word, recruit volunteers or thank donors. In addition, employees are given paid time off to volunteer for a charity of their choice. In 2014, the value of 'one by one®' grants awarded was $270,000 and there were more than 2,700 applicants for these grants.

Operating review – continuing operations

Revenue	2014 $m	2013 (restated)† $m	Change
North America	**398.99**	320.04	+25%
UK and Ireland	**16.78**	12.90	+30%
Total	**415.77**	332.94	+25%

Underlying* operating profit	2014 $m	2013 (restated)† $m	Change
4imprint Direct Marketing	**31.93**	22.84	
UK Head Office	**(4.17)**	(3.35)	
Total	**27.76**	19.49	+42%

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 for the change in presentational currency to US dollars.

The 2014 results represent another year of progress consistent with the strategy to maximise organic revenue growth at broadly stable profit margin.

Revenue increased by 25% compared to 2013. The North American business produced revenue growth of 25% to $398.99m. This compares to the US promotional products market as a whole which, according to industry estimates, grew by approximately 5% from 2013 to 2014. In constant currency, the UK business grew revenue by 23%, also gaining market share.

In 2014, the business processed 780,000 individually customised orders, each backed by an 'on time or free' guarantee, demonstrating robust and scalable processes and systems.

Orders from new customers increased by 24% compared to 2013, representing the acquisition of 190,000 new customers, which was in line with the increased investment in new customer marketing and significantly ahead of the acquisition rate in the prior year.

Orders from existing customers were 23% higher than prior year, continuing to demonstrate the productive and predictable nature of the customer file, even as the number of new customers acquired increases. The Blue Box™ sample mailings continue to be the key element of retention marketing.

Underlying operating profit increased by 42% over prior year, to $27.76m and operating margin percentage was 6.7%, up from 5.9% in the prior year. This

99% 'favourable' service rating

97% 'excellent' or 'good' overall value rating

99% 'satisfaction' rating

94% 'very likely' to recommend 4imprint

Operating review continued

was driven by revenue growing faster than labour and other costs, whilst gross margin percentage and revenue per marketing dollar remained stable.

Total marketing spend was 26% above prior year, which drove the revenue increase. Throughout the year, the marketing team continued to identify, test and roll out additional techniques as well as refine current methods which created the opportunity for a larger than planned increase in marketing spend.

Online marketing spend grew at a much faster rate than offline marketing, whilst still making up a smaller part of the overall mix. Catalogue circulation increased in the year by 11%, driven by opportunities identified to increase either the circulation depth or timing, based upon increasingly sophisticated data analytics. The rapid rate of growth in online spend was partly attributable to the implementation of bid optimisation software in the early part of the year. This allowed additional resource to be deployed in significant expansion of keyword search activity. In addition, a range of newer online marketing techniques were tested and expanded as results confirmed their effectiveness. Revenue generated per marketing dollar was $6.01, compared to $6.08 in the prior year and remains within normal operating parameters.

Marketing activity is underpinned by a commitment to a high level of customer service which is provided by a quality workforce – for the seventh year in succession, the North American business was named as a top 25 medium sized best workplace in the USA. This approach to customer care is backed up by continued investment in technology and infrastructure, both customer facing and back office. In order to support future growth, the North American business will invest circa $9m in 2015 to expand capacity at both its head office and distribution centre where samples, Blue Boxes and embroidery are fulfilled.

In addition, close partnerships with suppliers continued to facilitate the expansion of the product range as well as the increase in other initiatives such as 4imprint exclusive products and the number of products available on 24 hour turnaround.

UK head office costs of $4.17m (2013: $3.35m) comprised Board costs, UK corporate office and other plc related costs. The increase over prior year included exchange ($0.18m), accrual for loss of office ($0.42m) and Chairman's bonus ($0.11m).

Finance review

Continuing operations	**2014 Underlying* $m**	2013 Underlying* (restated)† $m	**2014 Total $m**	2013 Total (restated)† $m
Underlying* operating profit	**27.76**	19.49	**27.76**	19.49
Share option related charges (including social security)			**(0.67)**	(2.49)
Exceptional items			**(2.41)**	(0.40)
Net finance income	**0.10**	0.06	**0.10**	0.06
Defined benefit pension charges			**(1.44)**	(2.19)
Profit before tax	**27.86**	19.55	**23.34**	14.47

* Underlying is before share option related charges, defined benefit pension charges and exceptional items.
† Restated for the change in presentational currency to US dollars.

Foreign exchange

During 2014, the Group announced that it was changing the currency in which it presents its consolidated financial statements from Sterling to US dollars. A substantial portion of the Group's revenue and earnings are denominated in US dollars and the Board has decided that a US dollar presentation will give a more meaningful view of the Group's financial performance and position.

The consolidated financial statements have been prepared using the procedures outlined below and the prior period has been restated in accordance with the requirements set out in IAS 21: 'The Effects of Changes in Foreign Exchange Rates':

- items of income and expenditure, other than single material identifiable transactions, denominated in non US dollar currencies were translated into US dollars at the average exchange rate of the reporting period. Single material identifiable transactions have been translated at the exchange rate at the time of the transaction;
- assets and liabilities denominated in non US dollar currencies were translated into US dollars at the closing rate prevailing at the balance sheet dates;
- share capital, share premium and the capital redemption reserve have been translated at historical exchange rates;
- all resulting exchange differences have been recognised in other comprehensive income and in the currency translation reserve in accordance with the Group's existing accounting policy; and
- dividends are determined in US dollars and paid in Sterling at the exchange rate at the time the dividend is determined.

The main US dollar exchange rates relevant to Group were as follows:

	2014 Year end	**2014 Average**	2013 Year end	2013 Average
Pounds Sterling	**1.56**	**1.65**	1.65	1.56
Canadian dollars	**0.86**	**0.91**	0.95	0.97

Share option charges

The Group charged $0.67m (2013: $2.49m) to continuing operations in respect of IFRS 2, 'Share-based payments'. $0.54m related to the charge in respect of the Group Performance Share Plan ('PSP') approved by Shareholders on 27 April 2011, the balance was the charges in respect of UK and US SAYE schemes. The reduction in charge from 2013 was due to the exercise of PSP options in April 2014.

Finance review continued

Exceptional items
Exceptional items in the year totalled $2.41m, of which $1.08m represented costs incurred and paid by the pension scheme.

$1.71m of costs were incurred as a result of the pensioner buy-in completed in September 2014, described in more detail under the 'defined benefit pension scheme' section on pages 8 and 9.

$0.70m related to costs incurred in respect of the flexible early retirement offer made to eligible deferred pensioners in February 2014, including a settlement charge of $0.47m arising on the transfer of $8.63m of pension liability out of the Scheme.

Net finance income
Net finance income in the year was $0.10m (2013: $0.06m), which reflected the Group's net cash position, invested at current rates of interest.

Taxation
The tax charge for continuing operations for the year was $6.98m (2013: $3.86m), an effective rate of 30% (2013: 27%). The charge comprised current tax of $7.62m, representing tax payable in the USA, and a deferred tax credit of $0.64m. The tax charge for underlying profit before tax was $7.74m, an effective tax rate of 28% (2013: 25%).

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.

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 private equity firm. The consideration was $11.89m (increased by $0.39m relating to the amount of working capital, debt and cash at completion). Net cash proceeds from disposal were $9.72m after costs of disposal, including a bonus payable to the SPS senior management on completion of the disposal.

In 2014, SPS operating loss up to the date of disposal was $0.12m. Profit on disposal of the business was $1.50m comprising $1.35m of recycled translation differences, as a result of reporting in US dollars, and a $0.15m release of provision made in 2013 for the estimated loss on disposal.

In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', SPS has been presented as a discontinued operation in 2014 and 2013.

Earnings per share
Underlying basic earnings per share in respect of continuing operations was 73.48c (2013: 55.55c), an increase of 32%, reflecting the 42% increase in underlying profit before tax, partly offset by an increase in the effective tax rate as well as an increase in the number of shares in issue.

Basic earnings per share, from continuing operations, was 59.73c (2013: 40.11c), an increase of 49%.

Including the impact of discontinued operations, basic earnings per share was 64.78c (2013: 21.88c). 2014 earnings per share included an increase of 5.05c in respect of $1.38m profit from discontinued operations (2013: a decrease of 18.23c in respect of $4.83m loss from discontinued operations).

Dividends
Dividends are now determined in US dollars and paid in Sterling at the exchange rate at the date the dividend is determined.

The Board has proposed a final dividend of 21.90c which, together with the interim dividend of 10.51c, gives a dividend paid and proposed for the year of 32.41c, an increase of 18% compared to prior year, in line with its progressive dividend policy.

The final dividend paid to Shareholders in Sterling will be 14.25p which combined with the interim dividend paid of 6.20p, represents 20.45p, an increase of 20% over the prior year in Sterling.

Defined benefit pension scheme
The Group sponsors a UK defined benefit pension scheme, closed to new members and future accrual. At the end of September 2014 the Scheme had 977 insured pensioners, 163 uninsured pensioners and 529 deferred members.

The Board's strategy is to reduce the financial risk of the defined benefit pension scheme and significant steps were taken in 2014 towards this. A buy-in policy was purchased in September 2014 with Prudential Retirement Income Limited ('Prudential'), covering the majority of pensions in payment and a flexible early retirement offer ('FERO') for deferred pensioner members was also completed.

At 27 December 2014, the deficit of the Scheme on an IAS 19 basis was $24.02m (2013: $27.40m). The change in deficit is analysed as follows:

	$m
IAS 19 deficit at 28 December 2013	**(27.40)**
Company contributions to the Scheme	**26.54**
Pension administration costs	**(0.54)**
Pension costs – exceptional	**(1.55)**
Pension finance charge	**(0.90)**
Remeasurement losses due to changes in assumptions	**(9.08)**
Remeasurement loss on pension buy-in	**(12.62)**
Exchange gains	**1.53**
IAS 19 deficit at 27 December 2014	**(24.02)**

In 2014, $26.54m of pension contributions were paid into the Scheme by the Company. $3.72m monthly contributions paid up to the date of buy-in; $22.41m paid at the point of buy-in and $0.41m paid as a result of the FERO exercise.

The pension buy-in premium paid to Prudential was $107.06m which was funded using Scheme assets of $84.65m together with the Company contribution of $22.41m. $94.44m of pensioner liabilities were covered by the policy and this resulted in a remeasurement loss on buy-in of $12.62m.

As a result of the FERO exercise $8.63m of deferred pensioner liabilities were transferred out of the Scheme. This represented a take up rate of 45% (by value) on this exercise. The settlement charge was $0.47m as a result of this transaction.

However, market conditions worsened significantly during the year and the deficit of the Scheme increased by $9.08m, principally due to a reduction in the discount rate from 4.48% to 3.47%.

At the year end, the Scheme had $121.85m of insured pension liability; $33.07m of uninsured liabilities; and $9.05m of assets (excluding the insurance policies).

The pension Trustee is targeting a buy-out of all of the insured pensioner liabilities and on completion of the buy-out the Company has agreed to make an additional contribution of £6m into the Scheme. Completion of the buy-out transactions will be dependent on a number of factors, including the funding level of deferred pensioners at that date, as well as the cost of Guaranteed Minimum Pension equalisation calculations which are currently being undertaken. This will be kept under review during 2015.

The Schedule of Contributions, which was agreed in December 2013, sets out a £3.28m contribution to the Scheme in 2014, increasing at 3% annually. This recovery plan would close the deficit in 6.3 years (by 30 April 2020). It is not intended that any contributions will be paid by the Company into the Scheme in 2015 until the buy-out transactions are completed. At that point, the £6m contribution outlined in the previous paragraph would be paid and a new recovery plan would be agreed between the Company and the Trustee to take into account the deficit at that date.

Cash flow

The Group had net cash of $18.30m at 27 December 2014, resulting from a net cash outflow of $7.69m in the year. Net cash at 27 December 2014 was represented by:

	2014 $m	2013 (restated) $m
Other financial assets – bank deposits	**–**	8.16
Cash and cash equivalents	**18.30**	17.83
Net cash	**18.30**	25.99

The North American business has $13.0m working capital facilities with its principal US bank, JPMorgan Chase. The interest rate is US$ LIBOR plus 1.5% and the facilities are due for renewal on 31 August 2017. In addition, the Company has a £1m overdraft with its principal UK bank, Lloyds, until 31 December 2015. The interest rate is bank base rate plus 2.0%.

The movement in net cash is summarised below. This presentation shows an analysis of operating cash flow from continuing operations with cash flow in relation to discontinued operations shown as a single line item.

Operating cash flow	**2014 $m**
Underlying operating profit	**27.76**
Depreciation and amortisation	**1.70**
Change in working capital	**0.21**
Capital expenditure	**(2.09)**
Operating cash flow after capital expenditure – continuing operations	**27.58**
Tax and interest	**(6.07)**
Defined benefit pension contributions	**(26.54)**
Own share transactions	**(1.32)**
Exceptional items and social security on share option exercises	**(2.25)**
Exchange and other	**(0.67)**
Cash flow – continuing operations	**(9.27)**
Discontinued operations net cash inflow	**9.50**
Dividends to Shareholders	**(7.92)**
Net cash outflow in the year	**(7.69)**

Finance review continued

The Group delivered a strong operating cash flow performance in 2014, generating $27.58m of operating cash flow from continuing operations (after $2.09m of capital expenditure). This demonstrated the cash generative profile of the direct marketing business model which has low fixed and working capital requirements. Underlying operating profit to cash conversion rate was 99% (2013: 101%).

Net cash outflow from continuing operations was $9.27m, after the defined benefit pension contribution of $26.54m.

Discontinued operations cash inflow, represented the net proceeds received on the SPS disposal of $9.72m offset by operating cash outflow up to the date of disposal of $0.22m.

Balance sheet and Shareholders' equity

Net assets at 27 December 2014 were $14.07m (2013: $27.67m), a decrease of $13.60m.

	2014 $m	2013 $m
Non current assets	**15.20**	16.48
Working capital	**5.13**	4.11
Net cash	**18.30**	25.99
Pension deficit	**(24.02)**	(27.40)
Net assets held for sale	–	9.46
Other liabilities	**(0.54)**	(0.97)
Net assets	**14.07**	27.67

Shareholders' equity has decreased as a result of remeasurement losses on the pension scheme of $21.70m; dividends paid to shareholders of $7.92m and other items of $1.72m, offset by profit generated for the year of $17.74m (continuing operations: $16.36m and discontinued operations: $1.38m).

In 2013, the net assets of SPS, which were written down to net realisable value, were shown as assets and liabilities held for sale.

Return on capital employed

The average operating capital employed during the year was $15.80m and the return on capital employed, based on the underlying operating profit of the Group was 176%.

Treasury policy

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

Supplier rebate

In response to the Financial Reporting Council's (the 'FRC') recent announcement in relation to accounting for supplier arrangements, the Group has taken the opportunity to disclose its policy in relation to this area. The business has a number of rebate arrangements in place, which are in line with prior periods and which the Directors do not consider to be complex in nature as they do not require significant estimates and judgements. The business receives annual rebates from certain suppliers which are calculated as a percentage of the value of goods purchased in a calendar year. Rebate income is accrued in the year in which the goods are purchased based on the terms agreed with suppliers. Supplier agreements run coterminously with the Group's reporting period and therefore require little judgement in their calculation. The Group's accounting policy for supplier rebates has been included on page 49 of the notes to the consolidated financial statements.

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 only critical accounting policy is in respect of pensions.

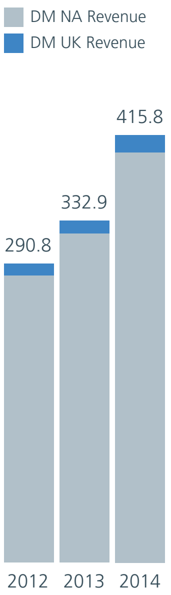
Key Performance Indicators (KPIs)

The Board monitors the performance of the business against its strategy using the KPIs set out below. These KPIs have been selected as they are considered appropriate for measuring the progress of the business towards achieving its strategy and objectives.

The Group's key strategic aim is organic revenue growth at stable operating margin percentage, through investment in marketing, people and technology.

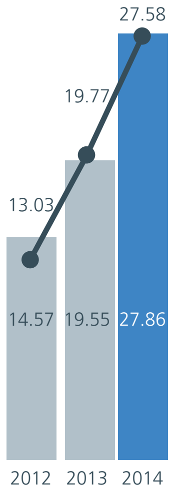
4imprint Group plc KPIs – Continuing operations†

Revenue ($m)



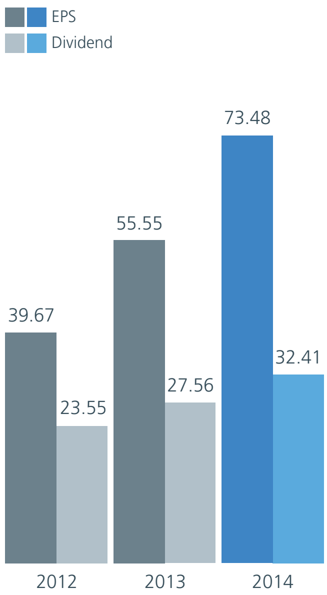
Growth of 25% in the year.

Underlying* profit before tax and operating cash generated ($m)



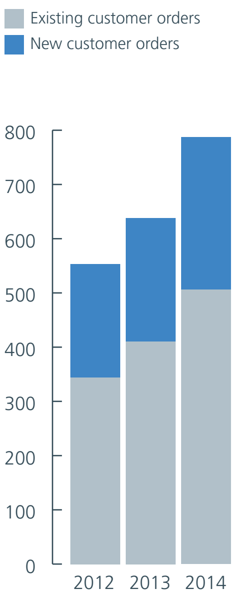
Underlying* profit before tax grew 42% in the year and operating cash conversion rate was 99%.

Underlying* EPS† and dividend per share (cents)



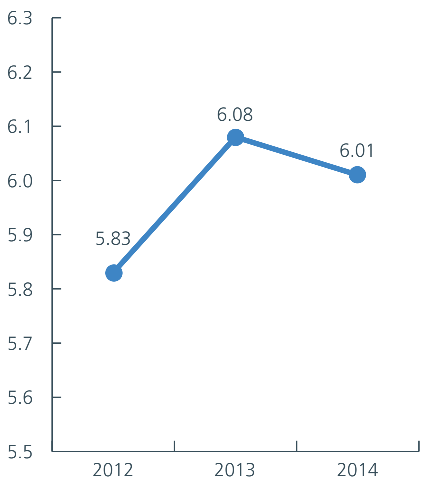
Underlying* EPS increased by 32% and dividend by 18%.

Orders received (000's)



Total orders increased by 24% in the year, new customer orders increased by 24% and existing customer orders by 23%.

Revenue per marketing dollar



Revenue per marketing dollar decreased to $6.01 in the year.

* Underlying is before share option related charges, defined benefit pension charges and exceptional items.
† Prior periods have been restated for changes in the presentational currency to US dollars.

Risks

4imprint's business model means that it may be affected by a number of risks, not all of which are within its control. Outlined below are the principal risks which may affect the business, but the list is not exhaustive and other factors may adversely affect the Group.

Risk	Mitigating activities
Economic and market risks	
Macroeconomic conditions	
The business conducts its operations principally in the USA and the profitability of its business could be adversely affected by a worsening of general economic conditions in this region.	• Management monitors economic conditions to ensure that, where possible, any potential adverse impact can be factored into business requirements and actions. • Continual efforts to deliver value to customers, via price and quality, in light of the economic climate at any given time.
Competition	
The business operates in competitive markets, competing with other distributors of promotional products. New technology, changing commercial circumstances, existing competitors and new entrants to the markets in which the business currently operates may adversely affect revenue.	• Price, satisfaction and service level guarantees provided to customers. • Post-order and other surveys/research to gauge customer satisfaction and perception. • A proactive approach to monitoring marketplace activity.
Finance	
The business is concentrated in the USA and it reports its results in US dollars, however the business may be adversely impacted by movements in the Sterling/US dollar exchange rate when it repatriates cash to UK.	• The business partially hedges cash receipts from its overseas subsidiary for the following 12 months which gives some certainty, for a short period, of amounts receivable in Sterling.
Technological risks	
Failure or interruption of information technology systems and infrastructure	
The business is dependent on its IT infrastructure and any system performance issues (for example, system or infrastructure failure, damage or denial of access) could affect trading and performance of the business.	• Ongoing investment in IT systems, to ensure that they are sufficient to continue to respond to the needs of a growing business. • Back up processes in place to minimise impact of information technology interruption.
Failure to adopt technological innovations	
Failure to adopt new technological platforms to reach its target market could impact the business performance.	• The use of various technology platforms and systems is regularly reviewed by management. • The business has demonstrated a proactive approach to adopting relevant new technologies.
Security of customer data	
Unauthorised access to customer data could lead to reputational damage and loss of customer confidence.	• The business employs IT staff who are appropriately trained to mitigate IT security violations. • Technical and physical controls in place to mitigate unauthorised access to customer data. • The business is PCI compliant and complete credit card data is not stored by the business.

Risk	Mitigating activities
Operational risks	
Business facility disruption	
In North America, the business operates from two centralised facilities, an office and a distribution centre. The performance of the business could be adversely affected if activities at one of these facilities were to be disrupted, for example, by fire or flood.	• Back up plans are in place to ensure that customer service disruption is minimised.
Disruption to delivery service or the product supply chain	
The business's operations could be adversely affected if the activities of one of its key suppliers were disrupted and it was unable to source an alternative supplier in the short term.	• Rigorous selection process for key suppliers, with arrangements in place for monitoring quality, production capability/capacity, ethical standards and financial stability. • The business maintains relationships with suitable alternative suppliers for each product category.
Purchase of materials and services	
The business purchases a range of materials and services which are essential to its operation, for example, the purchase of products; postage and paper for catalogues and online marketing services. Increased costs or lack of availability could affect the performance of the Group.	• The business uses cost effective sources of materials and services, where possible, using a range of suppliers to mitigate potential cost increases, or shortages of such materials and services. • The business regularly trials new services and suppliers in order to strengthen its offering, reduce risk or reduce costs.
Acquisition and retention of customers	
The business operations could be adversely impacted if the acquisition or retention rates of customers were materially reduced either through economic or competitive disruption, or other changes which limit the ability to utilise various advertising and marketing tools or techniques.	• The business regularly monitors these rates and takes corrective action if required. • Ongoing development and investment in new and existing marketing techniques and marketing tools. • Focus on customer service and regular customer surveys/research are carried out.
Reliance on key personnel	
Performance depends on the business's ability to continue to attract, motivate and retain key staff. These individuals possess sales and marketing, merchandising, supply chain, IT and financial skills that are key to the continued successful operation of the business.	• The business provides employment terms and conditions aimed at attracting and retaining key personnel.

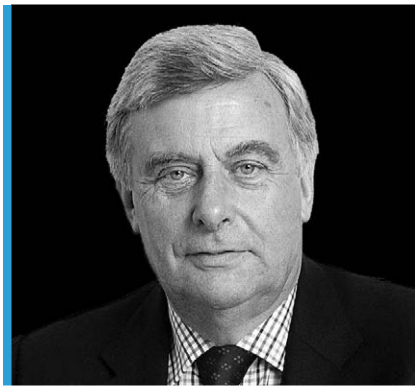
Social and ethical responsibility, health and safety and environmental matters are covered in the Directors' report on page 15.

Approved by the Board on 4 March 2015

Kevin Lyons-Tarr
CEO, 4imprint Direct Marketing

Gillian Davies
Group Finance Director

Board of Directors



J.W. Poulter
Executive Chairman
John Poulter was appointed a Non-Executive Director with effect from 1 May 2010 and Executive Chairman on 1 September 2010. John is currently Non-Executive Chairman of RM plc. He is a former Non-Executive Chairman and Chief Executive of Spectris plc. He has served as Non-Executive Chairman on several public and private Boards, including Filtronic plc and as a Non-Executive Director of, amongst others, RAC Plc and Kidde plc.

G. Davies
Group Finance Director
Gillian Davies was appointed as Group Finance Director in 2004. She has held a series of financial positions, initially with KPMG, where she qualified as a chartered accountant, followed by Zeneca Plc, senior financial roles with Avecia both in the UK and the US and at the Consumer Division of Georgia Pacific GB Ltd.

K. Lyons-Tarr
Executive Director
Kevin Lyons-Tarr was appointed an Executive Director in 2012. He is Chief Executive Officer of 4imprint Direct Marketing based in Oshkosh, Wisconsin and has been with the business for twenty-two years, serving in several capacities, including Chief Information Officer and Chief Operating Officer. He was appointed Chief Executive Officer of the Direct Marketing business in 2004 and has led its substantial growth.

A.J. Scull
Corporate Services Director and Legal Counsel
Andrew Scull was appointed as Corporate Services Director and Legal Counsel in 2004. He has an MBA from Warwick University and since qualifying as a solicitor in 1980, he has held a number of senior positions including Group Legal Counsel at Laporte plc, Commercial Director at SGB Group plc and Director of Legal Services at Coors Brewers Limited. In addition to extensive experience of international mergers and acquisitions, he has had responsibility for corporate services including pensions, human resources, insurance and real estate.

J.A. Warren
Senior Independent Non-Executive Director
John Warren was appointed a Non-Executive Director in 2012. A chartered accountant, John was Group Finance Director of United Biscuits (Holdings) Plc and WH Smith PLC before embarking on a career as a Non-Executive Director. He is currently a Non-Executive Director and Chairman, or former Chairman, of the Audit Committee at Spectris plc, Bovis Homes Group PLC, Welsh Water and Greencore Group plc. He has previously served on the Boards of The Rank Group Plc, Rexam Plc, RAC Plc and BPP Holdings Plc and chaired the Board at Uniq Plc through the resolution of their major pension issues.

S.J. Gray
Independent Non-Executive Director
Steve Gray was appointed a Non-Executive Director in 2012. After an early career with FMCG companies including Procter & Gamble and Pepsico, Steve was appointed Managing Director of dunnhumby UK & Ireland Limited, the Tesco customer loyalty and data analytics company and a director of the dunnhumby joint venture, with Kroger, in the USA. He is currently a Senior Advisor to Boston Consulting Group and founder of SG-retail.

Audit Committee
Mr J.A. Warren (Chairman)
Mr S.J. Gray

Remuneration Committee
Mr S.J. Gray (Chairman)
Mr J.A. Warren

Nomination Committee
Mr S.J. Gray (Chairman)
Mr J.A. Warren

Directors' report

The Directors present their report and the audited consolidated financial statements for the period ended 27 December 2014. The Company's statement on Corporate Governance is included in the Corporate Governance report on pages 17 to 22 of these financial statements. The Corporate Governance report forms part of the Directors' report and is incorporated into it by cross reference.

4imprint Group plc (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 7/8 Market Place, London W1W 8AG.

Dividends

In future, dividends will be determined in US dollars and paid in Sterling at the exchange rate at the time the dividend is determined.

An interim dividend of 10.51 cents (6.20p) per ordinary share was paid on 12 September 2014 and the Directors recommend a final dividend of 14.25p per share. The proposed final dividend, if approved, will be paid on 13 May 2015 in respect of shares registered at the close of business on 10 April 2015.

The total distribution paid and recommended for 2014 on the ordinary shares is $8.93m or 32.41cents (20.45p) per share (2013: $7.47m or 27.56 cents (17.00p per share)).

Social and ethical responsibility

The Board recognises its corporate social responsibilities and has developed, approved, and issued a social and ethical policy, the purpose of which is to ensure, as far as reasonably practicable, that when undertaking their operations the businesses in the Group operate in accordance with best practice.

The policy addresses such issues as working hours, discrimination, collective bargaining, supplier audits and child labour. The policy is regularly reviewed and was reconsidered by the Board at its meeting on 9 December 2014.

Environment

The Board recognises its obligations to protect the environment and is committed both to achieving required environmental standards across all the activities of the Group and to minimising environmental impact. Formal systems in place are subject to audits and management is regularly notified of key issues and developments. The companies in the Group assess and monitor the potential impact of their operations upon the environment and steps are taken to control energy consumption and waste and to ensure that paper used for marketing purposes is sourced from sustainable forests.

Disabled persons

The Group is committed to the principle of equal opportunity in employment. No applicant or employee receives less favourable treatment on the grounds of nationality, age, gender, religion, race, ethnicity or disability. The Group recognises its responsibilities to disabled persons and endeavours to assist them to make their full contribution at work. Where employees become disabled, every practical effort is made to allow them to continue in their jobs or to provide retraining in suitable alternative work.

Health and safety

During 2014, the Group continued to pursue improvements to the management of health and safety in its companies. Regular reports on health and safety are received and reviewed by the Board. Any accidents and incidents are reported to the Board together with corrective actions which have been implemented. There were no accidents or incidents during the year.

Directors

The names of the present Directors (and others who were Directors during the period) and their interests in the share capital of the Company are shown on pages 35 and 36. The biographical details of the present Directors, committee memberships, independence status and identification of the Senior Independent Director are given on page 14.

Neither the Directors, nor their associated companies, nor any members of their families, had any interest either during or at the end of the period in any contract with the Company or its subsidiaries requiring disclosure under Sections 197, 198, 200, 201 and 203 of the Companies Act 2006.

Diversity

The Group recognises the importance and benefit of ensuring diversity throughout the business and strives to create a culture which recruits and promotes the development of all employees regardless of background or gender.

As at 27 December 2014, 16% of the Board is female and 16% is non-UK national.

Share capital

The Group's objective for managing capital is described in note 21.

The Company has a single class of share capital which is divided into ordinary shares of 38 $^{6}/_{13}$ pence each. The shares are in registered form.

Rights and obligations attaching to shares

Subject to applicable statutes and other Shareholders' rights, shares may be issued with such rights and restrictions as the Company may by ordinary resolution decide, or, if there is no such resolution or in so far as it does not make specific provision, as the Board may decide. At each Annual General Meeting, the Company seeks annual Shareholder authority for the Company's Directors to allot shares, in certain circumstances, for cash.

Sale of SPS

On 10 February 2014, the Group completed the sale of SPS to the SPS senior management, backed by Maven Capital Partners (see note 10).

Qualifying third party indemnity provisions

During 2008, Qualifying Third Party Indemnity Agreements were signed by the Company in respect of each of the

Directors then in office and these remained in effect during 2014 and up to 4 March 2015 in respect of Ms G. Davies and Mr A.J. Scull. Qualifying Third Party Indemnity Agreements have also been signed by the Company in respect of Mr J.W. Poulter, Mr S.J. Gray, Mr J.A. Warren and Mr K. Lyons-Tarr with effect from the date of their respective appointments.

Shares held in Trust for Employee Share Schemes

The trustees of both the 4imprint Group plc Employee Share Trust and the 4imprint 2012 Employee Benefit Trust may vote or abstain from voting on shares held in the trusts in any way they consider appropriate.

Significant agreements

There are no agreements containing provisions entitling the counterparty to exercise termination or other rights in the event of a change of control.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 3 to 13. The financial position of the Group, its cash flows, and net cash position are described in the Finance review on pages 7 to 10. In addition note 21 to the financial statements includes the Group's policies for managing its financial risk and its exposures to currency risk, credit risk, liquidity risk, and capital risk management.

The Group borrowings and facilities are set out in note 18. The Group has a diverse number of customers and suppliers across different geographic areas and industries. As a consequence, the Directors believe that the Group can manage its business risks successfully.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue to operate for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

Remuneration report

Details of the procedures and guidelines used by the Committee in determining remuneration are outlined in its report on pages 24 to 30.

Purchase of own shares

Following the approval at the 2014 Annual General Meeting of Resolution 14, the Company is authorised, generally and without conditions to make market purchases, as defined in the Companies Acts, of its ordinary shares of $38\frac{6}{13}$ pence subject to the provisions set out in such Resolution. This authority applies from 6 May 2014 until the earlier of the end of the 2015 Annual General Meeting or 3 August 2015 unless previously cancelled or varied by the Company in general meeting. No such cancellation or variation has taken place.

Waiver of dividends

The dividend income in respect of the 167,358 shares (2013: 279,668 shares) held in 4imprint Group plc employee share trusts has been waived.

Greenhouse gas emissions report

Global greenhouse gas (GHG) emissions data for the year

	Tonnes of carbon dioxide equivalent	
	2014	2013
Combustion of fuel and operation of facilities (Scope 1)	**10**	10
Electricity, heat, steam and cooling purchased for own use (Scope 2)	**1,545**	1,541
Emissions intensity per thousand dollars of revenue	**0.004**	0.005

The emissions data set out above relates to the continuing operations of the Group for the period ended 27 December 2014 and the period ended 28 December 2013 has been restated and excludes emissions from the SPS business sold on 10 February 2014.

Methodology

All of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 for Scope 1 and Scope 2 emissions have been reported.

The emission factors used were from the UK Government's GHG Conversion Factors for Company Reporting 2014.

Political donations

No political donations were made in the period or prior period.

Annual General Meeting

Notice of the AGM is set out in a separate document. Items of special business to be considered at the Meeting are described in detail in the Notice of the AGM and the notes on the business to be conducted.

Independent auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors to the Company has been recommended by the Audit Committee to the Board and will be proposed at the AGM.

Directors' statement as to disclosure of information to auditors

In the case of each of the persons who are Directors of the Company at the date this report was approved:

- so far as each of the Directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors is unaware; and
- each of the Directors has taken all of the steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information (as defined) and to establish that the Company's auditors are aware of that information.

Approved by the Board

Andrew Scull
Company Secretary
4 March 2015

Statement on Corporate Governance

The disclosures required by Company law in relation to the Takeover Directive in relation to the Group's capital structure are included in the Directors' report on pages 15 and 16.

During 2014 the Group has complied with the provisions of The UK Corporate Governance Code (2010) (the "Code"), except for the following matter:

There is no Group Chief Executive Officer but the role of Executive Chairman was undertaken by Mr J.W. Poulter during the year. (Principle A.2.1).

The structure of the Group was such that until 10 February 2014 there were two businesses, each of which had a CEO supported by a Finance Director and senior marketing and operational managers. The CEO of the Direct Marketing business, Mr K. Lyons-Tarr, is also a Director of 4imprint Group plc.

Given that during 2014, the SPS business was sold and that the Direct Marketing business is now the sole business of the Group the Board decided at its meeting on 9 December 2014 that, with effect from 31 March 2015 Mr Lyons-Tarr will be appointed as Group CEO.

The Code is publicly available on the Financial Reporting Council's website, www.frc.org.uk.

The Board

The Board is responsible to Shareholders for creating and sustaining shareholder value through the management of the Group's businesses. It is also responsible for ensuring that management maintains a system of control that provides assurance of effective and efficient operations, internal financial control and compliance with laws and regulations.

The Board is the decision making body for all matters material to the Group's finances, strategy and reputation.

The Board has a formal schedule of matters reserved for its decision and the schedule was re-considered and approved by the Board at its meeting on 9 December 2014. The schedule includes, for example, the approval of interim and annual financial statements, the acquisition and disposal of businesses, changes to the capital structure of the Company, the appointment or removal of Directors and the financing of the Group's businesses. Otherwise, the Board delegates day-to-day management of the Group to the Executive Directors.

In any circumstances where a Director has a concern, which cannot be resolved, about the running of the Company or a proposed action, any such concern is recorded in the minutes of Board meetings.

The Companies Act 2006 codifies the Directors duty to avoid a situation in which they have, or could have, an interest that conflicts or possibly may conflict, with the interests of the Company. A Director will not be in breach of that duty if the relevant matter has been authorised in accordance with the Articles of Association, by the other Directors. Each Director has confirmed that they are aware of the need to notify the Company of any potential conflict of interest. Mr A.J. Scull has notified the Company that he is a Director and Company Secretary of the 4imprint Pension Trustee Company Limited which administers the legacy defined benefit pension scheme.

Specific responsibilities have been delegated to Board Committees which have access to independent expert advice at the Group's expense. The details of the Board Committees and their activities are set out in pages 18 to 22.

The Non-Executive Directors meet from time to time, without the Executive Directors being present.

All Directors have access to the advice and services of the Company Secretary.

The Board consists of an Executive Chairman, the CEO of the Direct Marketing business, the Group Finance Director, the Corporate Services Director and two Independent Non-Executive Directors. The role of the Non-Executive Directors includes assisting in the development of strategy, scrutinising the performance of management, monitoring the integrity of financial information and systems of risk management as well as determining the appointment, removal and remuneration of Executive Directors.

The Board has considered whether it is appropriate to have additional Non-Executive Directors and has announced, on 18 December 2014, that it intends to make an additional Non-Executive Director appointment in 2015. The current Non-Executive Directors have letters of appointment for three years from 11 June 2012, which are available for inspection by any person at the Company's registered office during normal business hours and also at the Annual General Meeting.

The Corporate Services Director also acts as the Company Secretary. This situation has been re-considered by the Board at its meeting on 9 December 2014 and approved by the Board. The Corporate Services Director took no part in that decision. The appointment and removal of the Company Secretary is a matter to be decided by the Board as a whole (excluding the Corporate Services Director).

The Board has at least six scheduled meetings per year, and additional Board meetings are convened as and when required. In advance of each meeting, the Board receives minutes of the previous meetings, detailed financial information on the performance of the business and items for discussion. This enables the Directors to make informed decisions on the corporate and business issues under consideration. Additionally, the Company provides resources as appropriate, to enable Directors to update their skills and knowledge. Independent professional advice is available to the Directors as required, at the Company's expense.

The Board evaluations and those of its Committees which were undertaken in 2011, 2012 and 2013 were undertaken internally through a process conducted by the Non-Executive Directors, assisted by the Company Secretary. The Code recommends that FTSE 350 companies should undertake an external evaluation at least once every three years. Given the changes to the Board which were announced on 18 December 2014, no external evaluation has yet been undertaken.

A table setting out the number of Board and Committee meetings held during the period and attendance by Directors at those meetings is set out below:

	Board meetings	Audit Committee meetings	Remuneration Committee meetings	Nomination Committee meetings
Total number	8	2	2	1
Mr J.W. Poulter	8	2*	2*	1*
Ms G. Davies	8	2*	0	0
Mr K. Lyons-Tarr	7	0	0	0
Mr A.J. Scull	8	2*	0	1*
Mr J.A. Warren	8	2	2	1
Mr S.J. Gray	8	2	2	1

* By invitation.

Powers of Directors

Subject to the Company's Memorandum and Articles of Association, the Companies Acts and any directions given by special resolution, the business of the Company will be managed by the Board who may exercise all the powers of the Company.

Board Committees

The Board has three permanent Committees being the Audit Committee, the Nomination Committee and the Remuneration Committee. Other than the Committee members, further participants may attend by the invitation of the Committee. Each Committee has defined terms of reference, procedures, responsibilities and powers as described in this report.

Remuneration Committee

The responsibilities and composition of the Remuneration Committee are disclosed in the Remuneration report on page 24.

The Remuneration Committee has terms of reference which were re-considered and approved by the Board at its meeting on 9 December 2014. These terms of reference are available for inspection at the Company's registered office during normal business hours.

The Remuneration Committee met twice during 2014.

Relations with Shareholders

Substantial interests

At 16 February 2015 the Company had been notified of the following interests in the issued ordinary share capital of the Company:

	Number of shares	%
BlackRock Investment Management	4,431,684	15.85
Standard Life Investments	2,726,070	9.75
Mr K.J. Minton	1,735,088	6.20
J.P. Morgan Asset Management	1,685,953	6.03
GVO Investment Management	1,671,775	5.98
Artemis Fund Managers Limited	1,530,865	5.47
Fidelity Worldwide Investment	1,372,389	4.91
Miton Group plc	864,766	3.09
Ennismore Fund Management	851,615	3.05

The Board places a high value on its relations with its investors, and consults with Shareholders in connection with specific issues where it considers it appropriate.

The Group, principally through the Executive Chairman, the CEO of the Direct Marketing business and the Group Finance Director, has regular dialogue and meetings with institutional shareholders, fund managers and analysts. Subject always to the constraints regarding sensitive information, discussions cover a wide range of issues, including strategy, performance, management and governance.

The Board considers it important to understand the views of Shareholders, in particular, any issues which concern them. The Senior Independent Non-Executive Director is available to meet major Shareholders, if they so wish.

Restrictions on voting

No member shall be entitled to vote at any general meeting in respect of any shares held by that member if any call or other sum then payable by that member in respect of that share remains unpaid. Currently, all issued shares are fully paid.

Private Shareholders can keep up to date through updates provided on the 4imprint corporate website, investors.4imprint.com, and through the provision of the Annual and Interim Report and Accounts. Shareholders are invited at any time to write to the Executive Chairman or any other Director to express their views and the AGM provides an opportunity for Shareholders to address their questions to the Board in person.

Share capital

Details of the Company's share capital are provided in the Directors' report on page 15.

Going concern

The going concern statement is on page 16.

NOMINATION COMMITTEE

I am pleased to present my report to Shareholders as Chairman of the Nomination Committee.

Responsibilities of the Nomination Committee

The responsibilities of the Nomination Committee include: (i) reviewing the structure, size and composition of the Board and making recommendations to the Board with regard to any adjustments that are necessary; (ii) identifying and nominating candidates for the approval of the Board to fill Board vacancies as and when they arise; and (iii) putting in place plans for succession at Board level.

The Company supports the Code provision that Boards should consider the benefits of diversity, including gender, when making appointments and is committed to ensuring diversity, not just at Board level, but also across the Company's senior management, not least because it believes that business benefits from the widest range of perspectives and backgrounds. The Company's aim as regards the composition of the Board is that it should have a balance of experience, skills and knowledge to enable each Director and the Board as a whole to discharge their duties effectively. Whilst the Company agrees that it is appropriate that it should seek to have diversity on its Board, it does not consider that this can be best achieved by establishing specific quotas and targets and appointments will continue to be made based wholly on merit.

The Nomination Committee has terms of reference which were re-considered and approved by the Board of the Company at its Board meeting on 9 December 2014. These terms of reference are available for inspection at the Company's registered office during normal business hours.

Appointment and replacement of Directors

Directors may be appointed by the Company by ordinary resolution or by the Board. A Director appointed by the Board holds office only until the next Annual General Meeting and is then eligible for election by the Shareholders.

At every Annual General Meeting of the Company, all Directors put themselves forward for re-election. The office of Director shall be vacated if (a) he or she resigns or offers to resign and the Board resolves to accept such offer, (b) he or she is, or has been, suffering from mental ill health, (c) he or she becomes bankrupt or compounds with creditors generally, (d) he or she is prohibited by law from being a Director, (e) he or she ceases to be a Director by virtue of the provisions of the Companies Act or (f) he or she is removed from office pursuant to the Articles of Association.

Composition of the Nomination Committee

I chair the Nomination Committee and I am an Independent Non-Executive Director. The other member of the Committee is Mr J.A. Warren, the Senior Independent Non-Executive Director. The Chairman of the Company is usually invited to attend formal meetings of the Committee. The Company Secretary may be invited to attend meetings of the Nomination Committee, in his capacity as Company Secretary.

Meetings of the Nomination Committee

The Nomination Committee meets as frequently as is required to fulfil its duties. When there are no specific decisions or recommendations to be made, the Chairman of the Committee consults the other member of the Committee as necessary. During the period ended 27 December 2014 there was one meeting of the Nomination Committee.

Steve Gray

S.J. Gray
Chairman of the Nomination Committee
4 March 2015

AUDIT COMMITTEE

I am pleased to present my report to Shareholders as Chairman of the Audit Committee.

Responsibilities of the Audit Committee

The Audit Committee is responsible for maintaining an appropriate relationship with the Group's external auditors and for reviewing the Company's internal financial controls and the audit process. It aids the Board in seeking to ensure that the financial and non-financial information supplied to Shareholders presents a fair, balanced and understandable assessment of the Company's performance and position.

The Committee reviews the effectiveness, objectivity and independence of the external auditors and also considers the scope of their work and fees paid for audit and non-audit services.

The Audit Committee has terms of reference which were re-considered and approved by the Board at its meeting on 9 December 2014. These terms of reference are available for inspection at the Company's registered office during normal business hours. The Board considers that the Audit Committee members have an understanding of the following areas:

- the principles of, and developments in, financial reporting including the applicable accounting standards and statements of recommended practice;
- key aspects of the Company's operations including corporate policies and the Group's internal control environment;
- matters which may influence the presentation of the accounts;
- the principles of, and developments in, company law, sector-specific laws and other relevant corporate legislation;
- the role of internal and external auditing and risk management; and
- the regulatory framework for the Group's businesses.

Composition of the Audit Committee

I chair the Audit Committee and I am the Senior Independent Non-Executive Director. I am a chartered accountant and was Group Finance Director of United Biscuits (Holdings) PLC and WH Smith PLC. The Board is of the view that I have recent and relevant financial knowledge and experience derived from current roles as Chairman of the Audit Committee at Bovis Homes Group Plc, Welsh Water and Greencore Group plc. The other member of the Committee is Mr S.J. Gray, an Independent Non-Executive Director. The Chairman of the Company and the Group Finance Director are normally invited to attend meetings of the Audit Committee as is, from time to time, the Group Financial Controller. The Company Secretary attends meetings of the Audit Committee in his capacity as Company Secretary.

How the Audit Committee discharges its responsibilities

The Committee has unrestricted access to Company documents and information, as well as to employees of the Company and the external auditors. Members of the Committee may, in pursuit of their duties, take independent professional advice on any matter, at the Company's expense. The Audit Committee Chairman reports the outcome of Audit Committee meetings to the Board.

The Audit Committee meets at least twice each year and has an agenda linked to events in the Group's financial calendar. The Audit Committee met twice during 2014.

In order to fulfil its terms of reference, the Audit Committee receives and reviews presentations and reports from the Group's senior management and the external auditors.

During the year, the Audit Committee formally reviewed draft Interim and Annual Reports and associated interim and year end results' announcements. These reviews considered:

- the accounting principles, policies and practices adopted in the Group's accounts, and proposed changes to them; and
- significant accounting issues and areas of judgement and complexity.

The Audit Committee is required to assist the Board to fulfil its responsibilities relating to the adequacy and effectiveness of the control environment and the Group's compliance with the Corporate Governance Code. To fulfil these duties, the Audit Committee reviewed:

- the external auditors' review of internal controls and audit highlights memoranda;
- any reports on the systems of internal controls and risk management; and
- any reports on identified frauds perpetrated against the Group.

The Audit Committee is responsible for the development, implementation and monitoring of the Group's policy on external audit. The Group's policy on external audit prohibits certain types of non-audit work from being performed by the auditor, particularly in cases where auditor objectivity and independence would be put at risk.

During 2014, the Group's auditors provided non-audit services in a number of areas, principally in respect of advice on the pension buy-in, flexible early retirement offer and the 2015 share based incentive scheme. Before any significant non-audit work is commissioned, the nature and extent of such work is considered, initially by the Group Finance Director and the Corporate Services Director, to determine if such work would put at risk auditor objectivity and independence. This process includes discussion with the audit partner at PricewaterhouseCoopers LLP. If there is any concern that auditors' objectivity and independence would be put at risk, the matter will be referred to the Audit Committee, prior to commissioning. For the areas referred to above, after following the process described in this paragraph, it was considered that PricewaterhouseCoopers LLP was the most suitable firm to perform the work given their long-standing knowledge of both the legacy defined benefit scheme and the share schemes. During 2014, tax advice was also taken from Deloitte LLP. Details of fees paid to the auditors in respect of audit and non-audit services are shown in note 2 to the consolidated financial statements.

In addition to the above, the Board has specifically reviewed the nature and extent of other non-audit work carried out by the auditors in 2014 and concluded that there are no cases where auditor objectivity and independence has been put at risk.

To fulfil its responsibility regarding the independence of the external auditors, the Audit Committee reviewed:

- changes and rotation of external audit team members in the audit plan for the current year;
- a report from the external auditors describing their arrangements to identify, report and manage any conflicts of interest; and
- the nature and extent of non-audit services provided by the external auditors.

To assess the effectiveness of the external auditors, the Audit Committee reviewed:

- the relevant skills and experience of the audit partner and team and their knowledge of the business;
- planning and scope of the audit and identification of areas of audit risk;
- execution of the audit plan; and
- formal reports presented to the Audit Committee.

To fulfil its responsibility for oversight of the external audit process, the Audit Committee reviewed:

- the terms, areas of responsibility, associated duties and scope of the audit as set out in the external auditors' engagement letter for the forthcoming year;
- the external auditors' overall work plan for the forthcoming year;
- the external auditors' fee proposal;
- the major issues that arose during the course of the audit and their resolution;
- key accounting and audit judgements;
- the levels of errors identified during the audit; and
- recommendations made by the external auditors in their management letters and the adequacy of management's response.

Main activities of the Committee during the year ended 27 December 2014

During the year ended 27 December 2014, the Audit Committee's business has included the following items:

- consideration and approval of half year results;
- consideration and approval of full year results;
- principal judgmental accounting matters affecting the Group based on reports from both the Group's management and the external auditors;
- review of external audit plans and reports;
- consideration of fraud and loss prevention measures in the Group;
- consideration and approval of risk assessments relating to the Group's business; and
- specific investigations as required.

Financial reporting and significant financial judgments

The Committee assesses whether suitable accounting policies have been adopted and whether management has made appropriate estimates and judgments. The Committee reviews accounting papers prepared by management which provides details on the main financial reporting judgments.

The Committee also reviews reports by the external auditors on the half year and full year results which highlight any issues arising from the work undertaken in respect of the half year review and year end audit.

Specific areas of audit and accounting risk reviewed by the Committee were:

Accounting for defined benefit pension scheme

The defined benefit pension scheme is material to the financial position of the Group. The amount shown in the balance sheet is sensitive to changes in key actuarial assumptions. In addition calculations of the impact of the buy-in and flexible early retirement offer were also sensitive to the actuarial assumption used. The Committee reviewed the appropriateness and consistency of these assumptions and the auditors confirmed that the assumptions used were reasonable and within an acceptable range. Full disclosure of the pension scheme is provided in note 4 to the financial statements, which includes the key period end assumptions on page 56 and the sensitivities on page 58.

Supplier rebates

As in previous years, the business receives rebates from key suppliers based on agreed fixed rates relating to the volumes of goods purchased in a calendar year. The Committee does not consider the Group's rebates to be highly complex as: they are volume related; agreement periods are coterminous with the Group's accounting period; there are written agreements in place with suppliers; and historically rebates have been collected. However, following recent FRC guidance this has been highlighted as an area of focus as the rebates are material to the results for the period.

The Committee has discussed any judgements made in accruing supplier rebates and the collectability of these amounts with management and the auditors. The Committee is satisfied that the amounts of income accrued are appropriate.

Presentational currency

The Group has changed presentational currency from Sterling to US dollars for the period ended 27 December 2014. Consequently the financial statements for the prior period have been restated in US dollars and all foreign currency translation movements, since the adoption of IFRS in 2004, have been recalculated.

The Committee has discussed the restatement with management and the auditors, with particular focus on the foreign currency translation reserve and the impact on the profit on disposal of SPS (EU) Ltd. The Committee is satisfied that the calculations have been performed accurately and disclosures in the financial statements are sufficient to explain the change.

Financial statements

The Committee considered, and was satisfied with, management's presentation of the financial statements and, in particular, the presentations of certain items as exceptional items.

The auditors confirmed to the Committee that it was not aware of any material misstatements during the course of their work. The Committee is satisfied that the judgments made by management are reasonable and that appropriate disclosures have been included in the financial statements.

After reviewing the presentation from management and following discussions with the auditors, the Committee is satisfied that:

- the financial statements appropriately address the critical judgments and key estimates both in respect of the amounts reported and the related disclosures in the financial statements;
- that the processes used for determining the value of the assets and liabilities have been appropriately reviewed, challenged and are sufficiently robust; and
- that the financial statements taken as a whole are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Group's position and performance, business model and strategy.

Auditor independence

PricewaterhouseCoopers LLP, or its predecessor firms, has been the Company's auditor since 1992. The Audit Committee considers that the relationship with the auditors is working well and remains satisfied with their effectiveness.

Accordingly, the Committee has not considered it necessary to date to require the firm to retender for the Audit. However, the Committee has noted the guidance from the Financial Reporting Council and changes in the EU to the regulatory framework and will continue to keep the matter under review.

The external auditors are required to rotate the audit partner responsible for the Group and subsidiary audits every five years. The current audit partner was first appointed in respect of the financial year ended December 2010 and will cease to be the partner in charge of the

Company audit at the conclusion of the December 2014 audit, after five years, in line with the Listing Rules.

There are no contractual obligations restricting the Company's choice of external auditor.

Taking into consideration the external auditors' knowledge of the Group and level of experience, the Audit Committee has recommended to the Board that the external auditors are re-appointed.

Given the present structure of the Group, the Board does not currently consider the establishment of a separate internal audit function to be necessary. However, this matter is reviewed by the Board at least annually.

The Group has a 'Whistleblowing' policy which contains arrangements for the Company Secretary to receive, in confidence, complaints on accounting, risk issues, internal controls, auditing issues and related matters for reporting to the Audit Committee as appropriate.

As necessary, the Audit Committee holds private meetings with the external auditors to review key issues within their spheres of interest and responsibility.

As Chairman of the Committee I will be present at the Annual General Meeting to answer questions on this report, matters within the scope of the Audit Committee's responsibilities and any significant matters brought to the Audit Committee's attention by the external auditors.

Internal control

The control system of the Group is intended to manage rather than eliminate the risk of failure to meet the Group's objectives and any such system can only provide reasonable and not absolute assurances against material misstatement or loss. The effectiveness of the control system including financial, operating, compliance and risk management is reviewed by the Board at least annually.

Additionally, through the management process outlined in the Statement on Corporate Governance on pages 17 and 18, the Group operates a continuous process of identifying, evaluating and managing the significant risks faced by each business and the Group as a whole. This process, which has been in place throughout 2014 and up to the date of the approval of this Annual Report, complies with the Turnbull guidance and includes the following:

- a defined organisational structure with appropriate delegation of authority;
- formal authorisation procedures for all investments;
- clear responsibilities on the part of management for the maintenance of good financial controls and the production and review of detailed accurate and timely financial management information;
- the control of financial risks though clear authorisation levels;
- identification of operational risks and the development of mitigation plans by the senior management;
- regular reviews of both forward looking business plans and historic performance; and
- regular reports to the Board from the Executive Directors.

The internal controls extend to the financial reporting process and the preparation of the consolidated financial statements. The basis of preparation of the consolidated financial statements is set out on page 48.

The internal control process will continue to be monitored and reviewed by the Board which will, where necessary, ensure improvements are implemented. During the year the Board has undertaken a review of the effectiveness of internal controls and systems. No material matters were identified.

J.A. Warren
Chairman of the Audit Committee
4 March 2015

Annual statement by the Chairman of the Remuneration Committee

The Board's strategy is the pursuit of further profitable and cash generative organic growth in 4imprint Direct Marketing while taking appropriate steps to reduce the risk of the legacy defined benefit pension scheme.

Recent years have seen sustained growth in the 4imprint Direct Marketing business and in earnings per share and share price. The Board and the Remuneration Committee aim to ensure that the Company has the best possible management to continue both that growth and the creation of further shareholder value and aim to reward for fulfilment of this strategy.

The Committee's approach to remuneration is that it should: (i) be competitive when compared to those in organisations of similar size, complexity and type; (ii) be structured so that remuneration is linked to the long term growth in profitability and shareholder value of the Company; (iii) be clear, easy to understand and motivating; (iv) not promote unacceptable behaviour or encourage unacceptable risk taking; and (v) be structured to avoid reward for failure.

As indicated in my Annual Statement in the 2013 Annual Report and Accounts, the Committee intends during 2015 to implement a new, share based, long-term incentive plan which will reflect the changes in the Group since the introduction of the 2011 Performance Share Plan particularly its increasing focus on the business in the United States. This new plan will support the long term strategy of the Group, align management interests with those of Shareholders and will be put to Shareholders for approval at the 2015 Annual General Meeting. Assuming it is approved, awards will be made pursuant to its terms. The proposed plan has been subject of discussions with major Shareholders and details will be set out in the Notice of Annual General Meeting.

The Committee reserves the right to make payments outside its approved policy but only in exceptional circumstances. The Committee would only use this right where it believes that this is in the best interests of the Company and when it would be disproportionate to seek specific approval from a general meeting. No such payments have been made during the period.

Remuneration is a topic upon which Shareholders have widely differing views, but I hope that 4imprint's principles of clarity, relative simplicity and balance will help to explain what the Committee does and to enable Shareholders to evaluate the Remuneration Policy. In this context, I am pleased to note that at the 2014 Annual General Meeting the Remuneration report was approved by 99.42% of votes cast, and the Remuneration Policy by 83.22%.

Steve Gray

S.J. Gray
Chairman of the Remuneration Committee
4 March 2015

Remuneration report

This report sets out the information required by the Companies Act 2006, Schedule 8 of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 and the Listing Rules of the Financial Conduct Authority. This report is unaudited, except where otherwise stated. An ordinary resolution to approve this report will be put to the Annual General Meeting on 6 May 2015.

Remuneration governance

Remuneration Committee composition

The Remuneration Committee is a committee whose membership is comprised solely of Independent Non-Executive Directors, being Mr S.J. Gray (Chairman of the Committee) and Mr J.A. Warren. The Committee meets at least once a year and may invite other attendees as it sees fit.

During the year ended 27 December 2014 the Committee took advice from PricewaterhouseCoopers LLP on the design of the proposed share based long-term incentive plan to be put before the 2015 Annual General Meeting. Additionally, since 27 December 2014, the Committee has sought the view of Shareholders on the proposed plan. The Committee remains mindful of the remuneration of employees when reviewing changes in executive pay.

Remuneration Committee responsibilities

The principal duties of the Remuneration Committee are reflected in its terms of reference and include the following:

- to determine and recommend to the Board the overall remuneration policy of the Company;
- to determine and recommend to the Board the remuneration of the Executive Directors;
- to monitor and review the level and structure of remuneration for senior management;
- to determine the targets for any performance related bonus and share incentive schemes operated for Executive Directors and senior management; and
- to review and approve any material termination payments.

The remuneration of Non-Executive Directors is determined by the Executive Chairman of the Board and the Executive Directors.

Remuneration Committee activities in the period ending 27 December 2014

The Remuneration Committee met twice during the period ending 27 December 2014 and the following matters were considered:

Salaries

Approving the salaries of the Executive Directors for 2014 and monitoring and reviewing the level and structure of salaries for senior management for 2014.

Bonuses

Approving the bonuses for the Executive Directors for 2013.

Approving the structure of the bonus criteria for Executive Directors for 2014.

Settlement Agreement for Group Finance Director

Approving the terms of the Settlement Agreement between the Company and Ms G. Davies.

Future remuneration policy

The Company has a well-established and clear remuneration policy which, in the view of the Committee, has made an important contribution to the success of the Company over a sustained period. The policy includes providing Executive Directors with remuneration packages which are: (i) competitive when compared to those in organisations of similar size, complexity and type; (ii) structured so that remuneration is linked to the long term growth in profitability and shareholder value of the company; (iii) clear, easy to understand and motivating; (iv) designed not to promote unacceptable behaviour or encourage unacceptable risk taking; and (v) structured to avoid reward for failure.

At the 2014 Annual General Meeting Shareholders approved the remuneration policy as set out below, with the policy taking effect from the date on which the resolution was passed.

Elements of remuneration

Remuneration for Executive Directors comprises both fixed and variable elements. The principal component of the fixed element is a salary, which is set at an appropriate level for the size and type of the Company to retain the quality of management it requires to further the Board's objectives, but which is not excessive.

The variable element of remuneration is designed to incentivise and motivate management to meet annual performance targets and reward for performance. The principal components of the variable element are (i) an annual bonus and (ii) a share based long term incentive plan.

The targets for the annual bonus, which is currently capped at a maximum of 50% of annual base salary, are set by the Committee each year and evolve with the growth objectives of the Company. They include profitability, cash generation, improvement in financial performance over prior year and specific corporate objectives designed to meet the Board's strategy.

The fixed and variable components of remuneration are set out below:

Fixed components

Element and purpose	Policy and opportunity	Operation and performance measures	Implementation of policy in year
Base salary			
This is the basic element of pay and reflects the individual's role, position and responsibility within the Company and includes adjustments to reflect their experiences, capability and contribution	While base salaries are reviewed each year, the Company's policy is not automatically to award an inflationary increase Base salaries are considered against those paid in organisations of similar size, complexity and type in order to attract and retain the required quality of executives to meet the Board's strategy and, while the Committee applies judgement rather than setting by reference to a fixed percentile position, its general approach when considered in conjunction with variable pay and long-term incentives is to constrain base salaries to levels it believes to be at the lower end of an acceptable market range No claw back or recovery provisions apply	Base salary is paid monthly in arrears in cash Base salaries are reviewed annually with changes normally taking effect from 1 January taking into account: (i) personal contribution (ii) changes in level of responsibility (iii) change of role (iv) individual experience and performance (v) market practice	For the year ended 27 December 2014 the US dollar denominated salary of Mr K. Lyons-Tarr increased by 4.2%, and the Sterling denominated salaries of Ms G. Davies and Mr A.J. Scull by 2.7% each The maximum salary increase will normally be in line with the market. However, larger increases may be awarded in certain circumstances, including, but not limited to: (i) increase in scope or responsibilities of the role (ii) to apply salary progression for a newly appointed director (iii) where the directors' salary has fallen significantly below the market positioning
Benefits in kind			
To provide other benefits valued by the recipient to assist in attracting and retaining executives of the required quality to meet the Board's objectives	Provide benefits in kind which are competitive in the market Benefits include: (i) company car or car allowance paid in cash (ii) private medical insurance for the executive and his/her family (iii) life assurance of 4 times base salary (iv) income protection insurance (v) access to independent professional advice when necessary No claw back or recovery provisions apply	Benefits currently received by Executive Directors comprise a car allowance (other than for Mr K. Lyons-Tarr and Mr J.W. Poulter) and for each Executive Director, (other than Mr J.W. Poulter) and their spouse and children up to the age of 18 provision of a private healthcare and income protection scheme The Company may periodically amend the benefits it makes available and the Executive Directors would normally be eligible to receive such amended benefits on similar terms to all other senior staff	No changes were made to this element of remuneration in the year ended 27 December 2014

Fixed components continued

Element and purpose	Policy and opportunity	Operation and performance measures	Implementation of policy in year
Pension			
To attract and retain Executive Directors of the required quality to meet the Board's objectives and remain competitive within the market place	Provide a competitive employer sponsored pension plan The maximum entitlement is 15 per cent of base salary No claw back or recovery provisions apply	All Executive Directors (other than Mr J.W. Poulter) are eligible to (i) participate in a defined contribution pension plan or (ii) receive a salary supplement in lieu (such salary supplement is not taken into account as salary for calculation of annual bonus, LTIP or other benefits), with a total value of 15 per cent of salary Mr K. Lyons-Tarr is entitled to receive post retirement benefits through the defined contribution retirement programmes established by 4imprint Incorporated	No changes were made to these elements of remuneration within the year Ms G. Davies and Mr A.J. Scull received a total benefit equivalent to 15 per cent of salary Mr K. Lyons-Tarr received a total benefit equivalent to 2.9 per cent of salary During the financial year ended 27 December 2014 no contributions for Mr A.J. Scull were paid into the defined contribution pension scheme but an equivalent amount to such contributions was paid to Mr A.J. Scull as salary, which is subject to deduction of tax and National Insurance

Variable components

Element and purpose	Policy and opportunity	Operation and performance measures	Implementation of policy in year
Annual Bonus			
The short term incentive arrangements are designed to motivate employees and incentivise delivery of annual performance targets across a range of key strategic areas for the business	The maximum bonus potential is 50 per cent of base salary for all Executive Directors (including with effect from 1 January 2014, Mr J.W. Poulter) The Company retains the ability to adjust or set different performance measures if events occur (e.g. a change in strategy, material acquisition, divestment or change in prevailing market conditions) which cause it to determine that the conditions are no longer appropriate and that amendment is required so that the conditions achieve their original purpose. In these circumstances, any amendment would not result in achievement against those measures being materially less difficult to satisfy. Any use in this ability would, where relevant, be explained in the Annual Remuneration Report and may, as appropriate, be the subject of consultation with the Company's major Shareholders No claw back or recovery provisions apply	Bonus levels and the appropriateness of performance measures are reviewed annually to ensure they continue to support the Company's strategy In respect of the CEO of the Direct Marketing business, the bonus is based upon revenue percentage increase and operating profit margin percentage achieved in the Direct Marketing business In respect of the other Executive Directors the bonus is based upon a range of measures including profitability, cash generation, improvement in financial performance over prior year and specific corporate objectives, for example, reducing the risks associated with the legacy defined benefit pension scheme	Any annual bonus is paid in one tranche, usually in March The bonuses to be paid to Executive Directors in respect of the year ended 27 December 2014 were: 50 per cent of salary in respect of the Executive Directors, being £60k in the case of Mr J.W. Poulter, £92.5k in the case of Ms G. Davies and Mr A.J. Scull and $182.5k in the case of Mr K. Lyons-Tarr Bonuses were payable since all targets for the year ended 27 December 2014 were met or exceeded. Targets included: (i) growth in earnings per share; (ii) increase in underlying operating profit; and (iii) reducing the risk of the legacy defined benefit pension scheme

Variable components continued

Element and purpose	Policy and opportunity	Operation and performance measures	Implementation of policy in year
Long-term incentives			
To motivate and incentivise delivery of sustained share price performance over the long-term, the Group has operated the 2011 4imprint Group plc Performance Share Plan ("2011 PSP") A new long term share based incentive plan will be put to Shareholders for approval at the 2015 AGM	Given the changes in the structure of the Group since the approval by Shareholders of the 2011 PSP, in particular the divestment of the two UK based businesses, Brand Addition in 2012 and SPS in 2014 and the consequent increasing focus of the Group's business towards the USA, it is intended that no further awards under the 2011 PSP will be made and that a new long-term share based incentive plan will be put to Shareholders for approval at the 2015 AGM. Assuming such new plan is approved by Shareholders, awards (including any maximum awards) will be made pursuant to its terms No claw back or recovery provisions apply	Under the terms of the 2011 PSP the Executive Directors were entitled to nil-cost share options and conditional share awards which vested upon share price targets of £3, £3.50 and £4 being achieved and maintained for a minimum of thirty consecutive dealing days and became exercisable on 27 April 2014 being three years from the date of grant. The 2011 closing year end share price was £2.29	No long-term incentive awards were made to Directors in the year All existing awards to Executive Directors were exercised in the year
Shareholding guidelines			
To encourage share ownership by the Executive Directors and ensure interests are aligned with Shareholders	Executive Directors are required to hold shares to the value of at least one times annual Base Salary	Currently (using a share price of £7.95 being the share price at the end of the period concluding on 27 December 2014) the value of the shareholdings of the respective Executive Directors at the same date and as a multiple of their annual salaries are: (i) Mr J.W. Poulter 7.95 (ii) Mr K. Lyons-Tarr 8.89 (iii) Ms G. Davies 6.86 (iv) Mr A.J. Scull 6.02	

Element and purpose	Policy and opportunity	Operation and performance measures	Implementation of policy in year
All-employee share plans			
To encourage share ownership by employees, thereby allowing them to share in the long-term success of the Group and align their interests with those of the Shareholders	Executive Directors are able to participate in all-employee share plans on the same terms as other Group employees	Save As You Earn – two plans are in place. The first is a Save As You Earn plan in the UK under which individuals may save up to a maximum of £250 each month for a fixed period of three years The second is an Employee Stock Purchase plan in the USA under which individuals may save amounts each month for a period of two years and three months At the end of the savings period, individuals may use their savings to buy ordinary shares in the Company at a discount of up to 20 per cent of the market price set at the launch of each scheme	No schemes were established or options granted in the year ended 27 December 2014
Non-Executive Director fees			
To set fees reflecting time commitments and responsibilities in each role, in line with fees provided by similarly sized companies	The fees paid to the Non-Executive Directors aim to be competitive with other fully listed companies of equivalent size, complexity and type. Fee levels are periodically reviewed by the Board. The Company does not adopt a quantitative approach to pay positioning and exercises judgement as to what it considers to be reasonable in all the circumstances as regards quantum No claw back or recovery provisions apply	Fees are paid monthly in arrears in cash Fee levels for the Non-Executive Directors are reviewed periodically, the last such review being on their appointment in 2012	Current fee levels are £35,000 for the role of Non-Executive Director

Recruitment remuneration policy

The Company's recruitment remuneration policy aims to secure the appointment and promotion of high-calibre executives to strengthen the management team and secure the appropriate skills to deliver the Company's strategic objectives.

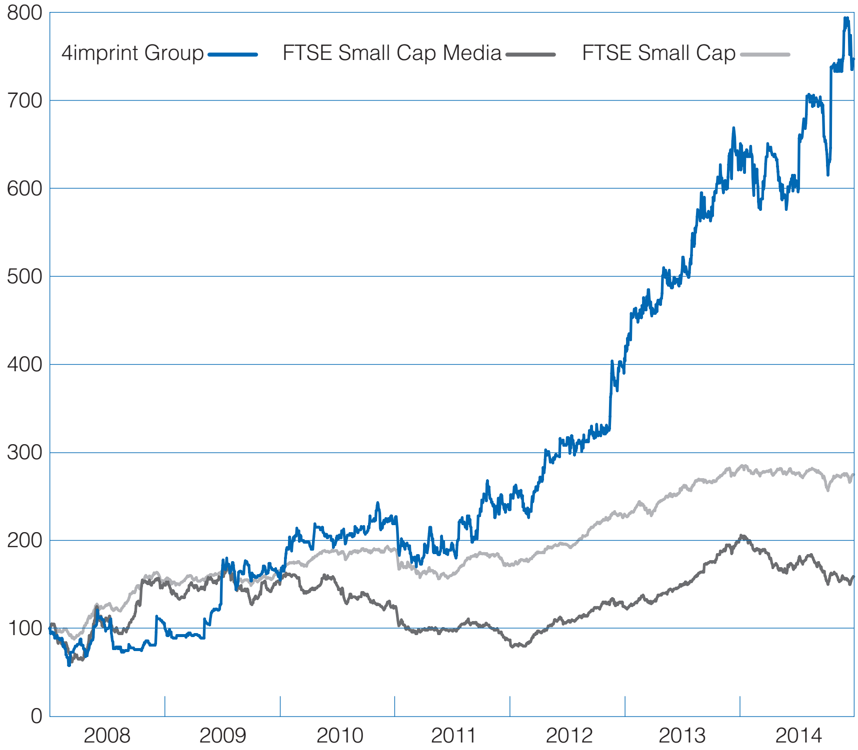
The following represents guidelines considered reasonable by the Committee:
the starting point for the Committee will be to look at the general remuneration policy for Executive Directors as set out previously and structure a package in accordance with that policy;
for external appointments, the Committee reserves the right to make payments outside this policy, but only in exceptional circumstances. The Committee would only use this right where it believes that to do so would be in the best interests of the Company and when it would be disproportionate to seek specific approval from a general meeting. Any use of this discretion would be disclosed to Shareholders;
for an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment, as appropriate;
for external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses and legal fees as it considers to be appropriate. Assistance will be subject to reasonable claw back for service of less than 24 months;
it is not envisaged that, ignoring any special recruitment arrangements which may prove to be necessary, any annual bonus or long-term incentive compensation arrangements, will operate differently (including the maximum award levels) than for the predecessor of any newly appointed executive;
where it is necessary to make a recruitment-related pay award to an external candidate, the Company will not pay more than the Committee considers to be necessary and will in all cases seek, in the first instance, to deliver any such awards under the terms of the existing incentive pay structure. It may, however, be necessary in some cases to make such awards on terms that are more bespoke than the existing annual and equity-based pay structures at the Company in order to secure a candidate; and
all awards for external appointments, whether under any long-term incentive plan, or otherwise, will take account of the nature, time-horizons and performance requirements for any remuneration relinquished by the individual when leaving a previous employer, and will be appropriately discounted to ensure that the Company does not, in the opinion of the Committee, over-pay. Any such awards would not be considered in calculating any other element of remuneration.

Statement of voting at general meeting

At the Annual General Meeting held on 6 May 2014, the Directors' Remuneration Report received the following votes from Shareholders: For 99.42%; Against 0.58%.

Total Shareholder Return

The graph below illustrates the Company's Total Shareholder Returns performance relative to constituents of the FTSE small cap and FTSE small cap media of which the Company is a constituent. The graph shows performance of a hypothetical £100 invested in its performance over the period.



Change in Executive Chairman total remuneration

	2010 £000s	2011 £000s	2012 £000s	2013 £000s	**2014 £000s**
K.J. Minton	172				
J.W. Poulter	40	120	738	1,380	**180**
Total remuneration	212	120	738	1,380	**180**
Annual variable award					
% versus max opportunity	100%	n/a	n/a	n/a	100%
Long term incentive					
Vesting rate	–	–	33.30%	66.70%	–

Currently there is no Group Chief Executive Officer and therefore reference in this section is to the Executive Chairman, who fulfils the role.

Percentage change in remuneration of Executive Chairman and employees

The table below shows the percentage change in remuneration of the Director undertaking the role of Group Chief Executive Officer and the Company's employees as a whole between 2014 and 2013.

	Percentage increase in remuneration in 2014 compared with remuneration in 2013	
	Executive Chairman	Average pay based on all employees
Salary	0.0%	3.0%
Benefits	0.0%	0.0%
Annual bonus	*	24.3%

* Annual bonus payable in respect of the year is £60,000. No bonus arrangement was in place in 2013.

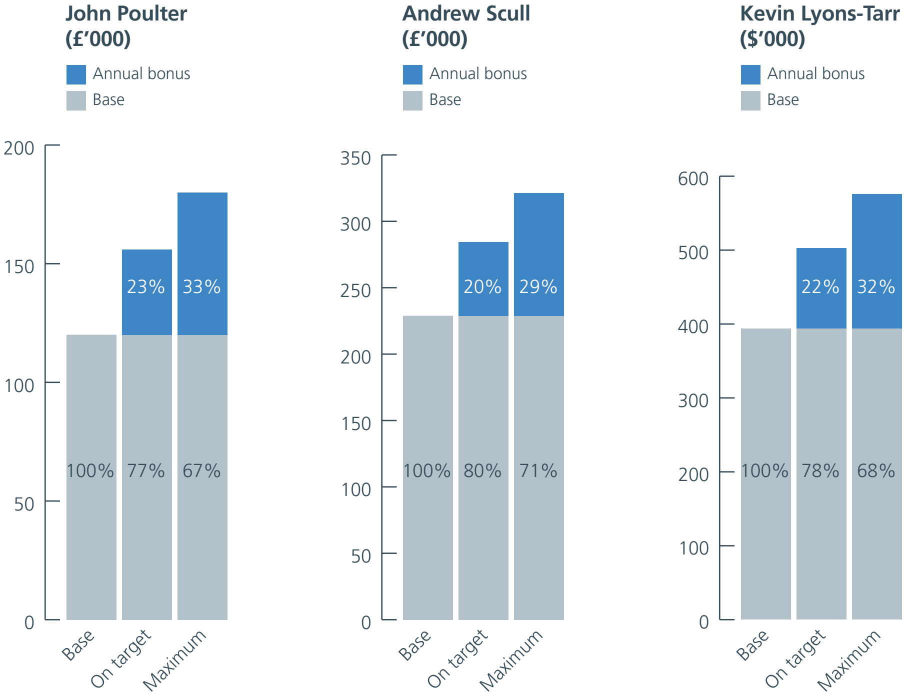
Relative importance of spend on pay

The table below shows the Group's actual spend on pay (for all employees within continuing operations) relative to dividends:

	2014 $m	2013 $m	% change
Wages and salaries	**33.20**	28.79	15.3%
Dividends paid	**7.92**	6.56	20.7%

Reward scenarios

The chart below shows how the composition of the Executive Directors' remuneration packages for 2015 may vary at different levels of performance under the policy set out in this report as a percentage of total remuneration opportunity.



Gillian Davies is stepping down as a Director on 31 March 2015. Details of her remuneration package for 2015 are shown on page 34.

If the proposed 2015 share based incentive plan is approved by Shareholders at the 2015 AGM and awards are made to directors then the composition of Executive Directors' remuneration packages at different levels of performance may vary from that shown above.

Remuneration implementation

Current service agreements

Ms G. Davies and Mr A.J. Scull (the "UK-based Executive Directors") have rolling service contracts which continue until terminated by the expiry of twelve months written notice from the Company to the Director. Each service contract provides for participation in a discretionary bonus scheme, the provision of a car (or car allowance) and, in the case of Ms G. Davies, pension entitlements and in the case of Mr A.J. Scull, pay in lieu of pension entitlements. The contractual termination payment in such circumstances would comprise up to twelve months payments, equivalent to the notice period, in respect of salary, car allowance, employers' contributions to defined contribution pension schemes (in the case of Ms G. Davies) and contributions to healthcare and income protection schemes.

Mr K. Lyons-Tarr (the "US-based Executive Director") has a rolling employment agreement with 4imprint Incorporated which continues until terminated by the expiry of twelve months written notice from that Company to the Director. The employment agreement for the US-based Executive Director provides for participation in a discretionary bonus scheme and entitlement to benefits generally available to employees of 4imprint Incorporated from time to time including, for example, retirement, disability, group accident, life and health insurance programmes. The contractual termination payment in such circumstances would comprise up to twelve months payments, equivalent to the notice period in respect of salary and other non-discretionary components.

Any commitment made to the Executive Directors by the Company under his/her service contract or otherwise which is consistent with the approved remuneration policy in force at the time that commitment was made will be honoured, even where it is not consistent with the policy prevailing at the time such commitment is fulfilled.

Name	Contract Details	Unexpired term at 27 December 2014	Notice period (i) from Company (ii) from Director	Contractual Termination payment
J.W. Poulter	30 April 2013	One year and four months	(i) Three months (ii) Three months	(i) n/a (ii) n/a
G. Davies	6 December 2004	n/a	(i) Twelve months (ii) Six months	(i) Twelve months contractual benefits (ii) n/a
K. Lyons-Tarr	27 July 2009	n/a	(i) Twelve months (ii) Six months	(i) Twelve months contractual benefits (ii) n/a
A.J. Scull	8 November 2004	n/a	(i) Twelve months (ii) Six months	(i) Twelve months contractual benefits (ii) n/a

Letters of appointment for the Executive Chairman and the Non-Executive Directors
Mr J.W. Poulter, the Executive Chairman, has a letter of appointment dated 30 April 2013. The appointment is for a period of three years from 1 May 2013 after which it is renewable by mutual agreement subject to the provisions in respect of reappointment contained in the Company's Articles of Association.

The letter of appointment indicates that the appointment will terminate, forthwith, without any entitlement to compensation, if, at any time:

(a) he is not reappointed as a Director of the Company upon retirement (by rotation or otherwise) pursuant to the Company's Articles of Association; or

(b) he is removed as a Director of the Company by resolution passed at a General Meeting of the Company; or

(c) he ceases to be a Director of the Company by reason of his vacating or being removed from office pursuant to any provisions of the Company's Articles of Association.

The letter of appointment does not provide for: (i) any participation in an annual bonus scheme; (ii) any pension provision; or (iii) any car allowance. With effect from 1 January 2014, Mr J.W. Poulter became entitled to the annual bonus.

Mr S.J. Gray and Mr J.A. Warren have letters of appointment dated 30 May 2012. Their respective appointments are for three years, after which they are renewable by agreement with the Company, subject to the provisions in respect of re-appointment contained in the Company's Articles of Association. The letter of appointment indicates that the appointment will terminate, forthwith, without any entitlement to compensation, if, at any time (a), (b) or (c) above apply.

The Executive Directors service contracts and the Non-Executive Directors and Mr J.W. Poulter's letters of appointment are available for inspection at the Company's registered office.

Payment for loss of office
Executive Directors are entitled to receive benefits on termination of employment in accordance with their contracts of employment. The Committee may consider other benefits within the remuneration policy. In addition to any contractual rights, all employees (including the Executive Directors) may have legal rights to certain additional payments e.g. in a redundancy situation.

No loss of office payments or payments to past Directors were made in the year under review. However an accrual was made for payments to be made to Ms G. Davies in 2015.

It was announced on 18 December 2014, that, following the decision that the Group Finance Director should be based in the USA, Ms G. Davies will step down as a Director and employee of the Company on 31 March 2015, after which she will be available to the Company until 30 June 2015 to provide support to her successor and to assist with an orderly transition.

The Remuneration Committee has determined that Ms G. Davies will continue to receive her salary and contractual benefits until 31 March 2015. It has also determined the following:

Payment in lieu of notice
Ms G. Davies will receive £223,350, being the value of her base salary, car allowance, life assurance and pension contributions in respect of the 12 months notice period that she is not required to serve. This sum shall be payable in the following instalments:

- one-third within 14 days following 31 March 2015;
- one-third within 14 days following 31 July 2015; and
- the remaining third in four equal monthly instalments commencing in December 2015.

Such instalments shall cease or be reduced if she commences alternative employment.

Annual bonus
Ms G. Davies will, at the sole discretion of the Company's Remuneration Committee, receive an annual performance-related bonus for the 2015 financial year. Any bonus shall be pro-rated to reflect the period of her employment.

Other benefits
The Company will continue to provide health insurance for Ms G. Davies until 31 March 2016 or such earlier date upon which she commences alternative employment.

Share Save Scheme (the "SAYE Scheme")
Any share options held by Ms G. Davies under the UK Savings Related Share Option Scheme will be treated in accordance with the rules of the Scheme.

No further payments or entitlements will be bestowed upon Ms G. Davies either in connection with her loss of office or in relation to the cessation of her employment.

The following information on pages 34 to 36 has been subject to audit.
Apart from Mr K. Lyons-Tarr, Directors are paid in Sterling. It is therefore considered more appropriate to present the Directors' remuneration in Sterling. The US dollar remuneration amounts for Mr K. Lyons-Tarr are disclosed separately below:

Directors' remuneration – single total figure

	Basic salary/fee £	Benefits in kind £	Annual bonus £	Total emoluments £	LTIP vested £	Employers pension contributions/ pay in lieu (a) £	**Total remuneration 2014 £**
Executive							
J.W. Poulter	120,000		60,000	180,000			**180,000**
G. Davies	185,000	13,796	92,500	291,296		27,750	**319,046**
A.J. Scull	185,000	16,033	92,500	293,533		27,750	**321,283**
K. Lyons-Tarr	221,037	12,175	110,693	343,905		5,520	**349,425**
Non-Executive							
J.A. Warren	35,000			35,000			**35,000**
S.J. Gray	35,000			35,000			**35,000**
Total	**781,037**	**42,004**	**355,693**	**1,178,734**	**–**	**61,020**	**1,239,754**

Benefits in kind are described on page 25.

(a) Mr A.J. Scull received £27,750 pay in lieu of pension contributions (2013: £27,000).

	Basic salary/fee £	Benefits in kind £	Annual bonus £	Total emoluments £	LTIP vested (c) £	Employers pension contributions/ pay in lieu (b) £	Total remuneration 2013 £
Executive							
J.W. Poulter	120,000			120,000	1,260,000		1,380,000
G. Davies	180,000	13,085	90,000	283,085	1,260,000	27,000	1,570,085
A.J. Scull	180,000	15,801	90,000	285,801	1,260,000	27,000	1,572,801
K. Lyons-Tarr	223,771	9,833	111,885	345,489	1,260,000	6,549	1,612,038
Non-Executive							
J.A. Warren	35,000			35,000			35,000
S.J. Gray	35,000			35,000			35,000
Total	773,771	38,719	291,885	1,104,375	5,040,000	60,549	6,204,924

(b) Mr A.J. Scull received £27,000 pay in lieu of pension contributions.

(c) Restated to be based on the 200,000 shares each vested in 2013 at the exercise price at 28 April 2014 £6.30 (previously based on an average for the last quarter of 2013 of £6.18).

K. Lyons-Tarr US dollar remuneration

	Basic salary/fee $	Benefits in kind $	Annual bonus $	Total emoluments $	LTIP vested (c) $	Employers pension contributions/ pay in lieu $	**Total remuneration $**
2014	**364,424**	**20,073**	**182,500**	**566,997**	**–**	**9,100**	**576,097**
2013	350,000	15,380	175,000	540,380	1,970,766	10,243	2,521,389

Directors' interests in the share capital of the Company

Details of the beneficial interests in the number of ordinary shares held in the Company by each Director and their connected persons are set out below:

	Holding at 27 December 2014	Holding at 28 December 2013
J.W. Poulter	**120,000**	30,000
G. Davies	**159,681**	121,481
K. Lyons-Tarr	**249,432**	99,432
A.J. Scull	**140,000**	126,548
J.A. Warren	**5,000**	5,000
S.J. Gray	**8,000**	8,000

There has been no change in the Directors' interests in the share capital of the Company since 27 December 2014 to the date of this report, other than in respect of Mr K. Lyons-Tarr who received 2,395 shares pursuant to the 2012 US Sharesave scheme.

Directors' options over the share capital of the Company

Details of share options held by the Directors are set out below:

	Holding at 28 Dec 2013	Exercised during the year	Holding at 27 Dec 2014	Date of grant	Exercise price	Exercisable From	To
J.W. Poulter							
– Performance Share Plan	300,000	**300,000**	**0**	27 Apr 2011	Nil	27 Apr 2014	27 Apr 2021
– 2012 SAYE	3,383		**3,383**	31 Oct 2012	266p	1 Jan 2016	30 Jun 2016
G. Davies							
– Performance Share Plan	300,000	**300,000**	**0**	27 Apr 2011	Nil	27 Apr 2014	27 Apr 2021
– 2012 SAYE	3,383		**3,383**	31 Oct 2012	266p	1 Jan 2016	30 Jun 2016
K. Lyons-Tarr							
– Performance Share Plan	300,000	**300,000**	**0**	27 Apr 2011	Nil	27 Apr 2014	27 Apr 2021
– 2012 US Sharesave	2,395		**2,395**	31 Oct 2012	$4.76	16 Jan 2015	29 Jan 2015
A.J. Scull							
– Performance Share Plan	300,000	**300,000**	**0**	27 Apr 2011	Nil	27 Apr 2014	27 Apr 2021
– 2012 SAYE	3,383		**3,383**	31 Oct 2012	266p	1 Jan 2016	30 Jun 2016

Gains on exercise of options in the period were £1,890,000 each for Mr J.W. Poulter, Ms G. Davies, Mr K. Lyons-Tarr and Mr A.J. Scull (2013: £27,694 each for Ms G. Davies and Mr A.J. Scull).

During 2014 the middle-market value of the share price ranged from 6.185p to 8.45p and was 7.95p at the close of business on 27 December 2014.

Details of share options granted by 4imprint Group plc as at 27 December 2014 are given in note 23. None of the terms and conditions of the share options was varied during the period. The performance criteria for all Directors' options were consistent with the remuneration policy. Once an award has vested, the exercise of share options is unconditional, subject to the Rules of the option grant.

On behalf of the Board

S.J. Gray
Chairman of the Remuneration Committee
4 March 2015

Statement of Directors' responsibilities
in respect of the Annual Report, the Directors' Remuneration report and the financial statements

The Directors are responsible for preparing the Annual Report, the Directors' Remuneration report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and parent Company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess a Company's performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Board of Directors on page 14 confirm that, to the best of their knowledge:

- the Group financial statements, which 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 Group; and

- the strategic report, operating review, financial review and Directors' report contained on pages 3 to 16 includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

By order of the Board

Andrew Scull
Company Secretary
4 March 2015

Independent auditors' report to the members of 4imprint Group plc

Report on the Group financial statements

Our opinion

In our opinion, 4imprint Group plc's Group financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's affairs as at 27 December 2014 and of its profit and cash flows for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

What we have audited

4imprint Group plc's financial statements comprise:

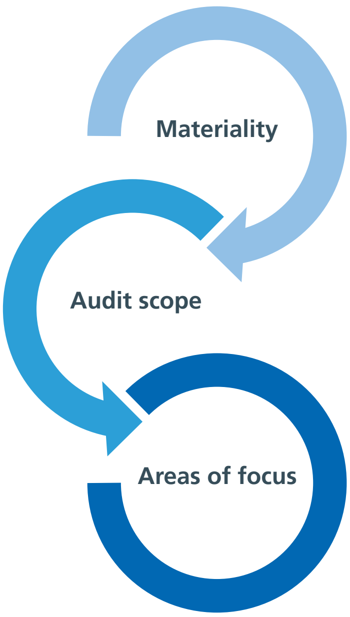
- the Group balance sheet as at 27 December 2014;
- the Group income statement and statement of comprehensive income for the period then ended;
- the Group cash flow statement for the period then ended;
- the Group statement of changes in Shareholders' equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

Our audit approach

Overview



Overall Group materiality: $1,285,000 which represents 5% of profit from continuing operations before tax and exceptional items.

We conducted audit work over 4imprint Group plc (the parent Company of the Group), 4imprint Inc. and 4imprint Direct Marketing Limited which accounted for 100% of revenue and profit from continuing operations before tax and exceptional items.

Accounting for defined benefit pension scheme liabilities.
Accounting for supplier arrangements.
Change in presentational currency.

The scope of our audit and our areas of focus

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)").

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are identified as "areas of focus" in the following table. We have also set out how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole, and any comments we make on the results of our procedures should be read in this context. This is not a complete list of all risks identified by our audit.

Areas of focus	How our audit addressed the area of focus
Accounting for defined benefit pension scheme liabilities	
Refer to page 21 of the Statement on corporate governance, page 51 of the Statement of accounting policies and Note 4 to the consolidated financial statements. The Group operates a defined benefit pension scheme which, although now closed to future accruals and entrants, had a deficit of $24.0m (2013: $27.4m) as at 27 December 2014. The Group employ independent actuarial specialists in calculating the valuation of scheme liabilities. As part of a continuing effort to de-risk the pension scheme, the Group has completed a further buy-in of a section of liabilities of the pension scheme to increase the level of insured liabilities to circa 75%, which has been treated as a re-measurement of liabilities in the financial statements and the Group also completed a flexible early retirement offer ("FERO") made to members. The buy-in and FERO exercises have a material impact on the valuation of the pension scheme liabilities, and are materially sensitive to changes in underlying assumptions that are subjective. We focused our work on the assumptions to which the valuation of the impact of these exercises was most sensitive, namely the discount rate, inflation rate and mortality assumptions. We also focused on the determination of whether the buy-in constituted a re-measurement, as accounted for, or a settlement of liabilities.	We compared the discount rate, inflation and mortality assumptions applied in the buy-in and FERO exercises to externally derived data as well as our own, independently formed assessments, in relation to these and other key inputs in order to assess whether the assumptions used were reasonable. We benchmarked the key assumptions used in valuing the scheme liabilities with other entities with schemes of a similar size, duration and demographic profile. We noted that all assumptions applied were consistent with those typically being applied by other entities and in line with our independently formed assessments, within an acceptable range. We inspected legal documentation in relation to the buy-in to assess whether these were consistent with the conclusion that the buy-in was a re-measurement of liabilities. We specifically considered whether any committed obligations existed that would result in the buy-in being converted to a buy-out, thus giving rise to a settlement of liabilities. We found no evidence that such agreements or commitments existed and noted that legal and contractual documentation supported the treatment of the buy-in. We also assessed whether the disclosures reflect the risks inherent in the accounting for the pension scheme and the specific impact of both the buy-in and FERO exercises in the current period. We determined that the disclosures were sufficient and reflected the impact of the transactions undertaken in the period and the period end position of the pension scheme.
Accounting for supplier arrangements	
Refer to page 21 of the statement on corporate governance, page 49 of the Statement of accounting policies. The Group, primarily through 4imprint Inc., receives significant rebates from its suppliers. These relate to volume based rebates on purchases made from key product suppliers throughout the financial period. The rebates received are based on formal signed agreements with suppliers and are paid dependent on the level of spend within the financial period, with which all agreements are coterminous. The percentage of purchases paid as a rebate from certain suppliers increases based on predetermined thresholds within supplier agreements. We have focused on this because the quantum of income recorded under these arrangements is significant in relation to the result for the period. Furthermore, given the number of different rebate contracts the Group has entered into and the range of different rebate rates used, including stepped rebates, in the calculations there is an inherent risk of error in the calculation of these amounts.	We have obtained supplier agreements and inspected them to assess whether all rebates received, and receivable, by the Group have been accounted for in the correct financial period and in accordance with the specific terms of agreements with suppliers. From inspection of these agreements we determined that the terms and conditions, including the financial periods over which rebate income could be earned, had been appropriately considered in the calculations of rebates receivable. We recalculated supplier rebate income and receivables based on spend with suppliers in the period and taking account of agreed rebate rates per signed supplier agreements. We did not identify any significant differences between our expectation and the amounts actually recognised. We compared actual receipts from suppliers in the period to amounts recorded as receivable at the prior period end in order to assess the accuracy of the estimation processes. We determined that the level of current period receipts supported the assumptions around collectability of prior period rebates receivable, and therefore that the estimation process was reasonable in this regard. We tested purchase transactions around the period end to confirm whether purchases upon which rebate income and receivables are based had been recorded in the correct accounting period and we noted no material exceptions from this testing. We tested the carrying value of rebate receivable balances at the period end by vouching them to subsequent cash receipts from suppliers. We determined the proportions of these balances collected as at the date of this report and noted no evidence to suggest material doubts over collectability.

Independent auditors report to the members of 4imprint Group plc continued

Areas of focus	How our audit addressed the area of focus
Change in presentational currency	
Refer to page 21 of the statement on corporate governance and to the restatement note on page 48 of the Statement of accounting policies. As set out on page 7, the Group has changed presentational currency from GBP to USD for the period ended 27 December 2014. The change in presentation currency represented a significant one off change in the period which materially impacts the Group's financial reporting. As a result of the change in presentational currency the financial statements for the prior period have been restated and are now reported in US dollars. An opening balance sheet as at 30 December 2012 has also been presented as required by IFRS. The Group has entities which have US dollar and GBP functional currencies. As part of the change in presentational currency the Group's prior period foreign currency translation reserve was restated to include the impact of translation differences on consolidating GBP functional currency entities. To this end, the Group recalculated all foreign exchange movements on GBP functional currency entities since its adoption of IFRS in 2004, which was a complex calculation. The change in presentational currency is an area of focus because of the significant effort required to audit the change and the significant impact it had on the Group's financial reporting. We gave specific focus to the impact of this change in currency on the accounting for the disposal of SPS (EU) Limited.	We tested all foreign exchange rates used in this exercise to independent sources and agreed them as being in line with published market rates. We tested the calculations which support the restatement of the prior period Group income statement, Group statement of comprehensive income, Group balance sheet, Group statement of changes in Shareholders' equity, Group cash flow statement and the notes to the financial statements. We determined that these calculations had been accurately performed and that the restatement amounts were appropriately reported. We tested the calculation of the restatement of the prior period foreign currency translation reserve. This included agreeing income statement amounts, as well as changes in equity, of GBP functional currency entities back to prior period financial statements and consolidation entries, as applicable. Through these procedures we determined that management's calculations had been performed accurately and that the amounts reported within the foreign currency translation reserve, totaling \$4.6m (2013: \$5.5m), were appropriate. We tested the amount of \$1.3m recycled from the foreign currency translation reserve to the income statement on disposal of SPS (EU) Limited in the period by agreeing it to the calculation of the historical foreign currency movement. We determined the amount and treatment were consistent with the requirements of IFRS. We inspected the disclosures on the change in presentational currency and consider them to be adequate and sufficient to explain the nature of the change undertaken.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the geographic structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group comprises the following entities:

- 4imprint Inc. and 4imprint Direct Marketing Limited, trading entities that form the Direct Marketing operating segment and are based in the United States and United Kingdom respectively. Audit work over 4imprint Inc. is undertaken by the UK based Group audit team who visit the business's operations in Oshkosh, Wisconsin to undertake all required audit procedures;
- SPS (EU) Limited, whose operations have been presented as discontinued in the financial statements, following its sale in February 2014;
- 4imprint Group plc, parent Company of the Group; and
- Five non-trading entities.

We performed an audit of the complete financial information of 4imprint Inc., 4imprint Direct Marketing Limited and 4imprint Group plc, which we regarded as financially significant components of the Group. These components accounted for 100% of the consolidated Group's revenue and profit from continuing operations before tax and exceptional items for the period.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, consistent with prior period, we determined materiality for the financial statements as a whole as follows:

Overall Group materiality	\$1,285,000 (2013: \$768,000).
How we determined it	5% of profit from continuing operations before tax and exceptional items.
Rationale for benchmark applied	We note that profit from continuing operations before tax and exceptional items is the key measure used both by the Board and, we believe, externally by shareholders in evaluating the performance of the Group. It also represents a consistent measure of performance period on period by removing the impact of non-recurring items.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$65,000

(2013: $40,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Going concern

Under the Listing Rules we are required to review the Directors' statement, set out on page 16, in relation to going concern. We have nothing to report having performed our review.

As noted in the Directors' statement, the Directors have concluded that it is appropriate to prepare the financial statements using the going concern basis of accounting. The going concern basis presumes that the Group has adequate resources to remain in operation, and that the Directors intend it to do so, for at least one year from the date the financial statements were signed. As part of our audit we have concluded that the Directors' use of the going concern basis is appropriate.

However, because not all future events or conditions can be predicted, these statements are not a guarantee as to the Group's ability to continue as a going concern.

Other required reporting

Consistency of other information

Companies Act 2006 opinion

In our opinion, the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under ISAs (UK & Ireland) we are required to report to you if, in our opinion:	
Information in the Annual Report is: • materially inconsistent with the information in the audited financial statements; or • apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or • otherwise misleading.	We have no exceptions to report arising from this responsibility.
The statement given by the Directors on page 21, in accordance with provision C.1.1 of the UK Corporate Governance Code ("the Code"), that they consider the Annual Report taken as a whole to be fair, balanced and understandable and provides the information necessary for members to assess the Group's performance, business model and strategy is materially inconsistent with our knowledge of the Group acquired in the course of performing our audit.	We have no exceptions to report arising from this responsibility.
The section of the Annual Report on pages 19 to 22, as required by provision C.3.8 of the Code, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.	We have no exceptions to report arising from this responsibility.

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Corporate governance statement

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with ten provisions of the UK Corporate Governance Code. We have nothing to report having performed our review.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities on page 37, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Company financial statements of 4imprint Group plc for the 52 week period ended 27 December 2014 and on the information in the Directors' Remuneration Report that is described as having been audited.

Nicholas Boden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
4 March 2015

Group income statement

for the 52 weeks ended 27 December 2014

	Note	2014 $'000	2013 (restated)† $'000
Continuing operations			
Revenue	1	**415,773**	332,936
Operating expenses	2	**(391,631)**	(317,080)
Operating profit before exceptional items		**26,549**	16,253
Exceptional items	5	**(2,407)**	(397)
Operating profit	1	**24,142**	15,856
Finance income		**107**	88
Finance costs		**(7)**	(27)
Pension finance charge		**(903)**	(1,445)
Net finance cost	6	**(803)**	(1,384)
Profit before tax		**23,339**	14,472
Taxation	7	**(6,982)**	(3,857)
Profit for the period from continuing operations		**16,357**	10,615
Discontinued operations			
Profit/(loss) from discontinued operations	10	**1,381**	(4,825)
Profit for the period		**17,738**	5,790

		Cents	Cents
Earnings per share			
Basic			
From continuing operations	8	**59.73**	40.11
From continuing and discontinued operations	8	**64.78**	21.88
Diluted			
From continuing operations	8	**58.16**	38.13
From continuing and discontinued operations	8	**63.08**	20.80
Underlying			
From continuing operations	8	**73.48**	55.55

† Presentational currency changed to US dollars (see page 48).

Group statement of comprehensive income

for the 52 weeks ended 27 December 2014

	Note	2014 $'000	2013 (restated)† $'000
Profit for the period		**17,738**	5,790
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to the income statement:			
Currency translation differences	24	**529**	377
Currency translation differences recycled to income statement on disposal of business	24	**(1,347)**	–
Items that will not be reclassified subsequently to the income statement:			
Remeasurement (losses)/gains on post employment obligations	4	**(15,128)**	4,455
Return on Scheme assets (excluding interest income)	4	**6,047**	2,718
Remeasurement loss on buy-in	4	**(12,622)**	–
Tax relating to components of other comprehensive (expense)/income		**(645)**	(3,502)
Effect of change in UK tax rate		**33**	(755)
Other comprehensive (expense)/income net of tax		**(23,133)**	3,293
Total comprehensive (expense)/income for the period		**(5,395)**	9,083

	2014 $'000	2013 (restated)† $'000
Total comprehensive (expense)/income attributable to equity		
Shareholders arising from		
– Continuing operations	**(5,429)**	13,908
– Discontinued operations	**34**	(4,825)
	(5,395)	9,083

† Presentational currency changed to US dollars (see page 48).

Group balance sheet

at 27 December 2014

	Note	**2014** **$'000**	2013 (restated)† $'000	2012 (restated)† $'000
Non current assets				
Property, plant and equipment	11	**9,105**	8,803	19,931
Intangible assets	12	**1,298**	1,349	1,541
Deferred tax assets	13	**4,794**	6,324	10,147
		15,197	16,476	31,619
Current assets				
Assets held for sale	10	**–**	13,824	–
Inventories	14	**4,353**	3,686	5,393
Trade and other receivables	15	**36,810**	30,105	32,617
Other financial assets – bank deposits	16	**–**	8,165	4,847
Cash and cash equivalents	16	**18,301**	17,825	22,780
		59,464	73,605	65,637
Current liabilities				
Trade and other payables	17	**(36,038)**	(29,684)	(25,969)
Current tax		**(11)**	(247)	(242)
Borrowings	18	**–**	–	(2,659)
Provisions for other liabilities and charges	20	**(229)**	–	–
Liabilities held for sale	10	**–**	(4,364)	–
		(36,278)	(34,295)	(28,870)
Net current assets		**23,186**	39,310	36,767
Non current liabilities				
Retirement benefit obligations	4	**(24,015)**	(27,398)	(36,985)
Borrowings	18	**–**	–	(7,717)
Deferred tax liability	19	**(298)**	(477)	(1,163)
Provisions for other liabilities and charges	20	**–**	(242)	(242)
		(24,313)	(28,117)	(46,107)
Net assets		**14,070**	27,669	22,279
Shareholders' equity				
Share capital	22	**18,777**	17,988	17,884
Share premium reserve		**68,451**	68,451	68,233
Other reserves	24	**5,011**	5,829	5,452
Retained earnings		**(78,169)**	(64,599)	(69,290)
Total Shareholders' equity		**14,070**	27,669	22,279

† Presentational currency changed to US dollars (see page 48).

The financial statements on pages 43 to 74 were approved by the Board of Directors on 4 March 2015 and were signed on its behalf by:

John Poulter
Chairman

Gillian Davies
Group Finance Director

Group statement of changes in Shareholders' equity

for the 52 weeks ended 27 December 2014

	Share capital $'000	Share premium reserve $'000	Other reserves (note 24) $'000	Retained earnings: Own shares $'000	Retained earnings: Profit and loss $'000	Total equity $'000
Balance at 29 December 2012 (restated)†	17,884	68,233	5,452	(1,125)	(68,165)	22,279
Profit for the period					5,790	5,790
Other comprehensive income/(expense)						
Currency translation differences			377			377
Remeasurement gains on post employment obligations					7,173	7,173
Tax relating to components of other comprehensive income					(3,502)	(3,502)
Effect of change in UK tax rate					(755)	(755)
Total comprehensive income			377		8,706	9,083
Shares issued	104	218				322
Own shares utilised				8	(8)	–
Own shares purchased				(203)		(203)
Share-based payment charge					1,243	1,243
Deferred tax relating to share options					1,503	1,503
Dividends					(6,558)	(6,558)
Balance at 28 December 2013 (restated)†	17,988	68,451	5,829	(1,320)	(63,279)	27,669
Profit for the period					**17,738**	**17,738**
Other comprehensive (expense)/income						
Currency translation differences			**529**			**529**
Currency translation difference recycled to income statement on disposal of business			**(1,347)**			**(1,347)**
Remeasurement losses on post employment obligations					**(21,703)**	**(21,703)**
Tax relating to components of other comprehensive income					**(645)**	**(645)**
Effect of change in UK tax rate					**33**	**33**
Total comprehensive expense			**(818)**		**(4,577)**	**(5,395)**
Shares issued	**789**					**789**
Own shares utilised				**2,033**	**(2,033)**	**–**
Own shares purchased				**(2,105)**		**(2,105)**
Share-based payment charge					**653**	**653**
Tax relating to share options					**383**	**383**
Dividends					**(7,924)**	**(7,924)**
Balance at 27 December 2014	**18,777**	**68,451**	**5,011**	**(1,392)**	**(76,777)**	**14,070**

† Presentational currency changed to US dollars (see page 48).

Group cash flow statement

for the 52 weeks ended 27 December 2014

	Note	2014 $'000	2013 (restated)† $'000
Cash flows from operating activities			
Cash generated from operations	25	**686**	17,913
Net tax paid		**(6,187)**	(2,714)
Finance income		**120**	108
Finance costs		**–**	(22)
Net cash (used in)/generated from operating activities		**(5,381)**	15,285
Cash flows from investing activities			
Purchases of property, plant and equipment		**(1,601)**	(1,542)
Purchases of intangible assets		**(496)**	(486)
Net proceeds from sale of property, plant and equipment		**5**	–
Net proceeds from sale of business	10	**9,717**	1,484
Net cash generated from/(used in) investing activities		**7,625**	(544)
Cash flows from financing activities			
Repayment of borrowings		**–**	(10,064)
Capital element of finance lease payments		**–**	(236)
Transfer from/(to) other financial assets		**8,161**	(3,050)
Proceeds from issue of ordinary shares	22	**789**	322
Purchase of own shares		**(2,105)**	(200)
Dividends paid to Shareholders	9	**(7,924)**	(6,558)
Net cash used in financing activities		**(1,079)**	(19,786)
Net movement in cash and cash equivalents		**1,165**	(5,045)
Cash and cash equivalents at beginning of the period		**17,825**	22,780
Exchange (losses)/gains on cash and cash equivalents		**(689)**	90
Cash and cash equivalents at end of the period		**18,301**	17,825

Analysis of cash and cash equivalents			
Cash at bank and in hand	16	**12,466**	10,815
Short term deposits	16	**5,835**	7,010
		18,301	17,825

† Presentational currency changed to US dollars (see page 48).

Notes to the financial statements

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. These financial statements have been prepared in US dollars.

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 changed the currency in which it presents the consolidated financial statements to US dollars to give a more meaningful view of the Group's financial performance and position.

Basis of preparation
The financial statements 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 at the time of preparing these financial statements (March 2015).

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.

Basis of consolidation
The consolidated financial statements include the financial statements of the Company and its subsidiaries for the period. A subsidiary is an entity that is controlled by the Company. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries, as amended to conform with Group accounting policies, are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the consideration paid. Identifiable assets and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The excess of the cost of acquisition over the Group's share of identifiable net assets is recorded as goodwill. Acquisition related costs are expensed as incurred.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. In addition, comparatives are also restated to reclassify disposed businesses, or those that meet the criteria of IFRS 5 to be classified as held for sale and as discontinued operations. All subsidiaries have the same year end date as the Group.

Use of assumptions and estimates
The preparation of the consolidated financial statements requires management to make judgements, 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 experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Restatement
The Group announced on 24 October 2014 that it would change the currency in which it presents its consolidated financial statements from Sterling to US dollars. A substantial portion of the Group's revenue and earnings are denominated in US dollars and the Board has decided that a US dollar presentation will give a more meaningful view of the Group's financial performance and position.

The consolidated financial statements have been prepared using the procedures outlined below and the prior period has been restated in accordance with the requirements set out in IAS 21: 'The Effects of Changes in Foreign Exchange Rates'.

- items of income and expenditure, other than single material identifiable transactions, denominated in non US dollar currencies were translated into US dollars at the average exchange rate of the reporting period. Single material identifiable transactions, e.g. the sale of the SPS business, have been translated at the exchange rate at the time of the transaction;
- assets and liabilities denominated in non US dollar currencies were translated into US dollars at the closing rate prevailing at the balance sheet dates;
- share capital, share premium and the capital redemption reserve have been translated at historical exchange rates; and
- all resulting exchange differences have been recognised in other comprehensive income and in the currency translation reserve in accordance with the Group's existing accounting policy.

The relevant exchange rates used to convert the 2013 Sterling financial statements were as follows:

£/US$ – average	1.5641
£/US$ – period end	1.6494

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. Management consider the following to be the only critical accounting policy:

Pensions
As disclosed in note 4, 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.

Other accounting policies

Revenue
Revenue from sales of promotional goods, delivery receipts and other activities, is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business net of discounts, returns and sales related taxes. Revenues are recognised upon the despatch of goods to customers.

Supplier rebates
Amounts due under rebate agreements are recognised based upon volumes of the products purchased during the period to which the rebates relate at the relevant rebate rates, per supplier agreements. Amounts are credited to the cost of purchase of goods for resale and any accrued income is included in other receivables. Provision is made against such receivables to the extent it is considered that the amounts are not recoverable.

Segmental reporting
The reporting requirements of IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker to allocate resources to the segments and to assess their performance. The chief operating decision maker has been identified by the Directors as the Board and accordingly the segmental reporting included in the financial statements aligns with those reported monthly to the Board.

Leases
Where the Group has substantially all of the risks and rewards of ownership under a lease, the lease will be classified as a finance lease. All other leases are classified as operating leases.

Finance leases
Assets acquired through finance leases are capitalised as property, plant and equipment, at the lower of the fair value of the leased asset and the present value of the minimum lease payments. These assets are depreciated over the lease term or the estimated useful life, whichever is shorter. The resulting lease obligations are included in liabilities, net of finance charges. Interest costs on finance leases are charged directly to the income statement.

Operating leases
Assets leased under operating leases are not recorded on the balance sheet. Rental payments are charged directly to the income statement on a straight line basis over the period of the lease.

Share-based payments
All share options are measured at fair value at the date of grant using option-pricing models (primarily Black-Scholes or Monte Carlo) allowing for any non-market and service conditions, and the impact of any non-vesting conditions (for example requirements for the employee to save). The fair value is charged to the income statement over the vesting period of the share option schemes on a straight line basis. The value of the charge is adjusted each year to reflect the expected number of options that will become exercisable. All options cancelled are fully expensed to the income statement upon cancellation.

Exceptional items
Income or costs which are both material and non-recurring, whose significance is sufficient to warrant separate disclosure in the financial statements, are referred to as exceptional items. The Directors consider that the separate disclosure of these items assists in understanding the Group's financial performance.

Taxation
The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity in which case the tax is recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Group's financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Dividends
Final equity dividends are recognised in the Group's financial statements in the period in which the dividends are approved by the Shareholders. Interim equity dividends are recognised when paid.

Foreign currency
The functional and presentation currency of the Company is Sterling, however the Group's financial statements are presented in US dollars.

Transactions in currencies other than the functional currency of the Company or subsidiary concerned are recorded at the exchange rate prevailing at the date of the transaction. At each balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Translation differences on monetary items are taken to the income statement.

On consolidation the balance sheets of Sterling enterprises are translated into US dollars at the exchange rate ruling at the balance sheet date and income statements are translated at average rates for the trading period under review. One off material transactions are translated at the spot rate on the transaction date. The resulting exchange differences are taken to the cumulative translation differences reserve and are reported in the statement of comprehensive income.

On disposal of an operation any cumulative exchange differences held in Shareholders' equity are recycled to the income statement.

Derivative instruments
The Group uses derivative forward foreign exchange contracts to hedge highly probable cash flows.

Derivatives are recognised initially at fair value and are remeasured at fair value at each reporting date. The treatment of the gain or loss on remeasurement depends on the nature of the item being hedged.

Hedges of the fair value of recognised assets and liabilities are designated as fair value hedges. Hedges of highly probable forecast transactions are designated as cash flow hedges.

Changes in the fair value of fair value hedging instruments are recognised in the income statement. Changes in the fair value of the hedged items are also recognised in the income statement.

The effective portion of changes in cash flow hedges are deferred in a hedging reserve, where material, and then charged to the income statement when the forecast sale or purchase occurs or if the forecast transaction is no longer expected to occur. Any ineffective portion of the cash flow hedge is recognised immediately in the income statement.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. No depreciation is provided on freehold land and assets in the course of construction. For all other property, plant and equipment, depreciation is calculated to write-off their cost less residual value by equal annual instalments over the period of their estimated useful lives, which are reviewed on a regular basis. Leasehold assets are depreciated over the shorter of the term of the lease or their estimated useful lives.

Cost comprises the purchase price plus costs directly incurred in bringing the asset into use.

The principal useful lives currently fall within the following ranges:

Freehold and long leasehold buildings	50 years
Short leasehold buildings	Life of lease
Plant, machinery, fixtures and fittings	3 – 15 years
Computer hardware	3 years

Profits and losses on disposal which have arisen from over or under depreciation are accounted for in arriving at operating profit and are separately disclosed when material.

Intangible assets
Acquired software licences and external expenditure on developing websites and other computer systems is capitalised, held at historic cost and amortised from the invoice date on a straight-line basis over its useful economic life (currently 3 to 5 years). Internal costs and non-development costs are expensed as incurred.

An expense is recognised for catalogues and other related marketing expenses when the business has access to them.

Impairment of assets
All property, plant and equipment and intangible assets are reviewed for impairment in accordance with IAS 36 'Impairment of Assets' if there is an indication that the carrying value of the asset may have been impaired. Where an impairment review is required, the carrying value of the assets is measured against their value in use based on future estimated cash flows, discounted by the appropriate cost of capital, resulting from the use of those assets. Assets are grouped at the lowest level for which there is a separately identifiable cash flow (cash generating unit). An impairment loss is recognised for the amount at which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Discontinued operations and assets held for sale
Business components that represent separate major lines of business or geographical areas of operations are recognised as discontinued if the operations have been disposed of, or meet the criteria to be classified as held for sale under IFRS 5. Assets and disposal groups are classified as held for sale if their carrying amount will be principally recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, expected to be completed within one year and the asset (or disposal group) is available for immediate sale in its present condition. Disposal groups or assets held for sale are held at the lower of their carrying amount on the date they are classified as held for sale and fair value less costs to sell.

Inventories
Inventories are valued at the lower of cost, net of provisions for slow moving and discontinued items, and net realisable value using first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Items in transit where the Group holds the risks and rewards are included in inventories.

Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is recognised in the income statement. Trade and other receivables are discounted when the time value of money is considered material.

Cash and cash equivalents
Cash and cash equivalents includes cash in hand, deposits held on call with banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. In the cash flow statement cash and cash equivalents are shown net of bank overdrafts. Cash deposits with an original maturity in excess of three months are classified as other financial assets.

Trade payables
Trade payables are recognised initially at fair value and subsequently measured at amortised cost. Trade and other payables are discounted when the time value of money is considered material.

Pensions
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 Group sponsors a defined benefit scheme, which is now closed to new members and future accruals. The Group accounts for the defined benefit scheme under IAS 19 'Employee Benefits'. The deficit of the defined benefit pension scheme is recognised in full on the balance sheet and represents the difference between the fair value of the plan assets and the present value of the defined benefit obligation at the balance sheet date. A full actuarial valuation is carried out at least every three years and the defined benefit obligation is updated on an annual basis, by independent actuaries, using the projected unit credit method.

Pension charges recognised in the income statement consists of administration costs of the scheme and a finance cost based on the interest on net pension scheme liabilities calculated in accordance with IAS 19.

Differences between the actual and expected return on assets, experience gains and losses and changes in actuarial assumptions are included directly in the Group's statement of comprehensive income.

Borrowings
Borrowings are measured initially at fair value net of transaction costs incurred and subsequently carried at amortised costs using the effective interest rate method. Arrangement fees are amortised over the life of the borrowing. Borrowings are discounted when the time value of money is considered material.

Provision for onerous leases
Provisions for future lease costs and dilapidations are made when there is a legal or constructive obligation as a result of past events and it is probable that expenditure will be incurred and a reliable estimate can be made of that cost. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Own shares held by employee share trusts
Own shares acquired, to meet future obligations under employee share options, are held in independent trusts. These are funded by the Company and purchases of shares by the trusts are charged directly to equity.

Administration expenses of the trusts are charged to the Company's income statement as incurred.

IFRS standards effective in future financial statements
The IASB and IFRS IC have issued new or amended standards and interpretations which are effective for accounting periods as noted below. The impact of IFRS 15 is still being assessed, but the net impact on results is not expected to be material. Management do not believe the impact of adopting the other new or amended standards and interpretations will have a material impact on the results or net assets of the Group.

IFRS 9, 'Financial instruments' (effective 1 January 2018)
IFRS 15, 'Revenue from contracts with customers' (effective 1 January 2017)
Amendment to IAS 16, 'Property, plant and equipment' and *IAS 38,* 'Intangible assets', on depreciation and amortisation (effective 1 January 2016)
Amendments to IAS 32, 'Financial instruments' on asset and liability offsetting (effective 1 January 2014)
Amendment to IAS 36, 'Impairment of assets' on recoverable amount disclosures (effective 1 January 2014)
Amendment to IAS 39, 'Financial instruments: Recognition and measurement', on novation of derivatives and hedge accounting (effective 1 January 2014)
Amendment to IAS 19, 'Employee benefits', on defined benefit plans (effective 1 July 2014) (endorsed for 1 Feb 2015)
Annual improvements 2010-2012 cycle (effective 1 July 2014) (endorsed for 1 Feb 2015)
Annual improvements 2011-2013 cycle (effective 1 July 2014) (endorsed for 1 Jan 2015)
Amendments to IAS 27, 'Separate financial statements' on equity accounting (effective 1 January 2016)
Amendments to IFRS 10, 'Consolidated financial statements' and *IAS 28,* 'Investments in associates and joint ventures' on sale or contribution of assets (effective 1 January 2016)
Amendments to IFRS 10, 'Consolidated financial statements' and *IAS 28,* 'Investments in associates and joint ventures' on applying the consolidation exemption (effective 1 January 2016)
Annual improvements (2014) (effective 1 January 2016)
Amendments to IAS 1, 'Presentation of financial statements' disclosure initiative (effective 1 January 2016)

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 27 December 2014, the Group is reported as one primary operating segment and the costs of the UK Head Office:

Revenue – continuing operations

4imprint Direct Marketing	2014 $'000	2013 (restated) $'000
North America	**398,991**	320,035
UK and Ireland	**16,782**	12,901
Total revenue from sale of promotional products	**415,773**	332,936

Profit – continuing operations	Underlying		Total	
	2014 $'000	2013 (restated) $'000	**2014 $'000**	2013 (restated) $'000
4imprint Direct Marketing	**31,927**	22,839	**31,927**	22,839
Head Office	**(4,168)**	(3,345)	**(4,168)**	(3,345)
Underlying operating profit	**27,759**	19,494	**27,759**	19,494
Exceptional items – Head Office (note 5)			**(2,407)**	(397)
Share option related charges (note 23)			**(666)**	(2,493)
Defined benefit pension scheme administration costs (note 4)			**(544)**	(748)
Operating profit	**27,759**	19,494	**24,142**	15,856
Net finance income (note 6)	**100**	61	**100**	61
Pension finance charge (note 4)			**(903)**	(1,445)
Profit before tax	**27,859**	19,555	**23,339**	14,472
Taxation	**(7,738)**	(4,855)	**(6,982)**	(3,857)
Profit after tax	**20,121**	14,700	**16,357**	10,615

Other segmental information

	Assets		Liabilities		Capital expenditure		Depreciation		Amortisation	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000	**2014 $'000**	2013 $'000	**2014 $'000**	2013 $'000	**2014 $'000**	2013 $'000
4imprint Direct Marketing	**51,071**	43,463	**(34,408)**	(27,020)	**2,062**	1,627	**(1,127)**	(1,200)	**(535)**	(538)
Head Office items	**5,289**	6,804	**(26,183)**	(31,028)	**3**	–	**(35)**	(40)	**(7)**	(17)
Cash	**18,301**	25,990	**–**	–	**–**	–	**–**	–	**–**	–
	74,661	76,257	**(60,591)**	(58,048)	**2,065**	1,627	**(1,162)**	(1,240)	**(542)**	(555)
Discontinued operations*	**–**	13,824	**–**	(4,364)	**–**	264	**(114)**	(893)	(10)	(71)
Total	**74,661**	90,081	**(60,591)**	(62,412)	**2,065**	1,891	**(1,276)**	(2,133)	**(552)**	(626)

Head Office items relate principally to retirement benefit obligations and Group tax balances.

* The assets/liabilities of the discontinued operation (formerly the SPS segment) are included in assets/liabilities held for resale in 2013 (note 10).

1 Segmental reporting continued

Geographical analysis of revenue and non current assets

2014 – continuing operations	North America $'000	UK $'000	All other countries $'000	Total $'000
Total revenue by destination	**399,057**	**16,024**	**692**	**415,773**
Property, plant and equipment	**7,638**	**1,467**	**–**	**9,105**
Intangible assets	**1,206**	**92**	**–**	**1,298**

2013 – continuing operations	North America $'000	UK $'000	All other countries $'000	Total $'000
Total revenue by destination	320,091	12,258	587	332,936
Property, plant and equipment	7,145	1,658	–	8,803
Intangible assets	1,232	117	–	1,349

2 Operating expenses

Continuing operations	Note	**2014 $'000**	2013 (restated) $'000
The following items have been charged/(credited) in arriving at operating profit:			
Purchase of goods for resale, raw materials and consumables		**257,262**	206,703
Changes in inventories		**(668)**	(940)
Staff costs	3	**37,396**	34,366
Marketing expenditure (excluding staff costs)		**63,756**	49,890
Depreciation of property, plant and equipment		**1,162**	1,240
Amortisation of intangible assets		**542**	555
Operating lease payments		**1,432**	1,367
Exceptional items	5	**2,407**	397
Defined benefit pension scheme administration costs	4	**544**	748
Net exchange losses		**292**	211
Other operating expenses		**27,506**	22,543
		391,631	317,080

2 Operating expenses continued

During the year the Group obtained the following services from its auditors at costs as detailed below:

	2014 $'000	2013 (restated) $'000
Continuing operations		
Fees payable to the Company's auditors for the audit of the parent company, non statutory audits of overseas subsidiaries and audit of consolidated financial statements	**199**	138
Fees payable to the Company's auditors and its associates for other services:		
– the audit of Company's subsidiaries pursuant to legislation	**16**	11
– pensions advice	**529**	307
– share scheme advice	**39**	–
– all other services	**45**	6
	828	462
Discontinued operations		
– audit of Company's subsidiaries included in discontinued operations	**8**	27
	836	489

The 4imprint defined benefit pension scheme has paid the auditors $16,000 (2013: $13,900) for audit services.

3 Employees

		2014		2013 (restated)	
Staff costs	Note	**Continuing operations $'000**	**Discontinued operations $'000**	Continuing operations $'000	Discontinued operations $'000
Wages and salaries		**33,201**	**826**	28,787	6,741
Social security costs		**2,674**	**87**	2,362	593
Pension costs – defined contribution	4	**855**	**15**	724	116
Share option charges	23	**633**	**20**	1,226	17
Social security costs related to share options	23	**33**	**–**	1,267	–
		37,396	**948**	34,366	7,467

Average monthly number of people (including Executive Directors) employed

Continuing operations	2014 No.	2013 No.
Distribution and production	**181**	155
Sales and marketing	**342**	315
Administration	**138**	128
	661	598

For the period prior to disposal, discontinued operations had an average headcount of 216 in 2014 (2013: 210).

3 Employees continued

Key management compensation

	2014 $'000	2013 (restated) $'000
Salaries, fees and short-term employee benefits	**1,989**	1,769
Social security costs	**199**	149
Pension contributions	**55**	53
Share option charges	**286**	845
Social security costs in respect of share options	**35**	1,236
	2,564	4,052

Key management compensation in the period comprised the emoluments of all Directors (which are disclosed separately in the Remuneration report).

Directors' remuneration

	2014 $'000	2013 (restated) $'000
Aggregate emoluments	**1,989**	1,769
Company contributions to money purchase pension schemes	**55**	53

4 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	2014 $'000	2013 (restated) $'000
Defined contribution plans – employers' contributions (note 3)	**855**	724

Pension charges for defined contribution schemes in respect of discontinued operations were $15,000 for the period prior to disposal (2013: $116,000).

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:

	2014 $'000	2013 (restated) $'000
Administration costs paid by the Scheme	**544**	748
Pension finance charge	**903**	1,445
Exceptional items – buy-in and flexible early retirement offer costs paid by Scheme	**1,078**	119
Total defined benefit pension charge – continuing operations	**2,525**	2,312

The amounts recognised in the balance sheet comprise:

	2014 $'000	2013 (restated) $'000
Present value of funded obligations	**(154,918)**	(158,986)
Fair value of scheme assets	**130,903**	131,588
Net liability recognised in the balance sheet	**(24,015)**	(27,398)

4 Employee pension schemes continued

The funds of the Scheme are held in trust and administered by a Trustee body to meet pension liabilities for around 1,650 past employees of the Group. The level of retirement benefit is principally based on salary earned in the best three consecutive tax years in the 10 years prior to leaving active service and is linked to changes in inflation both pre and post retirement.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator, and Guidance Notes adopted by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension plans in the UK.

The trustees of the Scheme are required to act in the best interest of the Scheme's beneficiaries. The appointment of trustees is determined by the Scheme's trust documentation. It is policy that one third of all trustees should be nominated by the members.

The Scheme typically exposes the Company to actuarial risks such as investment risk, interest rate risk, mortality risk and longevity risk. A decrease in corporate bond yields, a rise in inflation or an increase in life expectancy would result in an increase to Scheme liabilities. This would detrimentally impact the balance sheet position and may give rise to increased charges in future income statements. This effect would be offset by an increase in the value of the Scheme's insurance annuities covering the bulk of the pensioner liabilities. Additionally, caps on inflationary increases are in place to protect the Scheme against extreme inflation.

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 £30.6m. The Company agreed a schedule of contributions with the Trustee. 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 was principally due to an increase in UK gilt rates during that period. In 2014 accelerated contributions of £13.7m ($22.4m) were paid to the Scheme to facilitate the purchase of the buy-in policy. A further £6.0m will be paid to the Scheme if the policy is converted to a buy-out, which the Scheme Trustee is targeting to complete in 2015.

For the purposes 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 27 December 2014. 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:

	2014	2013
Rate of increase in pensions in payment	**2.71%**	3.20%
Rate of increase in deferred pensions	**1.71%**	2.20%
Discount rate	**3.47%**	4.48%
Inflation assumption – RPI	**2.81%**	3.30%
– CPI	**1.81%**	2.30%

The mortality assumptions adopted at 27 December 2014 align with those used in the Scheme valuation and the prior period. The assumptions imply the following life expectancies at age 65:

	2014	2013
Male currently age 40	**24.7 yrs**	24.6 yrs
Female currently age 40	**27.2 yrs**	27.1 yrs
Male currently age 65	**22.5 yrs**	22.4 yrs
Female currently age 65	**24.8 yrs**	24.8 yrs

4 Employee pension schemes continued

Changes in the present value of the defined benefit obligation are as follows:

	2014 $'000	2013 (restated) $'000
Defined benefit obligation at start of period	**158,986**	161,975
Administration costs paid by the Scheme	**544**	748
Exceptional items – buy-in and flexible early retirement costs paid by the Scheme	**1,078**	119
Interest expense	**6,751**	6,569
Liabilities removed on settlement of flexible early retirement offer	**(8,629)**	–
Remeasurement gains due to Scheme experience	**–**	(1,652)
Remeasurement gains due to changes in demographic assumptions	**–**	(3,055)
Remeasurement losses due to changes in financial assumptions	**15,128**	252
Benefits paid	**(9,643)**	(9,039)
Exchange (gain)/loss	**(9,297)**	3,069
Defined benefit obligation at end of period*	**154,918**	158,986

*$121,852,000 (2013: $30,865,000) of the obligations are covered by insured annuities.

Changes in the fair value of Scheme assets are as follows:

	2014 $'000	2013 (restated) $'000
Fair value of assets at start of period	**131,588**	124,990
Interest income	**5,848**	5,124
Return on Scheme assets (excluding interest income)	**6,047**	2,718
Remeasurement loss on buy-in	**(12,622)**	–
Assets removed on settlement of flexible early retirement offer	**(9,101)**	–
Contributions by employer	**26,544**	4,966
Benefits paid	**(9,643)**	(9,039)
Exchange (loss)/gain	**(7,758)**	2,829
Fair value of assets at end of period	**130,903**	131,588

The major categories of Scheme assets as a percentage of total Scheme assets are as follows:

	2014		2013	
	$'000	%	$'000	%
Equities	**–**	**–**	20,614	16
Diversified Growth Funds	**–**	**–**	39,135	30
Corporate bonds	**–**	**–**	23,313	18
Property	**–**	**–**	10,616	8
Insured annuities	**121,852**	**93**	30,865	23
Cash	**9,051**	**7**	7,045	5

The Scheme holds no 4imprint Group plc shares or any property occupied by the Group.

It is the policy of the Trustee and the Company to review the investment strategy from time to time and at the time of each funding valuation. The Trustee investment objectives and the processes undertaken to measure and manage the risks inherent in the Scheme investment strategy are documented in the Scheme's Statement of Investment Principles.

4 Employee pension schemes continued

Of the total obligations 79% are matched by insured annuities, thus the only risk in respect of these obligations is if the insurer fails to meet its obligations. Following the buy-in the balance of the assets were held in low risk cash funds pending a more detailed review in 2015 to find assets that are better matched to uninsured obligations.

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

	Change in assumption	Change in defined benefit obligation
Discount rate	Decrease of 0.25%	Increase by 3.0%
Rate of inflation	Increase of 0.25%	Increase by 1.1%
Rate of mortality	Increase in life expectancy of 1 year	Increase by 3.6%

The sensitivities shown above are approximate. Each sensitivity considers each change in isolation and are calculated using the same methodology as used for the calculation of the defined benefit obligation at the end of the period. The inflation sensitivity includes the impact of changes to the assumptions for revaluation and pension increases. In practice it is unlikely that the changes would occur in isolation. As the value of the insured annuity assets match the value of the insured obligations, the overall impact of sensitivities is restricted to their impact on the uninsured portion of the obligations.

The average duration of the defined benefit obligation at 27 December 2014 is 12 years.

5 Exceptional items

Continuing operations	**2014 $'000**	2013 (restated) $'000
Pension flexible early retirement offer costs	**225**	397
Pension flexible early retirement offer settlement charge	**472**	–
Pension buy-in costs	**1,710**	–
	2,407	397

Exceptional items include $1,078,000 (2013: $119,000) incurred and paid by the defined benefit pension scheme.

Cash expenditure in respect of the continuing Group's exceptional items in 2014 was $893,000 (2013: $261,000).

6 Net finance income and costs

Continuing operations	**2014 $'000**	2013 (restated) $'000
Finance income		
Bank and other interest	**107**	88
Finance costs		
Interest payable on bank borrowings	**–**	(20)
Other interest payable	**(7)**	(7)
	(7)	(27)
Other financing costs		
Pension finance charge (note 4)	**(903)**	(1,445)
Net finance costs	**(803)**	(1,384)

7 Taxation

Continuing operations	2014 $'000	2013 (restated) $'000
Current tax		
UK tax – current	–	–
Overseas tax – current	**6,751**	2,981
Overseas tax – prior year	**868**	–
Total current tax	**7,619**	2,981
Deferred tax		
Origination and reversal of temporary differences	**(56)**	859
Effect of change in UK tax rate	–	(5)
Adjustment in respect of prior years	**(581)**	22
Total deferred tax (notes 13 and 19)	**(637)**	876
Taxation – continuing operations	**6,982**	3,857

The tax for the period is different to the standard rate of corporation tax in the respective countries of operation. The differences are explained below:

	2014 $'000	2013 (restated) $'000
Profit before tax – continuing operations	**23,339**	14,472
Profit/(loss) before tax from discontinued operations (note 10)	**1,381**	(4,581)
Profit before tax – total operations	**24,720**	9,891
Profit before tax multiplied by rate of corporation tax applicable in the respective countries	**9,029**	4,015
Effects of:		
Adjustments in respect of prior years	**251**	41
Expenses not deductible for tax purposes and non taxable income	**(1,685)**	(1,311)
(Non taxable profit)/non deductible loss on disposal of business	**(296)**	1,401
Timing differences and other differences	**(278)**	70
Utilisation of tax losses not previously recognised	**(39)**	(41)
Effect of change in UK tax rate on deferred tax balances	–	(74)
Taxation – total operations	**6,982**	4,101
Taxation – continuing operations	**6,982**	3,857
Taxation – discontinued operations (note 10)	–	244
Taxation – total operations	**6,982**	4,101

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 27 December 2014 has been calculated at a tax rate of 20%.

The amount of current tax recognised directly in Shareholders' equity in 2014 was $1,467,000 (2013: $nil).

8 Earnings per share

Basic, diluted and underlying

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

	2014 $'000	2013 (restated) $'000
Profit after tax – continuing operations	16,357	10,615
Profit/(loss) after tax – discontinued operations	1,381	(4,825)
Profit after tax	**17,738**	5,790

	2014 Number '000	2013 Number '000
Basic weighted average number of shares	27,383	26,463
Adjustment for employee share options	739	1,372
Diluted weighted average number of shares	28,122	27,835

	2014 cents	2013 (restated) cents
Basic earnings per share from continuing operations	59.73	40.11
Basic earnings/(loss) per share from discontinued operations	5.05	(18.23)
	64.78	21.88
Diluted earnings per share from continuing operations	58.16	38.13
Diluted earnings/(loss) per share from discontinued operations	4.92	(17.33)
	63.08	20.80

	2014 $'000	2013 (restated) $'000
Profit before tax – continuing operations	**23,339**	14,472
Adjustments:		
Share option charges (note 23)	633	1,226
Social security charges on share options (note 23)	33	1,267
Exceptional items (note 5)	2,407	397
Defined benefit pension scheme administration costs (note 4)	544	748
Pension finance charge (note 4)	903	1,445
Underlying profit before tax – continuing operations	**27,859**	19,555
Taxation – continuing operations (note 7)	(6,982)	(3,857)
Tax relating to above adjustments	(756)	(998)
Underlying profit after tax – continuing operations	**20,121**	14,700

8 Earnings per share continued

	2014 cents	2013 cents
Underlying basic earnings per share from continuing operations	**73.48**	55.55
Underlying diluted basic earnings per share from continuing operations	**71.55**	52.81

The basic weighted average number of shares excluded shares held in the 4imprint Group plc employee share trusts. The effect of this is to reduce the average by 146,474 (2013: 272,936).

The basic earnings per share is calculated based on the profit for the financial period divided by the basic weighted average number of shares.

For diluted earnings per share, the basic weighted average number of ordinary shares in issue is adjusted to assume conversion of all potential dilutive ordinary shares. The potential dilutive ordinary shares relate to those share options granted to employees where the exercise price is less than the average market price of the Company's ordinary shares and are likely to vest at the balance sheet date. The Performance Share Plan had met vesting conditions for 140,000 options at the balance sheet date.

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.

9 Dividends

Equity dividends – ordinary shares		2014 $'000	2013 (restated) $'000
Interim paid:	10.51c (2013: 8.55c)	**2,806**	2,351
Final paid:	19.01c (2013: 15.37c)	**5,118**	4,207
		7,924	6,558

In addition, the Directors are proposing a final dividend in respect of the period ended 27 December 2014 of 21.90c (14.25p) per share, which will absorb an estimated $6.12m of Shareholders' funds. Subject to Shareholder approval at the Annual General Meeting, the dividend is payable on 13 May 2015 to Shareholders who are on the register of members at close of business on 10 April 2015. These financial statements do not reflect this proposed dividend.

10 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 $11.89m (increased by $0.39m relating to the amounts of working capital, debt and cash at completion).

The results of discontinued operations for the period prior to disposal were as follows:

	2014 $'000	2013 (restated) $'000
Revenue	**2,618**	23,973
Operating expenses	**(2,736)**	(22,534)
Operating (loss)/profit	**(118)**	1,439
Loss on remeasurement of assets of disposal group	**–**	(6,020)
Profit on disposal of business	**1,499**	–
Profit/(loss) before tax	**1,381**	(4,581)
Taxation	**–**	(244)
Profit/(loss) for the period from discontinued operations	**1,381**	(4,825)

The loss on remeasurement of SPS assets in 2013 was 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 $275,000 in respect of the disposal had been paid up to 28 December 2013.

10 Discontinued operations continued

Profit on disposal of business	2014 $'000
Consideration	**11,890**
Adjustment for working capital and cash at date of sale	**385**
Adjusted consideration	**12,275**
Costs of disposal	**(2,089)**
	10,186
Net assets sold, excluding cash and debt	**(15,219)**
Cash transferred with business sold	**(513)**
Release of remeasurement provision on assets of disposal group	**5,698**
Recycled translation differences of business sold	**1,347**
Profit on disposal of business	**1,499**

Assets held for sale	28 Dec 2013 $'000
Non current assets	
Property, plant and equipment	4,894
Intangible assets	56
Non current assets	4,950
Current assets	
Inventories	3,048
Trade and other receivables	5,826
Current assets	8,874
Assets held for sale	13,824

Liabilities held for sale	
Current liabilities	
Trade and other payables	(3,661)
Current assets	(703)
Liabilities held for sale	(4,364)

Net assets held for sale	9,460

Net assets held for sale at 27 December 2014 were $nil. Net assets held for sale at 28 December 2013 related solely to SPS.

10 Discontinued operations continued

Included within the cash flow statement are the following cash flows from discontinued operations:

	2014 $'000	2013 (restated) $'000
Net cash (used in)/generated from operating activities	**(207)**	1,555
Cash flows from investing activities		
Purchase of property, plant and equipment	**(7)**	(239)
Proceeds from sale of business:		
Consideration received	**12,275**	1,889
Cash costs of disposal	**(2,045)**	(275)
Payment of disposal costs accrued in prior period	**–**	(130)
Cash in subsidiaries sold	**(513)**	–
Net proceeds from sale of businesses	**9,717**	1,484
Net cash generated from investing activities	**9,710**	1,245
Net movement in cash and cash equivalents	**9,503**	2,800

Consideration received in 2013 related to the disposal of the Brand Addition business.

11 Property, plant and equipment

	Freehold land and buildings $'000	Plant, machinery, fixtures & fittings $'000	Computer hardware $'000	Total $'000
Cost:				
At 29 December 2013	5,852	8,080	1,635	15,567
Additions	–	1,172	397	1,569
Disposals	–	(1,499)	(274)	(1,773)
Exchange	(57)	(48)	(9)	(114)
At 27 December 2014	**5,795**	**7,705**	**1,749**	**15,249**
Depreciation:				
At 29 December 2013	605	5,052	1,107	6,764
Charge for the period	140	704	318	1,162
Disposals	(30)	(1,456)	(269)	(1,755)
Exchange	(2)	(20)	(5)	(27)
At 27 December 2014	**713**	**4,280**	**1,151**	**6,144**
Net book value at 27 December 2014	**5,082**	**3,425**	**598**	**9,105**

Freehold land with a value of $786,000 (2013: $805,000) has not been depreciated.

No assets are held under finance leases (2013: nil).

The Directors are not aware of a significant difference between the net book value and the fair value of property, plant and equipment.

11 Property, plant and equipment continued

	Freehold land and buildings $'000	Long leasehold buildings $'000	Plant, machinery, fixtures & fittings $'000	Computer hardware $'000	Total $'000
Cost:					
At 30 December 2012	5,822	4,470	17,851	1,727	29,870
Additions	8	–	926	471	1,405
Disposals	–	–	(135)	(228)	(363)
Transfer to assets held for sale	–	(4,564)	(10,805)	(348)	(15,717)
Exchange	22	94	243	13	372
At 28 December 2013	5,852	–	8,080	1,635	15,567
Depreciation:					
At 30 December 2012	435	607	7,640	1,257	9,939
Charge for the period	167	97	1,517	352	2,133
Disposals	–	–	(131)	(227)	(358)
Transfer to assets held for sale	–	(722)	(4,084)	(287)	(5,093)
Exchange	3	18	110	12	143
At 28 December 2013	605	–	5,052	1,107	6,764
Net book value at 28 December 2013	5,247	–	3,028	528	8,803

12 Intangible assets

Computer software	**2014 $'000**	2013 (restated) $'000
Cost:		
At start of period	**2,862**	3,703
Additions	**496**	486
Disposals	**(467)**	(562)
Transfer to assets held for sale	**–**	(787)
Exchange	**(18)**	22
At end of period	**2,873**	2,862
Amortisation:		
At start of period	**1,513**	2,162
Charge for the period	**542**	626
Disposals	**(467)**	(562)
Transfer to assets held for sale	**–**	(731)
Exchange	**(13)**	18
At end of period	**1,575**	1,513
Net book value at end of period	**1,298**	1,349

The average remaining life of intangible assets is 2.9 years (2013: 2.3 years).

13 Deferred tax assets

	2014 $'000	2013 (restated) $'000
At start of period	**6,324**	10,147
Reclassified between deferred tax assets and deferred tax liability	**479**	(109)
Income statement charge – continuing operations	**(183)**	(1,014)
Prior year adjustment – income statement – continuing operations	**581**	(22)
Deferred tax debited to other comprehensive income	**(645)**	(2,349)
Deferred tax debited to other comprehensive income – prior year adjustment	**–**	(1,153)
Deferred tax (charged)/credited to equity	**(1,503)**	1,503
Effect of change in UK tax rate – income statement – continuing operations	**–**	5
Effect of change in UK tax rate – other comprehensive income	**33**	(755)
Exchange	**(292)**	71
At end of period	**4,794**	6,324

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries. No tax is expected to be payable on them in the foreseeable future.

$nil (2013: $2.1m) of the net deferred tax asset is expected to reverse within the next 12 months.

The movements in the net deferred tax asset (subject to the offsetting of balances within the same jurisdiction as permitted by IAS 12) during the period are shown in the following table. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

Deferred tax analysis

	Depreciation/ capital allowances $'000	Tax losses $'000	Pension $'000	Other $'000	Total $'000
At start of period	(638)	94	5,476	1,392	6,324
Reclassified between deferred tax liability and deferred tax assets	828	–	–	(349)	479
Income statement charge – continuing operations	7	–	229	(419)	(183)
Prior year adjustment – income statement	(204)	(94)	–	879	581
Deferred tax debited to other comprehensive income	–	–	(645)	–	(645)
Effect of change in UK tax rate – other comprehensive income	–	–	33	–	33
Deferred tax charged to equity	–	–	–	(1,503)	(1,503)
Exchange	–	–	(292)	–	(292)
At end of period	**(7)**	**–**	**4,801**	**–**	**4,794**

Included in Other in the table above is deferred tax in respect of timing differences.

Deferred tax assets have been recognised where it is considered that there will be sufficient taxable profit available in future against which the deductible temporary timing differences can be utilised.

No provision has been made for deferred tax assets relating to losses carried forward in holding companies of $36.4m (2013: $16.0m). These losses have no expiry date and may be available for offset against future profits in these companies.

14 Inventories

	2014 $'000	2013 (restated) $'000
Finished goods and goods for resale	**4,353**	3,686

During both the current and previous year, inventory was carried at cost less appropriate provisions as this did not exceed the fair value less cost to sell. Provisions held against inventory in respect of continuing operations total $145,000 (2013: $69,000).

During the year a net amount of $77,000 has been charged in respect of continuing operations in the income statement in respect of provisions for slow moving and obsolete stock (2013: $61,000).

The amount of inventory charged to the income statement for continuing operations is shown in note 2.

15 Trade and other receivables

	2014 $'000	2013 (restated) $'000
Trade receivables	**23,903**	20,045
Less: Provision for impairment of trade receivables	**(172)**	(117)
Trade receivables – net	**23,731**	19,928
Other receivables	**9,708**	6,906
Prepayments and accrued income	**3,371**	3,271
	36,810	30,105

Due to their short term nature the fair value of trade and other receivables does not differ from the book value.

The impairment of trade receivables charged to continuing operations in the income statement was $172,000 (2013: $102,000). There is no impairment of any receivables other than trade receivables.

The ageing of past due trade receivables which are not impaired, based on the customers' credit worthiness and payment history, is as follows:

Time past due date

	2014 $'000	2013 (restated) $'000
Up to 3 months	**3,375**	2,327
3 to 6 months	**17**	7
	3,392	2,334

The ageing of impaired trade receivables is as follows:

Time past due date

	2014 $'000	2013 (restated) $'000
Up to 3 months	**–**	–
3 to 6 months	**166**	112
Over 6 months	**6**	5
	172	117

15 Trade and other receivables continued

The carrying amounts of trade and other receivables are denominated in the following currencies:

	2014 $'000	2013 (restated) $'000
Sterling	**2,615**	2,207
US dollars	**32,034**	26,100
Euros	**62**	57
Canadian dollars	**2,099**	1,741
	36,810	30,105

Movements in the provision for impairment of trade receivables are as follows:

	2014 $'000	2013 (restated) $'000
At start of period	**117**	99
Utilised	**(108)**	(52)
Released	**(8)**	(22)
Provided	**172**	136
Transferred to assets held for sale	**–**	(49)
Exchange translation	**(1)**	5
At end of period	**172**	117

16 Other financial assets and cash and cash equivalents

	2014 $'000	2013 (restated) $'000
Other financial assets – bank deposits	**–**	8,165
Cash at bank and in hand	**12,466**	10,815
Short term deposits	**5,835**	7,010
Cash and cash equivalents	**18,301**	17,825

Other financial assets comprise bank deposits with an original maturity in excess of three months but not greater than one year.

17 Trade and other payables – current

	2014 $'000	2013 (restated) $'000
Trade payables	**26,855**	20,908
Other tax and social security payable	**793**	2,080
Other payables	**130**	170
Accruals	**8,260**	6,526
	36,038	29,684

Due to their short term nature the fair value of trade and other payables does not differ from the book value.

REVIEW GOVERNANCE ACCOUNTS ADDITIONAL INFORMATION

18 Borrowings

The Group had no drawdown on its borrowing facilities at 27 December 2014 (2013: no drawdown).

The Group had the following undrawn committed borrowing facilities available at 27 December 2014:

	Floating rate	
	2014	2013 (restated)
Borrowing facilities	**$'000**	$'000
Expiring in more than one year	**14,556**	13,825

Facilities comprised a US dollar 13.0m line of credit with the Group's US subsidiary which expires on 31 August 2017 and a UK overdraft facility of £1.0m which expires on 31 December 2015

19 Deferred tax liability

	2014	2013 (restated)
	$'000	$'000
At start of period	**477**	1,163
Reclassified between deferred tax assets and deferred tax liability	**479**	(109)
(Credited)/charged to the income statement – continuing operations	**(239)**	(155)
– discontinued operations	**–**	294
Prior year adjustment – discontinued operations	**–**	19
Effect of change in UK tax rate – discontinued operations	**–**	(69)
Transfer to liabilities held for sale	**–**	(703)
Deferred tax credited to other comprehensive income	**(419)**	–
Exchange loss	**–**	37
At end of period	**298**	477

Deferred tax analysis

	Depreciation/ capital allowances $'000	Tax losses $'000	Other $'000	Total $'000
At start of period	25	–	452	477
Reclassified between deferred tax assets and deferred tax liability	828	–	(349)	479
Income statement credit – continuing operations	326	(25)	(540)	(239)
Deferred tax credited to equity	–	–	(419)	(419)
At end of period	**1,179**	**(25)**	**(856)**	**298**

Included in Other in the table above is deferred tax in respect of timing differences and future deductions relating to share options for US employees.

20 Provisions for other liabilities and charges

	Onerous leases 2014 $'000	Onerous leases 2013 (restated) $'000
At start of period	**242**	242
Charged to the income statement	**–**	–
Utilised in period	**–**	(5)
Exchange differences	**(13)**	5
At end of period	**229**	242

Analysis of provisions

	2014 $'000	2013 (restated) $'000
Current	**229**	–
Non current	**–**	242
Total	**229**	242

The onerous lease provisions relate to dilapidation costs of residual leases of property in respect of business disposals, and is expected to be paid in the next year.

21 Financial risk management

The Group's activities expose it to a variety of financial risks including currency risk, credit risk, liquidity risk and capital risk.

Currency risk

The Group operates internationally and is exposed to various currency movements. Risk arises predominantly from the remittance of overseas earnings in US dollars. In addition, Group subsidiaries may make both sales and purchases in a currency other than their functional currency and have foreign currency trade receivables and trade payables in relation to these transactions.

The Group uses derivative financial instruments to partly hedge foreign currency cash flows arising from sales and purchases of goods, as well as remittances from its overseas subsidiaries. Contracts outstanding at the period end had no material impact on the financial statements. The Group does not hedge the currency exposure of profits and assets of its overseas subsidiaries or other financial transactions.

At 27 December 2014 the Group had the following forward currency contracts: the purchase of 1.5m US dollars with Sterling up to June 2015. The fair value of the derivatives was not material when measured at 27 December 2014 and consequently no entries have been reflected in the financial statements.

The movement in the exchange rates compared to prior year reduced profit of the UK operations by $0.4m and increased net assets by $0.7m. Closing rate was US$1.56 (2013: US$1.65) and the average rate used to translate profits was US$1.65 (2013: US$1.56).

A strengthening in the Sterling exchange rate by ten percent (the approximate range of movement of the exchange rate during the year) would reduce profit in the period by $1.0m and net assets at period end by $1.1m.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to trade receivable balances due from customers.

The risk associated with banks and financial institutions is managed on a Group basis and all banking relationships must be approved by the Group Finance Director or the Board based on the credit rating of the bank.

The Group operates cash pooling arrangements for its UK subsidiaries and, apart from overseas subsidiaries working capital cash requirements, the Group seeks to hold any cash balances on deposit with its principal UK bank.

21 Financial risk management continued

Cash was held with the following banks at the period end:

	2014 Rating	2014 Deposit $'000	2013 Rating	2013 Deposit (restated) $'000
Lloyds Bank	**A1**	**7,083**	A2	18,013
JPMorgan Chase Bank, N.A.	**Aa3**	**11,208**	Aa3	7,970
Wells Fargo Bank	**Aa3**	**4**	Aa3	3
Other		**6**		4
		18,301		25,990

There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers.

Credit risk arising from customers is delegated to the senior management of each business to a maximum level per customer, above which, it is referred to the Group Finance Director for approval. External credit agency assessment reports are referred to as part of this process.

Liquidity risk

Group borrowing requirements are managed centrally and the majority of borrowing arrangements are currently with the Group's principal US bank and terms are agreed which are considered appropriate for the funding requirement of the Group at that time.

Operating working capital is managed to levels agreed with the Group and cash forecasts are reviewed regularly by management.

The Group monitors its levels of cash and indebtedness to ensure adequate liquid funds are available to meet the foreseeable requirements of the Group. The Group does not actively monitor a gearing ratio, but seeks to maintain an appropriate level of financial flexibility. Details of borrowing facilities are given in note 18.

At 27 December 2014 the net cash position (note 25) of the Group was $18,301,000 (2013: $25,990,000).

The maturity profile of the Group's borrowings is shown in note 18.

Capital risk management

The objective for managing debt and equity capital is to safeguard the Company's ability to continue as a going concern, in order to provide returns for Shareholders and benefits for other stakeholders.

In 2014 the Company has provided returns to Shareholders in the form of dividends, details of which are included in note 9. Shares were issued only to satisfy options exercised and shares were purchased for an employee benefit trust.

22 Share capital

	2014 $'000	2013 (restated) $'000
Issued and fully paid		
27,965,530 (2013: 26,744,947) ordinary shares of 38 6/13 p each	**18,777**	17,988

The Company issued 1,220,583 ordinary shares in the period for a consideration of $789,000 to satisfy options exercised under the Group's Performance Share Plan (2013: 168,281 shares issued).

At 27 December 2014 the following options have been granted and were outstanding under the Company's share option schemes:

Scheme	Date of grant	**Number of ordinary shares 2014**	**Number of option holders 2014**	Number of ordinary shares 2013	Subscription price	Date exercisable From	to
Performance Share Plan	27/04/11	–	–	1,400,000	nil	Apr 2014	Apr 2021
	05/04/13	**140,000**	**7**	140,000	nil	Apr 2016	Apr 2023
SAYE	05/10/10	–	–	16,910	166.0p	Jan 2014	Jun 2014
	31/10/12	**40,320**	**24**	67,104	266.0p	Jan 2016	Jun 2016
US Sharesave	31/10/12	**162,890**	**221**	167,031	$4.76	Jan 2015	Jan 2015
Total		**343,210**	**252**	1,791,045			

The weighted average exercise price for options outstanding at 27 December 2014 was 176.44p (2013: 38.45p).

On 27 April 2011, 1,400,000 share options were granted to five members of the Group's senior management to acquire ordinary shares at nil cost. The performance conditions were that one third of the options vested if the Company share price attained and remained at, or above, for thirty consecutive days each of: 300p; 350p; and 400p in the three year period commencing 27 April 2011. The options had all vested in prior periods and were exercised on 28 April 2014. In addition, 140,000 share options were granted to seven senior managers on 5 April 2013. Conditions are as above but target share prices are 500p; 550p; and 600p. These options vested in 2013 and are exercisable between 5 April 2016 and 5 April 2023.

23 Share-based payments

Share options may be granted to senior management and in addition a SAYE scheme exists for all UK and US employees. The exercise price for SAYE options is equal to the market rate, plus any discount up to the limit imposed by the local tax authority at the pricing date.

The fair value of the options is determined using the Black-Scholes model for SAYE and Sharesave schemes and the Monte Carlo model for the Performance Share Plan and is spread over the vesting period of the options. The significant inputs into the model are an expected life of between 2.04 and 3 years for the SAYE and Sharesave options, the volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over the last 5 years and the risk-free rate is based on zero coupon government bond yields.

Continuing operations	**2014 $'000**	2013 (restated) $'000
Charge resulting from spreading the fair value of options	**633**	1,226
Social security costs in respect of share options	**33**	1,267
Total	**666**	2,493

In addition, $20,000 was charged in respect of discontinued operations (2013: $17,000).

23 Share-based payments continued

The fair value per option granted and the assumptions used in the calculation are as follows:

	Performance Share Plan	UK SAYE Schemes	US Sharesave Schemes
Grant date	05/04/13	31/10/12	31/10/12
Share price at grant date	438p	349p	349p
Exercise price	nil	266p	$4.76
Number of employees	7	24	221
Shares under option	140,000	40,320	162,890
Vesting period (years)	3	3	2.04
Expected volatility	35%	38%	38%
Option life (years)	10	3.5	2.08
Expected life (years)	3.5	3	2.04
Risk free rate	0.26%	0.5%	0.3%
Expected dividends expressed as a dividend yield	3.5%	4.5%	4.5%
Possibility of ceasing employment before vesting	0%	10%	10%
Expectations of meeting performance criteria	n/a	100%	100%
Fair value per option	197p-272p	97.2p	79.8p

A reconciliation of option movements over the period to 27 December 2014 is shown below:

	2014		2013	
	Number of shares	**Weighted average exercise price**	Number of shares	Weighted average exercise price
Outstanding at start of period	**1,791,045**	**38.45p**	1,834,865	51.26p
Granted	**–**	**–**	140,000	–
Forfeited/cancelled	**(17,016)**	**269.64p**	(14,251)	202.36p
Exercised	**(1,430,819)**	**4.57p**	(168,281)	121.01p
Expired	**–**	**–**	(1,288)	127.10p
Outstanding at end of period	**343,210**	**176.44p**	1,791,045	38.45p
Exercisable at end of period	**–**	**–**	–	–

23 Share-based payments continued

Range of exercise prices	**2014** Weighted average exercise price	Number of shares	Weighted average remaining life (years) Expected	Contractual	**2013** Weighted average exercise price	Number of shares	Weighted average remaining life (years) Expected	Contractual
Nil	**–**	**140,000**	**1.3**	**8.3**	–	1,540,000	0.5	7.5
£1.01 – 2.00	**–**	**–**	**–**	**–**	166.00p	16,910	–	0.5
£2.01 – 3.00	**266.00p**	**40,320**	**1.0**	**1.5**	282.00p	234,135	1.3	1.4
£3.01 – 4.00	**305.91p**	**162,890**	**0.1**	**0.1**	–	–	–	–

24 Other Reserves

	Capital redemption reserve $'000	Cumulative translation differences $'000	Total $'000
Balance at 29 December 2012 (restated)	369	5,083	5,452
Currency translation differences	–	377	377
Balance at 28 December 2013 (restated)	369	5,460	5,829
Currency translation differences	**–**	**529**	**529**
Currency translation differences recycled to income statement on disposal of business	**–**	**(1,347)**	**(1,347)**
Balance at 27 December 2014	**369**	**4,642**	**5,011**

25 Cash generated from operations

	2014 $'000	2013 (restated) $'000
Operating profit/(loss) – continuing operations	**24,142**	15,856
– discontinued operations (note 10)	**(118)**	1,439
Adjustments for:		
Depreciation charge	**1,276**	2,133
Amortisation of intangibles	**552**	626
Exceptional non cash items	**1,550**	119
Decrease in exceptional accrual/provisions	**(24)**	(25)
Share option charges – continuing	**633**	1,226
– discontinued	**20**	17
Defined benefit pension administration charge	**544**	748
Contributions to defined benefit pension scheme	**(26,544)**	(4,966)
Changes in working capital:		
Increase in inventories	**(1,107)**	(1,268)
Increase in trade and other receivables	**(6,838)**	(5,362)
Increase in trade and other payables	**6,600**	7,370
Cash generated from operations	**686**	17,913

25 Cash generated from operations continued

Analysis of net cash	Note	**2014** **$'000**	2013 (restated) $'000
Cash at bank and in hand	16	**12,466**	10,815
Short term deposits	16	**5,835**	7,010
Cash and cash equivalents		**18,301**	17,825
Other financial assets – bank deposits	16	**–**	8,165
Net cash		**18,301**	25,990

26 Financial commitments

At 27 December 2014, the Group was committed to make payments in respect of non-cancellable operating leases in the following periods:

	2014		2013 (restated)	
	Land and buildings $'000	**Other $'000**	Land and buildings $'000	Other $'000
In one year	**1,281**	**170**	1,311	338
In two to five years	**3,762**	**593**	4,470	536
In more than five years	**–**	**–**	271	–
	5,043	**763**	6,052	874

Included in 2014 above is $nil of commitments in respect of the discontinued operation (2013: $386,000).

27 Contingent liabilities

The Group has no known contingent liabilities (2013: none).

28 Capital commitments

The Group had capital commitments contracted for but not provided for in the financial statements at 27 December 2014 of $nil for property, plant and equipment (2013: $378,000) of which $nil was in respect of discontinued operations (2013: $378,000).

29 Related party transactions

The Group did not participate in any related party transactions.

Key management compensation is disclosed in note 3.

Independent auditors' report to the members of 4imprint Group plc

Report on the Company financial statements

Our opinion

In our opinion, 4imprint Group plc's Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 27 December 2014 and of its cash flows for the 52 week period (the "period") then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

4imprint Group plc's financial statements comprise:

- the Company balance sheet as at 27 December 2014;
- the Company cash flow statement for the period then ended;
- the Statement of changes in Company Shareholders' equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report and Accounts (the "Annual Report"), rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

Other required reporting

Consistency of other information

Companies Act 2006 opinion

In our opinion, the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements.

ISAs (UK & Ireland) reporting

Under International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)") we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

We have no exceptions to report arising from this responsibility.

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Directors' remuneration report – Companies Act 2006 opinion

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Other Companies Act 2006 reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the Group financial statements of 4imprint Group plc for the 52 week period ended 27 December 2014.

Nicholas Boden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
4 March 2015

Company balance sheet

at 27 December 2014

	Note	2014 £'000	2013 £'000
Non current assets			
Property, plant and equipment	B	**70**	101
Investments	C	**104,182**	104,182
Deferred tax assets	D	**3,081**	3,312
Other receivables	E	**57,841**	59,762
		165,174	167,357
Current assets			
Other receivables	E	**853**	12,000
Other financial assets – bank deposits		**–**	4,950
Cash and cash equivalents		**4,367**	5,636
		5,220	22,586
Current liabilities			
Other payables	F	**(1,467)**	(1,812)
Provisions for other liabilities and charges	G	**(147)**	–
		(1,614)	(1,812)
Net current assets		**3,606**	20,774
Non current liabilities			
Retirement benefit obligations	H	**(15,434)**	(16,611)
Provisions for other liabilities and charges	G	**–**	(147)
Amounts due to subsidiary companies	J	**(57,841)**	(70,287)
		(73,275)	(87,045)
Net assets		**95,505**	101,086
Shareholders' equity			
Share capital	L	**10,756**	10,286
Share premium reserve		**38,575**	38,575
Capital redemption reserve		**208**	208
Retained earnings		**45,966**	52,017
Total equity		**95,505**	101,086

The financial statements on pages 77 to 86 were approved by the Board of Directors on 4 March 2015 and were signed on its behalf by:

John Poulter
Chairman

Gillian Davies
Group Finance Director

Statement of changes in Company Shareholders' equity

for the 52 weeks ended 27 December 2014

	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 29 December 2012	10,222	38,437	208	(726)	45,226	93,367
Profit for the period					9,172	9,172
Other comprehensive income/(expense)						
Remeasurement gains on post employment obligations					4,586	4,586
Deferred tax on remeasurement gains					(2,239)	(2,239)
Effect of change in UK tax rate					(483)	(483)
Total comprehensive income					11,036	11,036
Shares issued	64	138				202
Own shares purchased				(130)		(130)
Own shares utilised				5	(5)	–
Share-based payment charge					795	795
Dividends					(4,184)	(4,184)
Balance at 28 December 2013	10,286	38,575	208	(851)	52,868	101,086
Profit for the period					**13,226**	**13,226**
Other comprehensive (expense)/income						
Remeasurement losses on post employment obligations					**(13,240)**	**(13,240)**
Deferred tax relating to post employment obligations					**(392)**	**(392)**
Effect of change in UK tax rate					**19**	**19**
Total comprehensive expense					**(387)**	**(387)**
Shares issued	**470**					**470**
Own shares purchased				**(1,312)**		**(1,312)**
Own shares utilised				**1,218**	**(1,218)**	**–**
Share-based payment charge					**396**	**396**
Dividends					**(4,748)**	**(4,748)**
Balance at 27 December 2014	**10,756**	**38,575**	**208**	**(945)**	**46,911**	**95,505**

Company cash flow statement

for the 52 weeks ended 27 December 2014

	Note	2014 £'000	2013 £'000
Cash flows from operating activities			
Cash used in operations	K	**(17,583)**	(18,509)
Finance income		**3,356**	5,375
Finance costs		**(3,078)**	(3,071)
Net cash used in operating activities		**(17,305)**	(16,205)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(2)**	(1)
Net cash used in investing activities		**(2)**	(1)
Cash flows from financing activities			
Transfer from/(to) other financial assets		**4,950**	(1,950)
Proceeds from issue of shares		**470**	202
Own shares purchased		**(1,312)**	(130)
Dividends received		**16,678**	18,357
Dividends paid to Shareholders		**(4,748)**	(4,184)
Net cash generated from financing activities		**16,038**	12,295
Net movement in cash and cash equivalents		**(1,269)**	(3,911)
Cash and cash equivalents at beginning of the period		**5,636**	9,547
Cash and cash equivalents at end of the period		**4,367**	5,636

Analysis of cash and cash equivalents		
Cash at bank and in hand	**617**	1,386
Short term deposits	**3,750**	4,250
	4,367	5,636

Notes to the Company's financial statements

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. The Company's financial statements are presented in Sterling.

Accounting policies
The principal accounting policies adopted in the preparation of these financial statements are the same as those adopted in the consolidated financial statements on pages 49 to 51 except for the investments policy noted below. These policies have been consistently applied to all the periods presented.

Basis of preparation
The financial statements have been prepared under the historical cost convention in accordance with IFRS 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 at the time of preparing these statements (March 2015).

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

Use of assumptions and estimates
The preparation of the financial statements requires management to make judgements, 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 experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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 of the Company.

Pensions
As disclosed in note 4 on pages 55 to 58, the Company sponsors a closed defined benefit scheme. Year 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.

Investments
Investments in subsidiaries are stated at cost. Impairment reviews are carried out if there is some indication that the carrying value of the investments may have been impaired. Where, in the opinion of the Directors, an impairment of the investment has arisen, provisions are made in accordance with IAS 36 'Impairment of Assets'.

Company's income statement
Under Section 408 of the Companies Act 2006 an income statement for the Company is not presented. Profit after tax and before external dividends payable for the period of £13,226,000 (2013: £9,172,000) is included in the financial statements of the Company.

Distributable reserves
The profit and loss reserve of £45,966,000 in the Company is fully distributable.

A. Employees

	2014 £'000	2013 £'000
Wages and salaries	**1,216**	1,148
Social security costs	**154**	144
Pension costs – Defined contribution plans	**40**	39
Share option charges	**377**	764
Social security charges in respect of share options	**22**	760
	1,809	2,855

The average number of people, including Executive Directors, employed by the Company during the year was 8 (2013: 8).

B. Property, plant and equipment

	Fixtures & fittings £'000
Cost:	
At 30 December 2012	272
Additions	1
At 28 December 2013	273
Additions	2
Disposals	(14)
At 27 December 2014	**261**
Depreciation:	
At 30 December 2012	135
Charge for the period	37
At 28 December 2013	172
Charge for the period	26
Disposals	(7)
At 27 December 2014	**191**
Net book value at 27 December 2014	**70**
Net book value at 28 December 2013	101

C. Investments

	Shares in subsidiary undertakings £'000
Cost:	
At 28 December 2013 and 27 December 2014	**104,182**

Subsidiary undertakings

The principal operating subsidiaries at 27 December 2014, are set out below. All of these subsidiaries are wholly owned and have ordinary share capital only.

Company	Country of incorporation and operation	Business
4imprint Inc.	USA	Promotional products
4imprint Direct Limited	England	Promotional products

A complete list of investments held by the Company is included with the annual return submitted to Companies House.

D. Deferred tax assets

	2014 £'000	2013 £'000
At start of period	**3,312**	5,985
Income statement credit	**142**	49
Deferred tax charged to other comprehensive income	**(373)**	(2,722)
At end of period	**3,081**	3,312

The Company's deferred tax relates to the defined benefit pension scheme and accelerated capital allowances.

The deferred income tax credited to other comprehensive income is as follows:

	2014 £'000	2013 £'000
Tax relating to post employment obligations	**(392)**	(1,502)
Prior year adjustment	**–**	(737)
Effect of change in UK tax rate	**19**	(483)
	(373)	(2,722)

E. Other receivables

	2014 £'000	2013 £'000
Amounts due from subsidiary companies	**58,446**	71,678
Other receivables	**209**	5
Prepayments and accrued income	**39**	79
	58,694	71,762
Less non current portion: Amounts due from subsidiary companies	**(57,841)**	(59,762)
	853	12,000

Current amounts due from subsidiary companies include £nil (2013: £5,000,000) which is interest bearing at market rates of interest. The balance was repayable on demand.

Non current amounts due from subsidiary companies include £nil (2013: £23,385,000) due within two to five years and £57,841,000 (2013: £36,377,000) due after five years. All amounts are interest bearing at market rates of interest.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2014 £'000	2013 £'000
Sterling	**808**	35,385
US dollars	**57,841**	36,377
	58,649	71,762

F. Other payables – current

	2014 £'000	2013 £'000
Other payables	**78**	38
Other tax and social security	**45**	760
Amounts due to subsidiary companies	**432**	490
Accruals	**912**	524
	1,467	1,812

The amounts due to subsidiary companies are not interest bearing and all are repayable on demand.

G. Provisions for other liabilities and charges

	2014 £'000	2013 £'000
At start of period	**147**	150
Utilised	**–**	(3)
At end of period	**147**	147

Analysis of provisions

	2014 £'000	2013 £'000
Current	**147**	–
Non current	**–**	147
Total	**147**	147

The onerous lease provisions relate to dilapidation costs of residual property in respect of business disposals, and is expected to be paid within the next year.

H. Retirement benefit obligations

The amount recognised in the balance sheet represents the net liability in respect of the closed defined benefit scheme. Full details of the defined benefit scheme are contained in note 4 on pages 55 to 58.

The Sterling analysis of the balance sheet amount is as follows:

	2014 £'000	2013 £'000
Present value of funded obligations	**(99,562)**	(96,390)
Fair value of scheme assets	**84,128**	79,779
Net obligations recognised in the balance sheet	**(15,434)**	(16,611)

Changes in the present value of the net defined benefit obligation are as follows:

	Present value of obligation £'000	Fair value of Scheme assets £'000	Net obligation £'000
Balance at 30 December 2012	(100,263)	77,369	(22,894)
Administration costs paid by the Scheme	(478)		(478)
Exceptional items – flexible early retirement costs paid by the Scheme	(76)		(76)
Interest (expense)/income	(4,200)	3,276	(924)
Return on Scheme assets (excluding interest income)		1,738	1,738
Remeasurement gains due to Scheme experience	1,056		1,056
Remeasurement gains due to changes in demographic assumptions	1,953		1,953
Remeasurement losses due to changes in financial assumptions	(161)		(161)
Contributions by employer		3,175	3,175
Benefits paid	5,779	(5,779)	–
Balance at 28 December 2013	(96,390)	79,779	(16,611)
Administration costs paid by the Scheme	**(330)**		**(330)**
Exceptional items – buy-in and flexible early retirement costs paid by the Scheme	**(654)**		**(654)**
Interest (expense)/income	**(4,095)**	**3,547**	**(548)**
Liabilities/(assets) removed on settlement re flexible early retirement	**5,234**	**(5,520)**	**(286)**
Return on Scheme assets (excluding interest income)		**3,668**	**3,668**
Remeasurement loss on buy-in		**(7,732)**	**(7,732)**
Remeasurement losses due to changes in assumptions	**(9,176)**		**(9,176)**
Contributions by employer		**16,235**	**16,235**
Benefits paid	**5,849**	**(5,849)**	**–**
Balance at 27 December 2014	**(99,562)**	**84,128**	**(15,434)**

J. Amounts due to subsidiary companies – non current

The amounts due to subsidiary companies comprises £nil (2013: £33,910,000) due in two to five years and £57,841,000 (2013: £36,377,000) due after five years. Of the loans due after five years, all are interest bearing at market rates of interest. All other loans were interest free.

K. Cash generated from operations

	2014 £'000	2013 £'000
Operating loss	**(3,312)**	(10,596)
Adjustments for:		
Depreciation charge	**26**	37
Exceptional non cash items re intercompany loan impairments	**940**	6,880
Decrease in exceptional accrual	**(16)**	(74)
Share option charges	**396**	795
Defined benefit pension administration charge	**330**	478
Contributions to defined benefit pension scheme	**(16,235)**	(3,175)
Changes in working capital:		
(Increase)/decrease in trade and other receivables	**(176)**	83
(Decrease)/increase in trade and other payables	**(268)**	245
Increase/(decrease) in payables to subsidiary undertakings	**732**	(13,182)
Cash used in operations	**(17,583)**	(18,509)

Reconciliation of net cash	2014 £'000	2013 £'000
Cash at bank and in hand	**617**	1,386
Short term deposits	**3,750**	4,250
Cash and cash equivalents	**4,367**	5,636
Other financial assets – bank deposits	**–**	4,950
Net cash	**4,367**	10,586

L. Share capital

	2014 £'000	2013 £'000
Allotted and fully paid		
27,965,530 (2013: 26,744,947) ordinary shares of 38 6/13 p each	**10,756**	10,286

During the period 1,220,583 ordinary shares were issued (2013: 168,281) for a consideration of £470,000 to satisfy option exercises under the Performance Share Plan.

The options that have been granted and were outstanding under the Company's share option schemes are shown in note 22 on page 71. Full details of the share option schemes are given in note 23 on pages 71 to 73.

Employees of the Company had interests in 18,064 SAYE options under the 31 October 2012 grant (2013: 18,064); and nil options under the Performance Share Plan (2013: 900,000).

M. Financial commitments

The Company had financial commitments for land and buildings of £244,000 at 27 December 2014 (2013: £249,000). These are payable as follows: within 1 year £134,000 (2013: £163,000); in two to five years £110,000 (2013: £86,000).

N. Contingent liabilities

The company had no known contingent liabilities at 27 December 2014 (2013: £nil).

O. Related party transactions

During the period the Company has been party to a number of transactions with fellow subsidiary companies:

	2014 £'000	2013 £'000
Income statement		
Finance income due from subsidiary companies	**5,031**	5,302
Finance costs due to subsidiary companies	**4,830**	3,068
Balance sheet		
Interest bearing loans due from subsidiary companies at end of period	**57,841**	64,762
Interest bearing loans due to subsidiary companies at end of period	**57,841**	36,377

Key management compensation, comprising remuneration of the Directors based in the UK, charged to the Company's income statement was:

	2014 £'000	2013 £'000
Salaries, fees and short-term employee benefits	**863**	786
Social security costs	**112**	87
Pension contributions	**28**	27
Share option charges	**130**	405
Social security in respect of share options	**22**	760
	1,155	2,065

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Five year financial record

The presentational currency was changed, in 2014, to US dollars and prior periods have been restated (see page 48). The SPS business was classified as a discontinued operation in 2013 and the 2012 comparatives have been restated. In addition, 2012 has also been restated for amendments to IAS 19 and to include income from delivery receipts and other activities in revenue. The Brand Addition business was classified as a discontinued operation in 2011 and the 2010 comparatives have been restated.

Income statement	2014 $'000	2013 $'000	2012 $'000	2011 $'000	2010 $'000
Revenue	**415,773**	332,936	290,813	254,754	222,081
Underlying operating profit	**27,759**	19,494	14,506	13,612	9,613
Defined benefit pension – administration charge	**(544)**	(748)	(694)	–	–
Share option charges	**(666)**	(2,493)	(1,030)	(829)	(283)
Goodwill impairment	**–**	–	–	(7,608)	–
Exceptional items	**(2,407)**	(397)	(938)	(3,104)	(1,738)
Operating profit	**24,142**	15,856	11,844	2,071	7,592
Finance income	**107**	88	315	–	15
Finance costs	**(7)**	(27)	(249)	(565)	(802)
Net pension finance charge	**(903)**	(1,445)	(1,824)	(932)	(821)
Profit before tax	**23,339**	14,472	10,086	574	5,984
Taxation	**(6,982)**	(3,857)	(3,253)	(3,128)	(1,400)
Profit/(loss) from continuing operations	**16,357**	10,615	6,833	(2,554)	4,584
Profit/(loss) from discontinued operations	**1,381**	(4,825)	14,796	6,058	6,019
Profit for the period	**17,738**	5,790	21,629	3,504	10,603
Basic earnings per ordinary share	**59.73c**	40.11c	26.00c	13.60c	41.18c
Dividend per share – paid and proposed	**32.41c**	27.56c	23.55c	23.26c	22.14c

Balance sheet	2014 $'000	2013 $'000	2012 $'000	2011 $'000	2010 $'000
Non current assets (excluding deferred tax)	**10,403**	10,152	21,472	20,054	36,528
Deferred tax assets	**4,794**	6,324	10,147	9,503	9,939
Net current assets	**23,186**	29,850	36,767	20,418	28,419
Net assets held for sale	**–**	9,460	–	12,302	–
Pension liability	**(24,015)**	(27,398)	(36,985)	(36,594)	(34,297)
Other liabilities	**(298)**	(719)	(9,122)	(5,391)	(13,642)
Shareholders' equity	**14,070**	27,669	22,279	20,292	26,947
Net cash/(debt)	**18,301**	25,990	17,251	8,490	(374)

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