4imprint Group plc

Annual Report & Accounts 2023

Our purpose is to harness the enduring appeal of promotional products to help our customers build their brand, promote their initiatives, achieve their marketing goals and make lasting connections with those who are important to them.

With every order we are trusted to carry a distinctive logo or message on our products, so we understand clearly that our primary aim is to be certain to make our customers and their organisations shine.

We deliver on this trust by cultivating an authentic environment where our people are valued and empowered to do their best work.

Our priority is to attract and retain a diverse team, each member of which is committed to creating mutually beneficial, sustainable outcomes for all stakeholders and the environment, in turn protecting and strengthening the long-term interests of the Company and our Shareholders.

Contents

Find out more online:
investors.4imprint.com

HIGHLIGHTS

Operational overview

- Continued market share gains driving very strong financial results
- Marketing activities remain productive, including further development of the brand component
- Net operating margin above 10%, reflecting stability in supply chain conditions, improvement in year-on-year gross margins and some operational leverage
- 2,090,000 total orders received in 2023 (2022: 1,860,000); 311,000 new customers acquired in the year (2022: 307,000)
- Group well financed with cash and bank deposits of $104.5m (2022: $86.8m)
- $20m project to expand capacity at the Oshkosh distribution centre underway, including planned extension of solar array

Financial overview

REVENUE
$1,326.5m
+16%
2022: $1,140.3m

OPERATING PROFIT
$136.2m
+32%
2022: $102.9m

PROFIT BEFORE TAX
$140.7m
+36%
2022: $103.7m

CASH AND BANK DEPOSITS
$104.5m
+20%
2022: $86.8m

BASIC EPS
377.9c
+32%
2022: 285.6c

TOTAL PAID AND PROPOSED REGULAR DIVIDEND PER SHARE
215.0c
+34%
2022: 160.0c

TOTAL PAID AND PROPOSED REGULAR DIVIDEND PER SHARE
167.8p
+27%
2022: 132.2p

AT A GLANCE

A platform for delivery of organic revenue growth

We are a direct marketer of promotional products with operations in North America, the UK and Ireland. Excellent progress has been made by the Group during the course of 2023, giving rise to a strong financial performance for the year.

What we do

We make it easy for our customers to promote their service, product or event. Our customers know that promotional products from 4imprint's extensive range along with personal, expert service on every order will ensure that their name – and brand – looks great in front of their target audience.

Our objective

Our objective is to deliver market-beating organic revenue growth by expanding our share in the still fragmented markets in which we operate. We aim to establish 4imprint as **'the'** leading promotional products brand within our target audience through sustained investment in an evolving marketing portfolio.

Where we do it

We operate the same business model in two primary geographical markets:

NORTH AMERICA

Most of our revenue is generated in the USA and Canada, serviced from an office, production and distribution facilities in Oshkosh and Appleton, Wisconsin.

REVENUE

$1,302.6m

98%

EMPLOYEES

1,593

December 2023

UK & IRELAND

Customers in the UK and Irish markets are serviced from an office in Manchester, England.

REVENUE

$23.9m

2%

EMPLOYEES

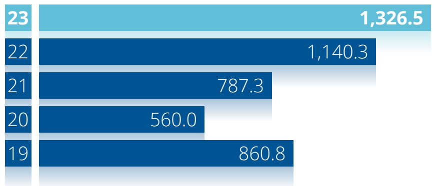
45

December 2023

Five year growth

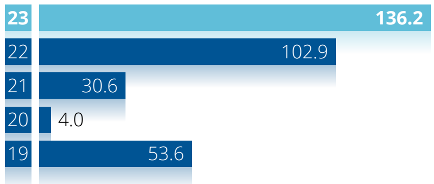
REVENUE ($m)

$1,326.5m



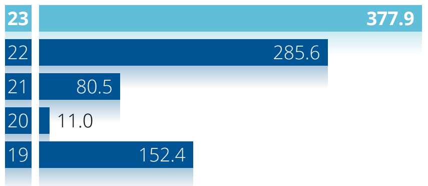
OPERATING PROFIT ($m)

$136.2m



BASIC EARNINGS PER SHARE (c)

377.9c



How we do it

Our business operations are focused around a highly developed direct marketing business model. Organic revenue growth is delivered by using a wide range of data-driven, online, offline and brand-based marketing techniques to capture market share in the large and fragmented promotional product markets that we serve.

Reaching our customers

Innovative marketing allows us to introduce millions of potential customers to tens of thousands of customised products.

Looking after our customers

We have an exceptional culture revolving around the delivery of remarkable customer service, and a robust satisfaction guarantee that our customers can rely on.

Our product range

Our merchandisers work closely with our suppliers to continuously update and curate our extensive product range.

Application of technology

Our appetite for technology delivers an attractive customer experience, an efficient order processing platform and sophisticated data-driven analytics.

CHAIRMAN'S STATEMENT

Another strong financial performance

"The Group has made significant operational and financial progress in 2023."

Performance summary

Building on the momentum generated by a healthy post-pandemic rebound that began in 2022, the Group delivered another very strong financial performance in 2023.

Group revenue for 2023 was $1.33bn, an increase of $0.19bn or 16% over 2022. Profit before tax for the year was $140.7m (2022: $103.7m), driving an increase in basic earnings per share to 377.9c (2022: 285.6c). The business model was characteristically cash-generative, with cash and bank deposits at the end of 2023 of $104.5m (2022: $86.8m), leaving the Group well financed entering 2024.

Total orders received for the full year were up 12% over 2022, a good performance reflecting continued market share gains. These gains were made despite challenging year-on-year comparatives from April onwards and a slow-down in growth in the promotional products industry in the second half of 2023 reflecting a more cautious macroeconomic environment.

The financial dynamics within the business are strong. Considerable progress was made in gross margin percentage which improved by more than two percentage points against the prior year. Productivity of marketing spend has remained encouraging, with our headline revenue per marketing dollar KPI remaining above $8 for the full year. As trailed in last year's Annual Report, significant incremental investment in the business was approved by the Board at the start of 2023. This investment, primarily in people, has enabled us to consolidate realised gains as well as underpinning future growth prospects. In combination, these factors resulted in an annual operating margin exceeding 10%.

Strategy

Our strategic direction is clear and has not changed. We aim to deliver market-beating organic revenue growth by increasing our share in the large but fragmented markets in which we operate.

We take a long-term view of the business and its prospects. An important aspect of this is our commitment to the further development of the brand component of our marketing, which we expect to be a key growth driver in coming years.

Equally important in ensuring the Group's success is an unwavering commitment to the 4imprint culture, which has been crucial in allowing us to attract and retain the depth of talent necessary to underpin our growth ambitions. Our team members are essential to our success.

The Board remains committed to the Group's strategy and business model as well as being confident in the strength of its competitive position.

Sustainability

Further good work has been done in pursuing innovative and appropriate ways to minimise the environmental impact of our operations. Enhanced energy saving and renewable energy initiatives have continued and valuable work has been done in calculating and understanding the full extent of our GHG Protocol Scope 3 emissions.

Significant progress has been made in expanding our Better Choices™ sustainable product initiative. More than 15,000 Better Choices™ 'tags' have now been applied to items included in the programme and a particular focus has been on integrating products from our own private label brands into this initiative.

Pension

In June 2023 we took a significant further step in the Group's long-term commitment to fully de-risk its legacy defined benefit pension obligations. Through the purchase of a bulk annuity 'buy-in' insurance policy, we were able to eliminate inflation, interest rate and longevity risks in respect of substantially all remaining pension benefits. A cash lump sum of $4.1m was paid by way of a 'top-up' premium for the transaction, after which balance sheet volatility will cease and future deficit reduction contributions of around $4m per year will no longer be required.

Dividend

The Group finished 2023 in a very strong financial position, with cash and bank deposits of $104.5m (2022: $86.8m). The Board recommends a final dividend per share of 150.0c (2022: 120.0c), giving a total paid and proposed 2023 regular dividend per share of 215.0c (2022: 160.0c).

The use of the Group's large cash balance is under regular review in accordance with the Group's capital allocation framework and balance sheet funding guidelines.

Board

In August 2023 Charlie Brady stepped down from the Board due to a challenging health issue. Charlie joined the Board in 2015 and over his years with 4imprint made a significant contribution to the strategic development of the Group. His wit and wisdom are greatly missed by his former Board colleagues.

Outlook

The Group has made significant operational and financial progress in 2023, reflecting a clear strategy and a highly resilient business model.

Trading results in the first two months of 2024 have been in line with both the Board's expectations and consensus forecasts. We are confident that we will continue to take market share.

PAUL MOODY
CHAIRMAN
12 March 2024

CHIEF EXECUTIVE'S REVIEW

Consistent market share gains

Performance overview

2023 was another year of record results for 4imprint. This remarkable performance reflects the strength of our strategy in driving continued market share growth. As ever, this growth was underpinned by the outstanding efforts of our team members and the strength of the relationships we have with our supplier partners. Excellent progress has been made in 2023 on several important initiatives within the business.

As we noted in our half-year report, trading momentum in the first half of 2023 was favourable, with total orders received up 18% over 2022. At the time, however, we were careful to set these results firmly in the context of weak prior year comparatives in the first half of 2022. As we expected, the percentage increases in total order activity over the prior year moderated over the second half of the year, reflecting the much more challenging year-on-year comparatives that included a period of significant recovery from the pandemic.

In addition, the second half of 2023 saw softening demand patterns in the promotional products industry typical of a less buoyant general economic environment. Recently released research from ASI, a North American industry body, indicated that in the fourth quarter of 2023 year-over-year sales for industry distributors in aggregate were essentially flat, a marked deceleration as compared to the prior year. We continued to gain market share against this backdrop.

Revenue	2023 $m	2022 $m	Change
North America	**1,302.6**	1,120.5	+16%
UK & Ireland	**23.9**	19.8	+21%
Total	**1,326.5**	1,140.3	+16%

Operating profit	2023 $m	2022 $m	Change
Direct Marketing operations	**141.2**	107.9	+31%
Head Office costs	**(5.0)**	(5.0)	0%
Total	**136.2**	102.9	+32%

In total 2,090,000 orders were received in 2023, representing an increase of 12% over 2022. In line with historical patterns, existing customer orders made up the majority, with 1,561,000 orders representing a 14% increase over 2022. This strength in existing customer orders gives us reassurance in respect of the resilience and reliability of the customer file moving forward.

529,000 new customer orders were received in 2023, an increase of 2% over 2022. We acquired 311,000 new customers in the year, representing a gain of 1% over the 307,000 acquired in 2022. As well as being a function of much tougher comparatives in the second half of 2022, the relative slow-down in new customer acquisition also correlates clearly with the softening demand patterns in the industry.

Average order values in 2023 were 1% above prior year, driven by changes in the merchandising mix, customer preferences and price adjustments through the year. This led to a total increase at the demand revenue level (value of orders received) of 13% over 2022.

As the year progresses, we anticipate that 2024 will bring more normalised demand comparatives and an improved, more typical balance between new and existing customer activity.

These demand numbers laid the base for a strong financial performance. Group revenue for 2023 was $1.33bn, representing an increase of 16% or $0.19bn over 2022. The difference between the 13% increase at demand level and the 16% gain in reported revenue is explained mostly by a return to normal experience in 2023 in respect of cancelled orders and customer credits/claims. These effects had been elevated in 2022 due to the global and local supply chain disruption that caused significant adjustments and delays to order flow in that year.

After a step change in profitability in the prior year, the Group delivered another very strong result in 2023. Operating profit for 2023 of $136.2m was 32% above the 2022 comparative of $102.9m, producing an operating margin for the year of 10.3% (2022: 9.0%). Other than the revenue growth outlined above, three major themes contributed to this strengthening in net return:

- Gross margin percentages improved by more than two percentage points against the prior year. This favourable movement was driven mainly by price adjustments, supplier rebates, more stable product input prices and lower freight costs.
- Productivity of marketing spend was encouraging, with our headline revenue per marketing dollar KPI remaining above the $8 mark for the full year. For comparison purposes, this KPI was below $6 in the pre-pandemic year of 2019.
- Some operational gearing over the fixed and semi-fixed elements of the cost base, but as anticipated this was lower than usual as a result of the significant incremental investment in the business, primarily in people, to support what is now a much larger business.

The 4imprint direct marketing business model remains very cash generative, with free cash flow in the year of $128.5m (2022: $63.9m) leading to cash and bank deposits at the 2023 year-end of $104.5m (2022: $86.8m).

Operational highlights

Significant operational progress was made in 2023. Much of this was related to bolstering resources in the business after a particularly demanding year managing $350m in incremental organic revenue growth in 2022.

- **People.** Our team members are essential to our current and future success. In our 2022 Annual Report we identified our intention to make a significant investment in the business in 2023, primarily in people, in order to consolidate existing gains and strengthen our platform for future profitable growth. Even though the labour market has remained tight, we have been able to attract the high-quality talent that we need in a variety of areas across the business, both in terms of those who directly support our increasing order count as well as people to strengthen our organisational structure for the future. The results have been tangible: whereas the second half of 2022 was a time of acute stress operationally, 2023 was calm and efficient, leading to lower order adjustments and cancellations, better credits/claims experience and shorter lead times, all of which led to improved customer service. We have continued with the development of our 'hybrid' working environment for team members who previously would have worked in the office. This model will remain as a permanent option for desk-based team members.

CHIEF EXECUTIVE'S REVIEW CONTINUED

- **Marketing.** The development of and investment in the brand component of our marketing mix has been the key catalyst behind our materially improved marketing productivity in recent years as compared to historical performance. We are confident that the brand element has settled into our proven cycle of continued investment in testing and refining the marketing mix. Most recently we have had initial success in our testing into 'streaming' TV which will now become part of our brand marketing investment. The improved flexibility offered by this evolved marketing portfolio enables us to take full advantage of the immediate market share opportunity, at the same time as strengthening the business for the long term.
- **Supply.** The supply chain position in 2023 stands in stark contrast to 2022. Through most of 2022 we dealt with acute pressure stemming from challenges around global logistics, inventory availability and production capacity to keep up with demand. During that time we relied on the deep relationships we have with our key Tier 1 suppliers to manage these issues as best we could. Thankfully, during 2023 these supply chain challenges have now been fully resolved, taking delays and friction out of the process and enabling us to deliver the '4imprint Certain' service that our customers come to us for.
- **Screen-printing.** Our new screen-print facility in Appleton, Wisconsin, went live for production in April 2023. We have been fortunate to recruit the team members required for the new operation. A second shift launched in the first quarter of 2024, and our intention is to scale up further to support our overall apparel decoration capability.
- **Oshkosh facilities.** The Board has authorised a further major expansion at our distribution centre site in Oshkosh, Wisconsin. This facility expansion is aimed primarily at supporting the continued growth of the apparel category of our product range. The current footprint will increase from just over 300,000 sq.ft. to at least 450,000 sq.ft. Construction is already under way, with a target operational date of Q3 2024. The overall cost of the project will be around $20m.

Sustainability

Good progress was made on our ESG agenda in 2023.

- We maintained and renewed our CarbonNeutral® business certification.
- The team has worked on further energy and waste reduction initiatives, including a renewable energy initiative through our local energy provider, with the ultimate goal of moving towards clean energy initiatives and reducing reliance on carbon offset products.
- The existing solar panel array will be supplemented and extended in capacity as part of the expansion project at the Oshkosh distribution centre.
- There has been exciting progress in expanding and developing our Better Choices™ sustainable products range. More than 15,000 Better Choices™ 'tags' (2022: 8,000) have now been applied to items meeting qualification for the programme.

Looking ahead

Our operations are robust and scalable, especially in the light of the investment in the business highlighted in this report. We are confident that we will continue to take share in the markets in which we operate.

"Significant operational progress was made in 2023. Much of this was related to bolstering resources in the business."

STRATEGIC OBJECTIVES

Building a commercially and environmentally sustainable business that delivers value to all stakeholders

OBJECTIVES

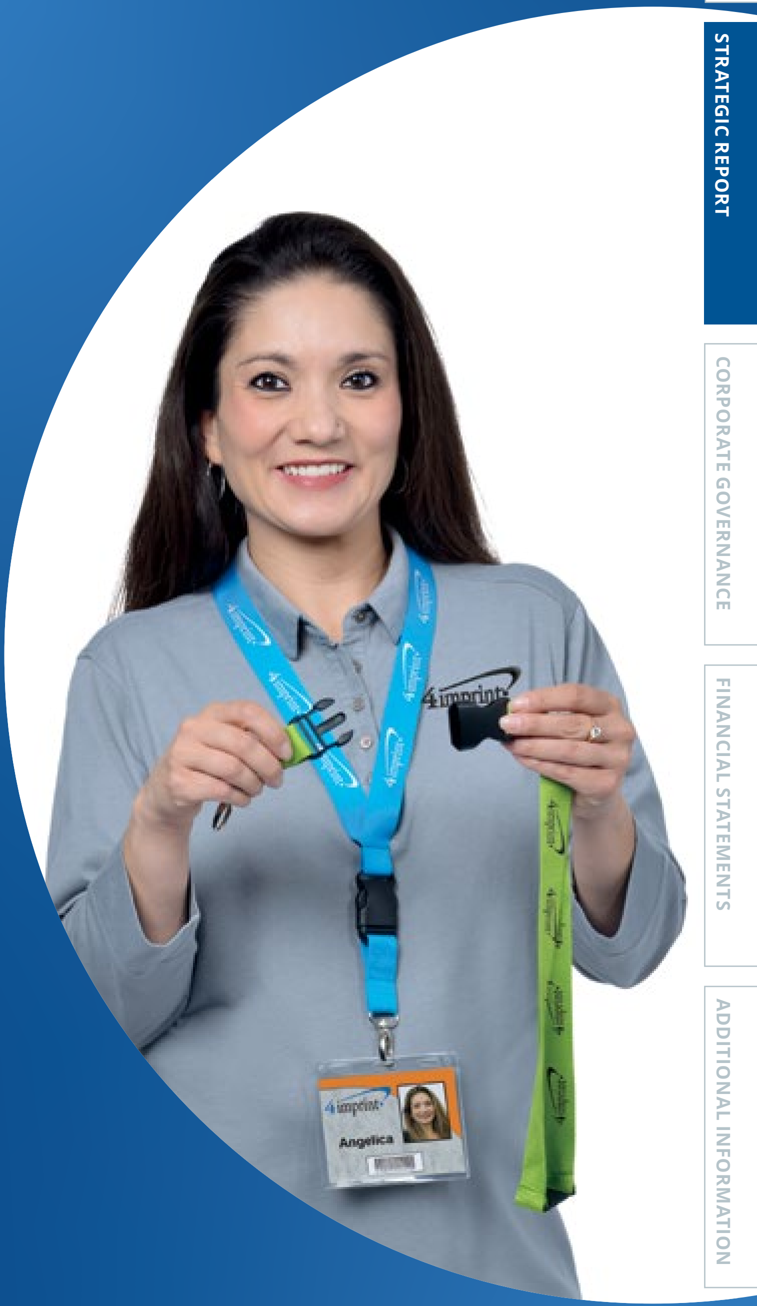
- To protect and enhance the 4imprint brand as synonymous with the principles and values that it represents
- To deliver the extraordinary customer service required to acquire and retain the customer relationships that support long-term value creation
- To curate and preserve a distinct and diverse culture that develops, empowers and values team members
- To embrace environmental initiatives tailored to achieve maximum impact in the context of our business and operations
- To maintain collaborative and mutually beneficial relationships with our supplier partners, grounded in clear social and ethical expectations
- To support, participate in and give back to our local communities

KEY ENABLERS

- Relentless focus on excellence in customer service
- Culture guided by application of the 4imprint Compass and 'The Golden Rule'
- Investment in environmental initiatives, and setting of clear and measurable performance targets
- Clear social and ethical policies and expectations
- 4imprint Supply Chain Code of Conduct
- Charitable giving programme and encouragement of all team members to volunteer or otherwise participate in their local communities

KPIs (SEE PAGES 12 AND 13)

- Year-over-year (YOY) revenue growth
- 24-month customer retention



STRATEGIC OBJECTIVES CONTINUED

Market leadership driving organic revenue growth

OBJECTIVES

- To establish 4imprint as **'the'** recognised promotional products brand within our target audience
- To be the leading direct marketer of promotional products in the markets in which we operate
- To expand share in fragmented markets through sustained investment in a diversified, evolving marketing portfolio
- To set challenging organic revenue targets linked directly to the Group's strategy

KEY ENABLERS

- Competitive advantage through continuous development of and sustained investment in:
  - People
  - Marketing
  - Technology
- Differentiation through operational excellence:
  - Customer service
  - Merchandising and supply
  - Efficient processing at scale of individually customised, time-sensitive orders

KPIs (SEE PAGES 12 AND 13)

- YOY revenue growth
- Number of orders received
- 24-month customer retention
- Revenue per marketing dollar

Cash generation and profitability

OBJECTIVES

- To deliver reliable and increasing free cash flow over the medium to longer term
- To balance short-term profitability with marketing investment opportunities leading to sustainable long-term free cash flow and EPS growth

KEY ENABLERS

- Reinvestment of cash generated from operations into organic growth initiatives based on multi-year revenue/return projections
- Disciplined approach to investment:
  - Marketing investment based on our assessment of both prevailing market conditions and a combination of current and future customer-centric metrics, including prospecting yield curves, retention patterns and lifetime revenue profiles
  - Capital investment evaluated based on cash payback and discounted cash flow parameters
- Direct marketing 'drop-ship' business model, facilitating efficient working capital management
- Low capital intensity

KPIs (SEE PAGES 12 AND 13)

- Revenue per marketing dollar
- Operating margin
- Basic earnings per share
- Cash conversion

Effective capital structure

OBJECTIVES

- To maintain a stable and secure balance sheet aligned with the Group's growth objectives
- To have the flexibility to be able to continue investing in the business through different economic cycles
- To enable the Group to act swiftly when investment opportunities arise
- To meet our legacy defined benefit pension commitments as they fall due

KEY ENABLERS

- Conservative balance sheet funding approach
- Capital allocation priorities in line with strategic objectives

KPIs (SEE PAGES 12 AND 13)

- Cash balance
- Return on average capital employed
- Pension asset/(deficit)
- Total Shareholder Return (TSR)

Shareholder value

OBJECTIVES

- To deliver increasing Shareholder value through execution of the Group's growth strategy

KEY ENABLERS

- Financial discipline in evaluation of investment opportunities
- Clear priorities in capital allocation:
  - Organic growth initiatives
  - Regular dividend payments
  - Residual legacy pension funding
  - M&A opportunities
  - Other Shareholder distributions

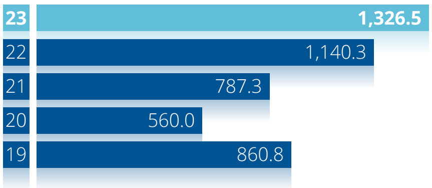
KPIs (SEE PAGES 12 AND 13)

- Basic earnings per share
- Dividends per share
- TSR

KEY PERFORMANCE INDICATORS

REVENUE GROWTH ($m)

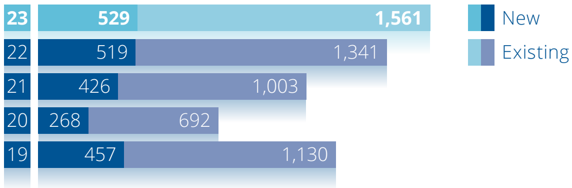
$1,326.5m +16%



Following the record-breaking organic growth levels recorded in 2022, the business saw continued encouraging results in 2023. The year-on-year growth of 16% benefitted from continued marketing productivity and improved supply chain conditions. This is a key measure of progress towards our strategic objectives.

NUMBER OF ORDERS RECEIVED ('000)

2,090 +12%



Orders received (demand) statistics are collated on a daily, weekly and monthly basis to evaluate performance against targets in our operational plan for both new and existing customers. Analysis of order patterns offers a clear and immediate measure of operational performance.

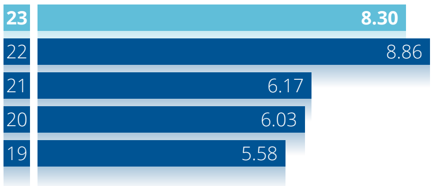
24-MONTH CUSTOMER RETENTION (%)

45%

The 24-month customer retention rate offers visibility as to the broad stability and strength of the customer file. The 2023 results highlight the full post-pandemic recovery of the 24-month customer retention rate.

REVENUE PER MARKETING DOLLAR ($)

$8.30



Revenue per marketing dollar gives a measure of the productivity of our investment in marketing. 2023 represents a sustained and material improvement from our pre-pandemic historical norms following the expansion of the brand advertising component of the mix.

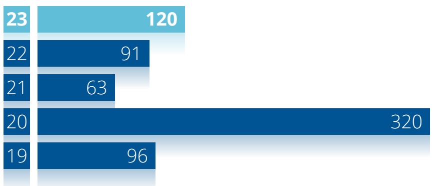
OPERATING MARGIN (%)

10.3%

Operating margin percentage shows the profitability of the Group's trading operations. The marked increase in profitability has been driven by favourable demand, recovery in gross margin percentage, productive marketing spend and general operational gearing.

CASH CONVERSION (%)

120%



Cash conversion measures the efficiency of the 4imprint business model in the conversion of operating profits into operating cash flow. The high conversion rate in 2023 reflects both good working capital management and the unwinding of an elevated net working capital balance at the 2022 year-end.

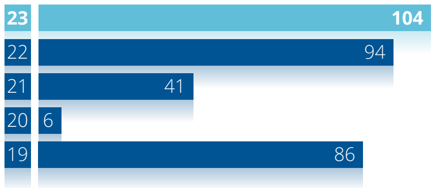
CASH AND BANK DEPOSITS ($m)

$104.5m

Our balance sheet funding guidelines call for the business to aim for a target cash balance at the end of each financial year. This KPI reflects the Group's performance in managing its cash resources relative to its capital allocation priorities. The 2023 cash balance remains healthy.

RETURN ON AVERAGE CAPITAL EMPLOYED (ROACE) (%)

104%



This KPI shows the Group's efficiency in the use of its capital resources. It is influenced by profitability, working capital management and productive capital investment.

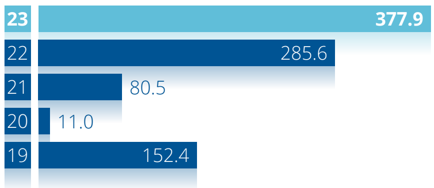
PENSION ASSET/(DEFICIT) ($m)

$0.0m

This KPI demonstrates the substantial efforts made in recent years in the de-risking of the Group's legacy defined benefit plan. The purchase of a 'buy-in' insurance policy in 2023 was a significant further step towards fully de-risking our pension obligations.

BASIC EARNINGS PER SHARE (EPS) (c)

377.9c

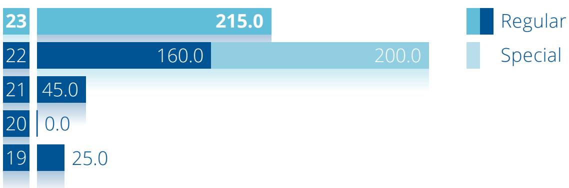


EPS growth over time gives a clear indication of the financial health of the business and is a key component of the delivery of Shareholder value. The 32% increase in EPS in 2023 reflects the strong trading performance in the year.

DIVIDENDS PER SHARE (DPS) (c)

215.0c

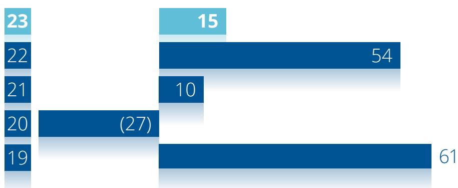
REGULAR



DPS provides a tangible measure of the delivery of Shareholder value. The 2023 regular dividend is in line with the Board's guidelines to increase the regular dividend payment broadly in line with EPS growth.

TOTAL SHAREHOLDER RETURN (TSR) (% in year)

15%



Our aim is to deliver consistent performance and attractive TSR. The disruptive effects of the pandemic and subsequent recovery are clearly demonstrated over the five year period.

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ADDITIONAL INFORMATION

MARKET POSITION

Maintaining a leadership position in the markets we serve

"Promotional products are purchased by a wide range of individuals within all types of businesses and organisations."

A fundamental strategic objective for 4imprint is to establish and maintain a leadership position in the markets we serve. We aim to establish 4imprint as **'the'** recognised brand for promotional products, driving our organic revenue growth profile to significantly outpace the overall growth rate of the promotional products industry as a whole.

With revenue of over $1.3bn, 4imprint is the largest distributor in the North American promotional products industry. The leading trade bodies, PPAI and ASI, both placed 4imprint at the top of the latest versions of their annual 'Top 40' distributor rankings. This reflects a very strong recovery post-pandemic. Our UK business is smaller, with annual revenue in 2023 of £19.2m ($23.9m), but it ranks consistently in that market's top five distributors according to industry sources.

Our proposition

Our customers can be **certain** that our team and our products will meet their expectations, every time:

- **Certain delivery:** It's on time or it's on us. If your event is missed because we didn't ship on time, your order is free.
- **Certain value:** If you find, within 30 days of purchase, that your order would have cost less elsewhere, let us know and we'll refund double the difference.
- **Certain happiness:** If you're not 100% satisfied with your order, we'll pay to pick it up and rerun it or refund your money – your choice.

Our 360° Guarantee® promises free samples, complimentary art assistance and personal, expert service on every order. We aim to take away the worry, making 4imprint the trusted right hand minding the details every step of the way. Whether raising awareness, sponsoring events, acquiring customers, recruiting new employees or supporting good causes, our customers know that promotional products from 4imprint will ensure that their name – and brand – look great in front of their target audience.

Where we do business

We operate in two primary geographical markets:

- *North America:* The estimated market size of the US and Canadian promotional products markets together in 2023 is estimated to total around $26bn in annual revenue (around $25bn in 2022). We serve these markets from facilities in **Oshkosh** and **Appleton, Wisconsin, USA.**
- *UK & Ireland:* The UK and Irish promotional products market size was estimated by industry sources in 2023 to be around £1.2bn ($1.5bn), now fully recovered to pre-pandemic levels. Our office serving these markets is in **Manchester, UK.**

The marketplace for promotional products is fragmented. The US industry trade body, PPAI, has produced estimates that our largest market, the USA, is served by just under 26,000 distributors, of whom fewer than 1,000 have annual revenue of more than $2.5m. The distribution structure is similar in the Canadian and UK/Irish markets.

Our customers

Promotional products are purchased by a wide range of individuals within all types of businesses and organisations. These products have many uses: as an integral part of sales and marketing campaigns; for recruitment or recognition activities; to promote health and safety initiatives; and for any other method of making a connection between our customer's organisation and the recipient of the item.

We define our customer as the individual placing the order, rather than the business or organisation for which the individual works or with which he/she is associated. Our customer base is widely dispersed geographically, by size of business/organisation and across commercial, governmental, educational, charitable, religious and other segments.

Our target customer will typically be working at an organisation with 25 or more employees and $1m or more in annual revenue. No single customer comprises a material part of 4imprint's overall revenue.

MARKET POSITION CONTINUED

Our products

We sell an extensive range of promotional products – merchandise that is custom printed with the logo or name of an organisation with the aim of promoting a brand, service, product or event.

Our product range comprises tens of thousands of individual products in categories such as pens, bags and drinkware to higher value items such as embroidered apparel, technology and full-size trade show displays, enabling our customers to find the perfect product for their promotion and their brand. This range is carefully updated and curated by an experienced category management team.

Our top ten 'Supergroup' product categories by sales volume in 2023 are set out below:

Supergroup	2023 Rank	2022 Rank	Change
Apparel	1	1	18%
Bags	2	2	14%
Drinkware	3	3	3%
Stationery	4	5	25%
Writing	5	4	22%
Outdoors & Leisure	6	6	17%
Trade Show & Signage	7	7	21%
Auto, Home & Tools	8	8	20%
Wellness & Safety	9	10	19%
Awards & Office	10	–	35%

Product trends

The apparel category continued its growth following significant expansion in recent years. We are particularly encouraged by higher growth rates within the t-shirt and sweatshirt categories (+24% and +21% respectively) where the prevalence of well-known brand names makes for a competitive environment.

Growth in drinkware was relatively modest in 2023. The category had seen considerable development in previous years as its popularity as a gift was boosted by retail trends and brand introductions. While brands represent a solid 18% of drinkware revenue, we are not seeing this share increase further despite significant consumer social media drinkware brand presence during 2023. Whilst some elements of saturation may be evident in the category, generic value priced versions continue to perform well.

Underlying the individual category performance is broad growth in more modestly priced traditional office and giveaway sub-categories. We view this as more of a return of office and giveaway type events than evidence of any economic trading down as these products have specific use cases. As an example, the 'stress ball' category (included in Awards & Office) experienced 52% growth compared to 2022 (102% compared to 2019), the 'hand fan' category (included in Outdoors & Leisure) experienced 58% growth compared to 2022 (114% compared to 2019). Neither category received any specific marketing boost.

Traditional stationery category products such as sticky notes, notepads and notebooks had a very positive year, increasing to become our fourth largest Supergroup. Our Taskright® private label brand has contributed to this story, taking leading positions in these categories.

Technology dropped off the top ten Supergroup list (ranked #9 in 2022) but did have modest growth during 2023. It remains a category highly responsive to consumer usage and tech development. Some subcategories have seen a decline, for example wired earbuds and USB drives (memory sticks); conversely there was growth in wireless charging devices and power banks as data security concerns while travelling have increased.

The inclusion of the Awards & Office Supergroup is largely driven by the 'stress ball' category which is included in this group as well as mature categories such as stickers and magnets that experienced solid growth.

Private label

We continue to develop our stable of 'in-house' brands, exclusive to 4imprint. These products are designed to meet the core needs of our customers and fill gaps within categories where in many cases they have grown to occupy top selling spots. Great attention is paid to the functionality, quality and design characteristics of each item in addition to the choice of our supplier and manufacturing partners. In 2022, as part of our sustainability journey our category management team began to evaluate changes we could make to the materials we were utilising to lower the carbon footprint and provide more sustainable options to our customers. Significant progress has been made, particularly with shifts to recycled polyester, plastics and steel for drinkware. More information can be found on pages 30 and 31.

Life is Good®

In 2023 we launched our collaboration with Life is Good®, a US-based lifestyle brand who, via their high-quality t-shirt range and popular character – Jake – aim to spread the power of optimism and a positive attitude in life. The 4imprint range comprises apparel purchased from Life is Good® and a licensing agreement to extend the brand to existing popular promotional products. Customers are able to co-brand their artwork with Jake and other popular Life is Good® artwork.

Better Choices™

Customers continue to balance many factors when researching and selecting promotional products, including brand, budget, event dates as well as artwork and logo requirements. The same customer's requirements may vary depending on uses and recipients. Our Better Choices™ framework is designed to aid the customer's decision process by highlighting and filtering options by sustainability characteristics and also by drawing attention to the availability and affordability of these choices. The Better Choices™ range has continued to grow not only in terms of revenue but also in terms of the more sustainable materials and programmes that are available. Verification and integrity remain a critical part of the programme. More information can be found on pages 29 to 31.

"We continue to develop our stable of 'in-house' brands, exclusive to 4imprint."

BUSINESS MODEL

Our business is the sale and distribution of promotional products. Our commercial operations are built around a direct marketing business model designed to introduce millions of potential customers to tens of thousands of customised promotional products.

KEY STRENGTHS

Our people

- **Strong company culture**
- **Highly trained, long-tenured team members**
- **Empowered to 'do the right thing'**

Reaching our customers

- **Expanding and productive customer file**
- **Marketing 'engine' able to attract new and retain existing customers; brand increasingly important**
- **Long tradition of excellence in customer service**

Our platform

- **Proprietary, scalable IT system**
- **Reliable and resilient supplier network**

Financial strength

- **Strong balance sheet**
- **Investment in the business**
- **Highly cash-generative model driving self-financed growth**

WHAT WE DO

1

Customer proposition

- **Fast, easy and convenient**
- **Expansive and relevant product range**
- **Industry-leading customer guarantee**
  - Online or over the phone
  - Free samples and artwork
  - Remarkable customer service
  - Certain delivery. It's on time or it's on us
  - Certain value. Or we'll refund double the difference
  - Certain happiness. If you're not 100% satisfied, we'll refund or rerun your order

Application of technology

- **Websites, mobile, customer-facing**
- **Proprietary order processing platform**
- **Sophisticated database analytics**
  - Mature, scalable systems
  - Efficient order processing
  - Supplier integration
  - Data-driven marketing
  - Innovative web and back office technology

4

2

Innovative marketing

- **Data-driven heritage and discipline**
- **Multi-faceted, evolving marketing portfolio**
- **Brand, search, catalogue**
  - New customer acquisition
  - Growing customer file
  - Existing customer retention
  - Blue Box™

'Drop-ship' distribution

- **Unrestricted access to tens of thousands of products**
- **Efficient delivery of orders to short lead times**
- **In-house apparel decoration and screen-printing**
- **Minimal investment in inventory**
  - Supplier holds the inventory
  - Supplier prints the product
  - Order shipped direct to customer
  - Close relationships with suppliers
  - Merchandisers ensure the product range is continually updated and curated

3

STAKEHOLDER OUTCOMES

Shareholders

Strong cash generation permits us to reinvest in the continued growth of the business, and to reward our Shareholders through dividend payments and share price appreciation.

SEE PAGE 11

Customers

Promotional products work: they help our customers achieve their marketing goals, promote their safety initiatives and recognise their employees, amongst many other uses.

SEE PAGE 15

Team members

We are committed to a culture that encourages the training, development, wellbeing and personal fulfilment of every team member.

SEE PAGES 21 TO 23

Suppliers

We have productive relationships with our trusted supplier partners. Our suppliers can expect to be treated in accordance with the 4imprint 'Golden Rule' and to be paid on time.

SEE PAGES 24 AND 25

Community

Our team members are actively engaged in our communities, including charitable giving and volunteering activities.

SEE PAGES 23 AND 24

Pension Plan Trustee and members

We stand firmly behind our legacy defined benefit pension plan obligations.

SEE PAGE 40

Details of engagement with stakeholders are on pages 54 to 57, covering the Directors' duties under section 172 (1) Companies Act 2006.

SUSTAINABILITY

Building a commercially and environmentally sustainable business

Our approach to sustainability

We have a long-standing, principled approach to corporate responsibility. Our culture and values encourage responsible practice at all levels of the organisation and present clear guiding principles that drive ethical interactions with, and outcomes for, all key stakeholders.

The Board believes that these principles and values are entirely consistent with our primary strategic objective (see page 9) of building a commercially and environmentally sustainable business that represents the cornerstone of 4imprint's future success.

Our sustainability agenda focuses on four pillars, each one built on robust and ethical business practices:

- **People and culture**
- **Social and community**
- **Ethical practices and responsible sourcing**
- **Environmental**

People and culture

Our second strategic objective (see page 10) specifically identifies investment in our people as a key driver of competitive advantage. We remain fully committed to a culture that encourages the training, development, wellbeing and participation of every team member.

Further, our culture is based on the **'Golden Rule': treat others as you would wish to be treated yourself**. This mindset is evident across the four pillars of our sustainability agenda through team members who go above and beyond every day to help each other, to provide remarkable service and to give back to their communities because they know and believe that it is the right thing to do.

People first

Our team members are absolutely central to our success. They are the driving force behind all that we do. Their extraordinary commitment reflects an attitude of mind firmly grounded in 4imprint's culture and values.

We have not deviated from our first priority – an overriding commitment to the health, safety and wellbeing of all of our people. We aim to cultivate a culture of trust that encourages people to be themselves and bring their unique talent and experience to a team bound together by a shared vision and sense of purpose. This approach enables us not only to retain existing team members but to enhance 4imprint's reputation in our communities, thereby allowing us to attract new talent in continued tight labour markets.

Communication and participation

A good proportion of formerly office-based jobs are now performed by team members working from home on a permanent or hybrid basis. One implication of this is that the previous 'in-person' quarterly updates on business objectives and progress are no longer practicable. These quarterly meetings have therefore been replaced by regular, detailed and informative written updates from the CEO or UK General Manager as well as other leaders in the business. These updates have offered timely information about the performance of the business, payouts under quarterly incentive remuneration plans, objectives for the upcoming period, as well as providing context around ongoing projects and initiatives.

Compensation and benefits

In the context of very tight labour markets we have, in recent years, paid close attention to ensuring that pay rates across the business remain competitive.

In addition to base wage rates and the productivity-based element in the wage structure for certain functions, all team members are eligible to participate in a quarterly 'gain share' bonus plan that is based on the achievement of tangible, clearly communicated performance targets. 'Gain share' payments were made each quarter in 2023 commensurate with the performance of the business, and quarterly 'leadership' bonuses were also paid to managers and other key contributors.

Our competitive benefits package includes paid time off and strong medical, dental and retirement plans. We also offer resource aimed at personal financial wellbeing. Additional training was offered in 2023 on basics of budgeting and planning through both a local college and a non-profit organisation.

"We have a long-standing, principled approach to corporate responsibility."

SUSTAINABILITY CONTINUED

Training and development

We believe in the value and benefits of personal and professional development. Many of our classes, seminars and training sessions now take place online. Our training team ensures that the online course curriculum continues to evolve along with the business.

Other training initiatives have included topics such as personal development, leadership, safety, IT (particularly cyber security), 'train the trainer' and other customised technical training classes.

Inclusion remains an important theme for our training team. The focus in 2023 has revolved around being an inclusive employer; we have added training sessions on raising self-awareness and speaking up as appropriate.

We encourage our team members to live healthy lives, and this focus on wellness aims to make healthy living easy and convenient. We provide a number of online exercise classes that team members can participate in from the convenience of their home. Through our onsite clinic, a Health Coach provides different programmes including educational sessions on healthy eating, weight loss and exercise. Our Employee Assistance Programme (EAP) Counsellor also provides tips on our internal social media platform and in our weekly newsletters.

Our training programmes will continue to be offered online and in webinar format, and we will include 'in-person' sessions as appropriate. For example, the initial new starter Customer Service Representative training classes have reverted to being held on-site in Oshkosh.

Diversity, Equity and Inclusion (DEI)

We have a clear approach to DEI that is directly in accordance with the culture and values that 4imprint has cultivated over a period of many years. The Group's DEI principles can be found on our IR website at https://investors.4imprint.com.

We understand the importance and beneficial effect of diversity within our Group. We believe that remarkable teams include a wide range of unique individuals, and that bringing these individuals together around a shared set of guiding principles contributes directly to our success as a business.

We aim to foster a culture that recruits, develops and promotes team members regardless of background. We are committed to the principle of equal opportunity in employment, and no applicant or employee receives less favourable treatment on the grounds of nationality, age, gender, gender identity, marital or civil partner status, sexual orientation, religion, race, ethnicity or disability. Further, we do not tolerate discrimination against or harassment of team members or others.

Good progress continues to be made on DEI, including seeking a wider pool of applicants for available jobs, reworking job descriptions to eliminate barriers and unconscious bias in the recruitment process and expanding our training offering to address these topics. In addition, in summer 2023 we participated in a round table with local non-profit organisations to discuss ways to break down employment barriers.

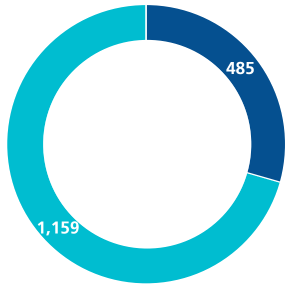
We are committed to working with team members with disabilities to find roles or reasonable accommodations that enable them to meet the responsibilities of their role.

Customer service training class in progress

Gender representation

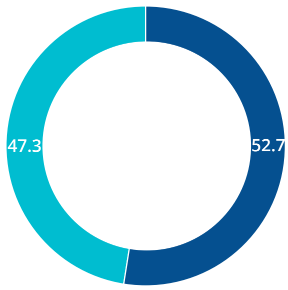
TOTAL HEADCOUNT

Permanent and temporary employees



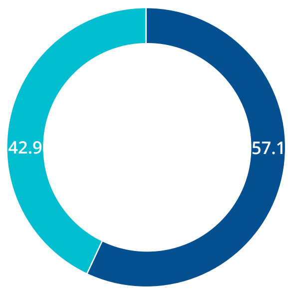
MANAGEMENT

Employees who operate at a senior level in the Group



BOARD

4imprint Group plc Board members



At 31 December 2023 the Group employed a total of 1,644 team members, split between female (1,159, or 70%) and male (485, or 30%).

In relation to gender diversity, in November 2023 the Company took part in the FTSE Women Leaders Review which monitors gender balance in FTSE 100 and FTSE 250 companies. In addition to reviewing gender diversity at Board level, the FTSE Women Leaders Review reports on the gender diversity of senior management and their direct reports.

The data showed:

- The gender diversity of the Board increased during the year, with 42.9% female representation at the end of the year (2022: 37.5%).
- Based on data as at 31 October 2023, 47.3% of the senior management team including direct reports were female (50.7% based on data as at 31 October 2022).

Health and safety

A proactive approach to health and safety is an important aspect of the 4imprint workplace. Desk-based ergonomics and best practice protocols in the office environment along with the operation of machinery and material handling at our distribution centre and screen-print facility are key areas of emphasis in promoting a safety culture. Incidents or near misses are closely tracked, and a Safety Committee meets to consider future improvements based on experience and analysis of the data, or to ensure that we are fully compliant with changing regulatory requirements. In addition, we benefit from a fresh perspective through working closely with external specialists and loss control experts from our property and casualty insurance carriers.

We have an extensive employee wellness programme, including an on-site medical clinic in the US operation. We have continued to expand our health services to include a nurse practitioner, registered nurse, occupational therapist, and other resources such as nutrition and health coaches. These professionals are available to deal with a wide range of medical issues and needs. As well as increasing productivity and being cost-effective for the Company, the wellness programme offers great convenience and has proved very popular with employees for basic medical services such as flu shots, blood draws or consultation with a nurse or nurse practitioner on minor conditions. All on-site medical services are available for free to our team members.

Social and community

4imprint believes in being a good community partner by actively supporting and fostering strong community involvement initiatives and programmes. The health of our business depends on our loyal customers and, above all, on our dedicated teammates. We show our appreciation for their hard work in many ways, including supporting causes close to their hearts and their communities—wherever they live. We support many causes by sharing our time and talents, and through the power of promotional products.

Community involvement and volunteering

We encourage (and enable) our team members to volunteer for their favourite causes and make a difference in their communities. Not only is this simply the right thing to do, but it also allows our team members to partner with other like-minded individuals, forging powerful relationships while elevating 4imprint in the eyes of the community. Having a positive community image not only assists in maintaining strong employee relationships but also positions 4imprint as an 'employer of choice', attracting the new talent required to support our strong continued growth.

Each 4imprint team member receives eight hours of paid time off (PTO) per year for volunteering at nonprofit organisations, schools, or other causes that are meaningful to them. In addition to causes selected by our team members, we seek out, and often organise, additional volunteer opportunities (on-premises and off) to encourage more of our people to give back.

In 2023, 342 team members participated in volunteering events across 171 organisations, logging over 2,194 paid volunteer hours—an increase of close to 30% in both individual participation and volunteer hours compared to the prior year. This was a welcome result, as we bolstered our communication around volunteer offerings and increased their frequency too (up over 20% compared to last year).

In 2023, some of those opportunities included:

- 'Give Back Bus' events where team members travelled to locations together to volunteer.
- Cards 4 Compassion/Crafternoon – teammates created 827 holiday cards used to brighten someone's day.
- Annual Christmas tree decorating at Simeanna (a local retirement home).
- Feed the Body, Feed the Soul – an event where volunteers package meals for the needy.
- Wisconsin 'Curd' night – area basketball team theme night to collect non-perishable food.
- The community Boys & Girls Club – creating a safe place, with a mission to improve the lives of children.
- 'Rock the Block' with Habitat for Humanity – volunteers repaired homes in low-income neighbourhoods.
- Collection drives including Coats for Kids, Help for the Homeless Hygiene Drive and various items for veterans.

While these opportunities may appear small when viewed individually, they are highlighted to showcase the depth of our volunteer outreach efforts, which align directly with 4imprint's culture and values.

Community involvement and volunteering

SUSTAINABILITY CONTINUED

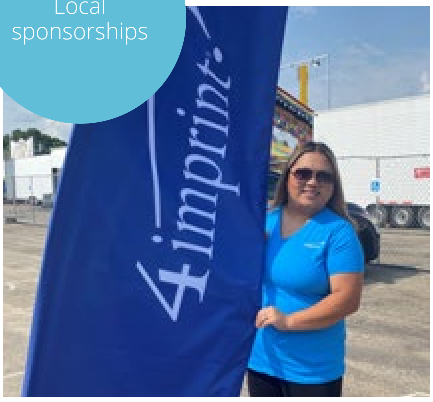
Sponsorship

4imprint also supports the local community through sponsorships. In 2023, we sponsored approximately 170 organisations, totalling $330,000 in support – about 13% more organisations compared to last year, in line with our continued growth.

Some local sponsorships include:

- Oshkosh & Fox Cities Marathons
- Samaritan Counselling Center – Ethics in Business Conference
- Wisconsin Sustainable Business Council
- Discover Oshkosh (supporting local businesses/tourism)
- Oshkosh Saturday Farmers Market
- N.E.W Pride Alive (LGBTQ event)
- Waterfest (concert series)
- TEDx Oshkosh

Local sponsorships



Charitable giving

onebyone®

4imprint's *one* by *one*® charitable giving programme allows nonprofit organisations throughout the United States, Canada and the UK to apply for a $500 grant towards a promotional product order. This programme fully embodies 4imprint's culture, values and principles.

At inception, the programme awarded one grant each business day. Since then, our business has grown significantly, and so has our *one* by *one*® programme. We now average over 15 grants per business day, putting us closer to our goal of awarding a grant to every certified nonprofit that applies.

In 2023, 4imprint awarded over 5,600 grants for a value of $2,824,500 – an increase of 125% over the previous year. This increase is indicative of the quality of nonprofits we enjoy supporting and learning about, as well as the positive impact they have on their communities.

We also donated items of product from our inventory to *one* by *one*® applicants as well as businesses, team members, troops and customers engaged in fundraising efforts. Additionally, we provided numerous benefits and made charitable contributions not only in the United States and Canada but also in other countries. Over 744,000 pieces were shipped from inventory, and more than 120 pallets of additional donations were distributed to just fewer than 1,500 deserving organisations.

Ethical practices and responsible sourcing

Ethical practices

We do not tolerate discrimination, harassment, bullying or abuse; we comply with wage and working condition and time laws; we do not tolerate forced labour or child labour; and it is our policy that all workers have the right to form or join a trade union and bargain collectively.

Our Modern Slavery Statement describes the activities we are undertaking to prevent slavery and human trafficking in our business operations and supply chain, in line with section 54 of the UK Modern Slavery Act 2015. Our Modern Slavery Statement and further details of our social & ethical principles are available at https://investors.4imprint.com/.

Bribery and corruption are not tolerated in our business operations or in our supply chain. Our 'Anti-bribery, financial crime and sanctions policy' sets out our high standards of ethics and compliance across all aspects of our business and provides detailed guidance on facilitation payments, gifts and hospitality and relationships with third parties, as well as on money-laundering, tax evasion, fraud and sanctions regimes. The policy applies to all employees and workers of 4imprint regardless of the jurisdiction in which they operate. That policy, together with our employee handbooks, establishes clear systems and controls to ensure effective implementation. We encourage an open and transparent culture and have a whistleblowing policy that is communicated to all employees.

Supply chain

Our direct Tier 1 suppliers are essentially domestic, being based in the USA and Canada for the North American business, and in the UK and EU for the UK and Ireland business. These Tier 1 suppliers take care of the importing/manufacture, inventory management and printing capacity required to ship thousands of orders on a daily basis.

That said, we are acutely aware that our end-to-end supply chain is long and complex. As such our business activities can have a significant impact at many levels. Our intention is to make that impact positive from a social, environmental and economic perspective.

In 2023 4imprint's primary North American business had contractual relationships with 130 suppliers, representing over 99% of our spend. This is a very stable group of partners with a small number of new suppliers added or relationships ended each year. 90% of that spend went to partners that 4imprint has worked with for over 20 years. A small number of supplier accounts are 'rolled-up' each year reflecting some consolidation on the supplier side of the industry. In 2023, 25 suppliers represented 80% of spend. Average payment terms to suppliers in 2023 were 30 days or less.

Our ethical supply direction is set by the Board in its Social and Ethical Principles Statement which can be found at https://investors.4imprint.com. This statement sets broad guidelines within which the Group must conduct its business operations in accordance with best practice, relevant legislation and respecting human rights and ethical practices throughout our value chain. These broad principles are reinforced in our '4imprint Supply Chain Code of Conduct'. This is based on the International Labour Organization's 'Declaration on Fundamental Principles and Rights at Work' and is fully aligned with the Fair Labor Association's Workplace Code of Conduct.

Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Decorating, importing, warehousing & direct ship to customer	Final product assembly e.g. sewing for bags, assembly of pens	Material and component production e.g. knitting for textiles, refill manufacturing for pens	Raw material processing e.g. spinning for textiles, ink manufacturing for pens	Raw material extraction e.g. agriculture for cotton, drilling/refining for plastic resin

Tier 1 monitoring programme

Work to increase monitoring of our Tier 1 suppliers against our Supply Chain Code of Conduct started in earnest in 2019. The pandemic years were challenging, but good progress was made in 2023. Our initial objective was to grow the programme to cover more than 90% of annual auditable spend through having an audit (principally a social audit looking at workers' rights, health & safety, pay and hours, and child or forced labour) on file within a rolling three year time period. This target was achieved in 2023. An 'auditable' facility is one where the manufacturing, assembly and/or decorating of our products takes place (i.e. excluding office locations). The table below summarises our monitoring activities:

	2023	2022	2021	2020
Contracted suppliers in year	**130**	135	138	137
Auditable locations in year[1]	**159**	164	166	167
Number of audits completed in year	**54**	37	31	14
Auditable spend for year ($m)	**665.8**	577.9	406.7	282.2
Audited spend in three year scope ($m)	**646.6**	458.4	110.7	30.3
% of auditable spend in scope	**97%**	79%	27%	11%

1 Auditable location count exceeds contracted suppliers due to some suppliers owning multiple facilities in different locations.

In 2023 we funded 23 Tier 1 audits (some are also requested by other customers of our suppliers). Regardless of who requests or pays for an audit, any corrective action required will be promptly followed up. LRQA (Elevate) ERSA or SEDEX 4 Pillar are our preferred audit protocols. Our short-term objectives are to increase the number of audits of smaller suppliers who have not yet experienced an audit and to maintain the percentage of spend covered to 95% or above each year.

Tier 2 monitoring programme

Our goal is to work with Tier 1 suppliers who are diligent in managing their own Tier 1 suppliers (our Tier 2). From a monitoring perspective we have continued to work with our suppliers to develop their own programme and provide financial support for some elements of that. During 2023 we will have funded 22 LRQA (Elevate) ERSA audits with our Tier 2 suppliers.

Our apparel supply chain has a greater presence of established brands and suppliers. 60% of our apparel revenue is derived from brands that are accredited Fair Labor Association Participating Companies and one core promotional apparel supplier. In addition, two core suppliers (both include hard goods) are working towards accreditation, a significant commitment which we support. 4imprint team members remain actively involved in the Fair Labor Association's (FLA) training and meetings.

From a country of manufacture perspective incremental shifts out of China continue but the picture remains steady – approximately 60% of our revenue is derived from products manufactured or assembled in China. The second largest country of manufacture remains the USA at around 14%, with the Central American/Caribbean apparel bloc together comprising around 7%.

Training and development

We consider training and education for our own and our suppliers' teams to be an important part of this process. Via our participation in the FLA's collegiate licensee programme we have access to a number of training opportunities. While our FLA affiliation mandates that at least one 4imprint employee should take the training, we have paid additional funds to include team members in Supplier Operations, Category Management and other associated internal teams to ensure that they develop a strong awareness of the challenges that can occur in supply chains and our role in preventing and mitigating them.

We continue to work with our US trade association (Promotional Product Association International) in its supply chain leadership work, arranging training sessions and an annual conference geared towards increasing understanding and best practices in social responsibility, product compliance and sustainability.

For several of our smaller suppliers the roll-out of our monitoring programme means they are experiencing a social audit for the first time. We are there to support them through that process and any subsequent corrective action. In support of this we have subscribed to a health & safety training software platform enabling us to deploy and fund targeted health & safety training where needed.

SUSTAINABILITY CONTINUED

Environmental

Overview

4imprint's primary strategic objective (page 9) is to build a commercially and environmentally sustainable business that delivers value to all stakeholders. We see climate change mitigation and other aspects of environmental stewardship as a fundamental part of this commitment. As a result, we incorporate environmental matters into our strategic decision-making, evaluate our environmental performance across all the activities of the Group and search out appropriate and innovative ways to minimise the environmental impact of our operations.

The greenhouse gas (GHG) emissions report and Streamlined Energy and Carbon Reporting tables in this section demonstrate progress made during the year on several of our environmental initiatives; we aim to strengthen these commitments to the low-carbon transition in the years ahead.

Governance

The Board is responsible for strategic oversight of the Group's climate-related risks and opportunities. The potential impacts of environment-related risks on 4imprint's business operations are set out on pages 52 and 53 of the Strategic Report.

The Board held its annual strategy review 'in-person' in Oshkosh in early November 2023. An update was provided focused on our initial work around quantification of Scope 3 Purchased Goods & Services, along with updates on renewable energy and our Better Choices™ programme.

The Board has an agreed Environmental Principles Statement which is available at https://investors.4imprint.com. In addition, as a Non-Executive Director, Jaz Rabadia brings specific environmental and sustainability expertise to the Board.

At the operational level the environmental strategy is driven by the Group Environmental Committee. This Committee is chaired by a member of the Oshkosh senior management team and is attended by both of the Executive Directors and other operational senior team members from the US and UK operations. Its remit is to manage the development and implementation of the broad environmental framework adopted in 2020. The Committee met on six occasions during 2023 and intends to continue its regular cadence into 2024. Interactions between the Committee and the Board are regular but not fixed; in order to maintain maximum flexibility, progress on initiatives and other updates are coordinated as required either through the Executive Directors or via discussions and presentations from Committee members.

SMART

In September 2023 we celebrated the sixth anniversary of our SMART (Sustainability. Making A Renewable Tomorrow) Committee, our internal employee resource group. The aim of the SMART Committee is to encourage and support employee involvement in sustainability initiatives as part of our daily operations and their own lives.

The Committee, composed of around 15 members from across the business, meets once a month. Many ideas have been developed and projects undertaken, varying in scope and nature, but all with an emphasis on sustainability and caring for the environment. Some examples of recent SMART activities are:

- Electronics recycling initiatives for the personal items of team members, leading to 3,621 lbs of electronics being recycled resulting in 5,047 lbs of emissions being reduced.
- 'Take the Pledge' – the successful launch of a programme encouraging employees to 'pledge' not to use single-use products in common/lunch areas. 491 team members signed up, receiving free reusable lunch kits and utensils.
- Looptworks – a contract was signed with this partner in mid-2023 to repurpose misprinted and scrap apparel. Pickups occur every three to four weeks, with the waste apparel being 'downcycled' into insulation materials.
- 'Earth Day' was recognised with a week-long celebration, including a SMART-themed scavenger hunt, sustainability-related prizes throughout the week and encouragement for team members to join the SMART community on our in-house social network.
- 'Adopt a Highway' clean up – 4imprint team members volunteered to clean up a section of a local highway twice a year.

Oshkosh DC, including 1.4MW solar array fully operational in 2023

Emissions reduction

In the context of the Group's operations and activities, the Group Environmental Committee's assessment remains that climate change mitigation is the most immediate and material way for 4imprint to make a difference. Our initial certification in 2021 as a CarbonNeutral® company in accordance with The CarbonNeutral® Protocol has been renewed annually and expanded to include additional GHG Protocol categories.

In alignment with our CarbonNeutral® company certification we prioritised in-house energy reduction initiatives followed by external renewable energy opportunities. With our 2,660 panel solar array becoming fully operational in late 2022, 2023 marks the first year of its impact on our energy consumption. During 2023 it generated 1,250,000 Megawatt hours (MWh) of electricity, of which 967,000 MWh (77%) was consumed on-site by the distribution centre facility and 283,000 MWh exported to the grid. This facility will be expanded in 2024 on the current site with the array being developed further to continue to support energy needs.

The majority of the balance of electricity needs for this facility were, for 2023, purchased through our local energy provider's renewable energy programme, NatureWise®. That programme is certified under the USA Green-e® certification programme meeting the GHG Protocol's quality criteria for renewable energy credits. It is our intention to continue with this programme into 2024.

We are currently exploring enrolling in a similar renewable energy programme in 2024 for the screen-printing facility in Appleton, Wisconsin.

Greenhouse gas emissions report

Our GHG reporting for 2023 is in line with the UK Government regulations on Streamlined Energy and Carbon Reporting introduced in 2019, and emissions have been calculated based on the GHG Protocol Corporate Standard. The emissions data set out below relates to the operations of the Group for the period ended 30 December 2023.

Greenhouse gas emissions – Streamlined Energy and Carbon Reporting (SECR)

		2023	2022	Change
Scope 1[1]	Tonnes CO_2e	**526**	555[A]	-5%[A]
Scope 2 – Location based[2]	Tonnes CO_2e	**2,499**	3,043[A]	-18%[A]
Scope 2 – Market based[3]	Tonnes CO_2e	**1,082**	2,946	-63%
Total Scope 1 & 2 – Location based	Tonnes CO_2e	**3,025**	3,598[A]	-16%[A]
Total Scope 1 & 2 – Market based	Tonnes CO_2e	**1,608**	3,501	-54%
Proportion of emissions that relate to the UK				
– Scope 1		**0.0%**	0.0%	
– Scope 2 – Location based		**0.7%**	0.4%	
– Scope 2 – Market based		**1.6%**	0.4%	
Intensity measurements – Scope 1 & 2 Location based				
– Emissions by Group revenue	Tonnes CO_2e/$m Group revenue	**2.3**	3.2	-28%
– Emissions by employee numbers	Tonnes CO_2e/avg. employees	**1.9**	2.7	-30%
Intensity measurements – Scope 1 & 2 Market based				
– Emissions by Group revenue	Tonnes CO_2e/$m Group revenue	**1.2**	3.1	
– Emissions by employee numbers	Tonnes CO_2e/avg. employees	**1.0**	2.7	
Energy consumption				
– Gas	kWh	**2,755,631**	2,913,353	-5%
– Electricity	kWh	**4,893,028**	4,253,561	15%
Total	kWh	**7,648,659**	7,166,914	7%
Proportion consumed in the UK		**1.1%**	0.8%	

1 Scope 1: Emissions from combustion of fuel and operation of facilities.
2 Scope 2: Location based calculations for use of purchased and consumed electricity.
3 Scope 2: Market based calculations for use of purchased and consumed electricity. Market based data provided for first time in 2023 due to solar installation and purchases of Renewable Energy Credits in USA business.
(A) Restated to align with data validated by RSK Group Ltd as part of Climate Impact Partners CarbonNeutral® Protocol. 2022 will be considered the 'base year' going forward.

SUSTAINABILITY CONTINUED

Scope 3

Whilst good progress continues to be made on our Scope 1 and 2 initiatives, by far the largest category of emissions for our business model is Scope 3 category 1 'purchased goods and services'. In 2023 we have spent significant time exploring and learning about our Scope 3 emissions and developing a plan for how we might best focus our attention looking forward. The following table shows the progress we have made to date in understanding and analysing our Scope 3 emissions:

4imprint Group GHG emissions (Tonnes CO2e)

	2023	2022	Change
Scope 1	**526**	555[A]	-5%
Scope 2 – Location based	**2,499**	3,043[A]	-18%
Scope 2 – Market based	**1,082**	2,946	-63%
Total Scope 1 & 2 – Location based	**3,025**	3,598[A]	-16%
Total Scope 1 & 2 – Market based	**1,608**	3,501	-54%
Scope 3			
1. Purchased goods and services:			
Goods purchased for resale	**714,054**	613,671[B]	16%
Goods and services for internal use	**22,476**	17,535[B]	28%
2. Capital goods	**NC**	NC	
3. Fuel and energy related activities	**647**	703[A]	-8%
5. Waste generated in operations	**286**	237[A]	20%
6. Business travel	**425**	123[A]	245%
7. Employee commuting	**2,415**	2,129[A]	13%
9. Downstream transportation and distribution	**24,633**	23,460[A]	5%
11. Use of sold products	**NC**	NC	
12. End-of-life treatment of sold products	**NC**	NC	
Total measured Scope 3 emissions	**764,936**	657,857	16%
Total measured GHG emissions – Location based	**767,961**	661,455	16%
Total measured GHG emissions – Market based	**766,544**	661,358	16%

(A) Indicates data validated under Climate Impact Partners CarbonNeutral® Protocol by RSK Group Ltd.
(B) Data calculated by SCS Global Services for 2022, estimated for 2023 based on same methodology and emissions factors.
NC Categories not yet calculated – to be addressed going forward.
Scope 3 category 4 'Upstream transportation' is included in Scope 3 category 9 'Downstream transportation and distribution' as same carrier network.
GHG Protocol Scope 3 categories 8, 10, 13, 14 and 15 have been excluded from the table as they are not considered relevant to 4imprint's business model.
2022 will be considered the 'base year' going forward.

Our CarbonNeutral® company certification requires us to calculate and continue to expand our assessment of Scope 3 categories. Those Scope 3 categories included within the protocol, and independently assessed, are set out in the table above. For 2022 we included 'employee commuting' for the first time and intend to include 'hotel stays' (Scope 3 category 6) and review 'capital goods' (Scope 3 category 2) in 2024.

Other than 'purchased goods and services', the largest category within our CarbonNeutral® company certification remains 'downstream transportation and distribution', a significant proportion of which is with UPS. We remain a participant in their carbon neutral shipping programme. Emissions, while increasing in 2023, are at a lower rate than the business growth, reflecting a more stable supply chain situation.

4imprint commissioned SCS Global Services in 2023 to calculate an estimated GHG inventory for Scope 3 'purchased goods and services' based on 2022 data. A spend-based methodology was utilised with secondary emissions factors taken from the most recent EPA USEEIO database. Calculations were separated into products purchased for resale and those for internal use. While the nuances and limitations of this methodology are appreciated, it provides a valuable starting point to begin to focus on Scope 3 reduction strategies.

It was evident from the calculation that significant emissions are created through apparel production. While the apparel category generates 24% of our revenue, it represents 50% of the 'purchased goods and services' (for resale) emissions. This presents a clear priority as we begin to consider reduction strategies.

Our supplier engagement efforts have continued in 2023, as summarised in the table below. Key Tier 1 suppliers were encouraged to establish or refine their own Scope 1 & 2 (S1 & S2) emissions calculations. By the end of 2023, 4imprint had received 2022 S1 & S2 emissions data from suppliers representing 68% of our product spend. This data taught us that, relative to the total 'purchased goods and services' (for resale) emissions, the imprinting of the product is a small percentage. It is, however, a critical part of our business model and demonstrates important first steps for our suppliers' own carbon reduction journeys.

	2022		2021	
Tier 1 suppliers	**Count**	**% of spend**	Count	% of spend
Contracted suppliers	**135**	**99%**	138	99%
Suppliers completing S1 & S2 calculation	**19**	**68%**	10	59%
Suppliers with externally validated calculation	**10**	**42%**	6	42%
Suppliers fully reducing/offsetting S1 & S2 emissions	**1**	**11%**	0	0%

We subscribed to the Wordly platform (previously known as HIGG) in late 2023. Wordly's HIGG Facility Environmental Module (FEM) has begun to be utilised by many of our suppliers. This provides us with standardised emissions data and provides a tool for suppliers to develop their own strategy and record sustainability achievements. In addition, the Materials Sustainability Index (MSI) and material-based emission data will be important as we continue to increase the proportion of our range that is manufactured using more sustainable materials. This data and training will assist our category management team in understanding the varying environmental impacts of different materials.

Carbon offsetting

To enable us to maintain our CarbonNeutral® company certification, the remainder of our emissions footprint assessed under the Protocol (Scopes 1, 2 and certain elements of Scope 3) is offset via carbon offsets purchased from carefully selected carbon reduction projects (see table below) via Climate Impact Partners. The volume offset for 2022 totalled 14,000 tCO_2e (the certification is valid on an annual basis for previous calendar year emissions).

Mississippi Valley, USA	Water Filtration & Improved Cookstoves, Guatemala	Bondhu Chula Stoves, Bangladesh
– Carbon removal – Nature-based: Afforestation & Reforestation – Standard: American Carbon Registry (ACR)	– Carbon reduction – Health & Livelihoods: Clean Cooking – Standard: Gold Standard	– Carbon removal – Health & Livelihoods: Clean Cooking – Standard: Gold Standard

UPS, our preferred supplier for downstream distribution of customer orders, was responsible for 16,476 tCO_2e of Scope 3 category 9 'downstream transportation and distribution' emissions for 2022. We continue to be enrolled in UPS's carbon neutral shipping programme which supports emissions reduction projects and is verified by SGS and Climate Impact Partners. Current information on this programme can be found at www.ups.com.

In support of our industry trade association, Promotional Products Association International, we sponsor the carbon offsetting of their four key leadership conferences. In 2023 each conference was certified as a CarbonNeutral® Event by Climate Impact Partners. The offset value amounted to 439 tCO_2e towards the Gola Rainforest Protection REDD+ project in Sierra Leone.

Better Choices™

Increasingly, environmental aspects regarding the sustainability of materials, as well as social concerns such as workplace culture/conditions are an important part of the product decision process for our customers. These considerations are expected to grow significantly in importance and alongside our sophisticated marketing approach will play an important role in reducing our Scope 3 'purchased goods and services' emissions in the coming years.

Our Better Choices™ programme, launched in early 2022, provides an easily accessible framework to enable customers to find their perfect product. Better Choices™ allows customers to easily filter the 4imprint range of promotional products to find the best match for the values of their organisation and their brand. Each Better Choices™ designation is rigorously researched and is supported by third party certification programmes and/or other supplier-provided information under the broad headings of *Better Materials* and *Better Workplaces*.

better choices™

SUSTAINABILITY CONTINUED

Better Materials highlighted designations include:
- Products made using recycled polyester, paper, plastic, metals or other diverse materials such as old car tyres.
- Paper and wood-based products certified by the Forestry Stewardship Council® (FSC) or Sustainable Forestry Initiative® (SFI) as responsibly sourced.
- Textiles such as apparel and bags made from organic cotton or US-grown cotton – globally recognised for its approach to sustainable farming.

Better Workplaces allows customers to find products from brands and suppliers who are:
- An Accredited Participating Company of the Fair Labor Association – known globally for protecting and progressing workers' rights around the world.
- A Certified Benefit Corporation (B Corp) – B Corps are legally bound to consider how their actions impact employees, suppliers, community and the environment.

Other standards and certifications are also available as part of the Better Choices™ programme including, for example:
- Children's toy and product safety standards such as ASTM F963, CPSIA.
- Technology certification programmes such as Qi, Bluetooth, and safety standards set by UL.
- Sun protection such as UV400 for sunglasses, SPF for sunscreen lotion and UPF ratings for garments.

In accordance with our culture, any Better Choices™ designation places significant emphasis on the integrity of the information available. In other words, we will be vigilant and disciplined in confirming the veracity of any 'Eco' claims made. Industry certifications and standards such as the Global Recycled Standard (GRS) developed by Textile Exchange and Global Organic Textile Standard (GOTS) are two such examples. All safety standards and certifications are managed in line with the regulatory requirements for that standard.

The programme has grown significantly during 2023 and is expected to continue to do so both in terms of the number of products bearing Better Choices™ designations and revenue volume it represents. More than 15,000 Better Choices™ 'tags' have now been applied to items included in the programme (see tables below) and total revenue represented $310m in 2023, having increased from $196m in 2022. New 'tags' applied include both existing items where materials have been converted as well as new products being introduced. More information on how our private label brands dovetail into this initiative can be found below.

Although we are not yet in a position to accurately calculate the emissions reduction achieved from the shift to more sustainable materials, we clearly understand its place in our emissions reduction strategy.

Better Choices™ categories*	**2023**	2022	Year-on-year change	Launch**
Better Materials	**4,447**	2,611	70%	2,276
Better Workplaces	**6,928**	2,868	142%	2,974
Standards and certifications	**3,901**	2,883	35%	2,527
Total tags	**15,276**	8,362	83%	7,777

Better Materials designations*^	**2023**	2022	Year-on-year change	Launch**
Recycled materials	**2,577**	1,664	55%	1,331
Responsible forestry	**980**	333	194%	296
Sustainable cotton	**1,112**	777	43%	783
Carbon neutral products	**42**	26	62%	–

* Products can be tagged under multiple categories and designations.
^ The sum of all Better Materials designations adds up to more than the category total due to some items receiving multiple 'tags'.
** Programme launched March 2022.

Private label products

The development and growth of our private label brands continued in 2023. The purpose is to create a stable of 'in-house' brands, exclusive to 4imprint and designed to meet the core needs of our customers. In 2023 an increased emphasis was placed on evaluating opportunities to transition into more sustainable materials enabling items to be highlighted in our Better Choices™ programme.

As we look to transition to more sustainable materials for our private label products our intention is to use the same core supply chain partners without impacting product quality, design and performance.

Crossland® is our 'outdoor' brand, including fleece jackets, blankets, beanie hats, vacuum mugs, backpacks and coolers. 2023 sales of Crossland® products totalled $25m.

Core polyester fleece jackets and blankets transitioned into recycled polyester in late 2022 and through 2023.

Significant work took place in 2023 in the drinkware category assessing options to transition steel, aluminium, acrylic and plastic components into recycled materials. Production in recycled materials for our Crossland® mugs commenced in late 2023 with inventory expected to transition in 2024. In addition, several bags are in the process of transitioning to recycled materials and our Crossland® 'puffer' jackets are currently in production with recycled content.

Percentage of Crossland® sales in Better Choices™ programme by end of year:

2022	**30%**
2023	**33%**
2024 Target	**40%**

Refresh® was launched in 2017, initially concentrating on a core line of affordable water bottles, expanding to include tumblers, travel mugs and various other drinkware items. 2023 sales of Refresh® products totalled $11.1m.

Entry-level #1PET coloured bottles transitioned in 2022. In 2023 we confirmed that production of all metal and acrylic pieces would move to recycled material options. As that inventory transitions during 2024 it will give a significant shift to the percentage of sales derived from items made with more sustainable materials.

Percentage of Refresh® sales in Better Choices™ programme by end of year:

2022	**27%**
2023	**30%**
2024 Target	**70%**

Taskright® launched in 2020, focused on a line of everyday stationery products such as notebooks, sticky notes and pencils. As demand for these items recovered in recent years, the Taskright® brand has grown to take leading positions within its categories. 2023 sales of Taskright® products totalled $11.4m.

As a paper-based category, we have focused on working with suppliers and manufacturers who are sourcing materials from Forestry Stewardship Council® (FSC) and Sustainable Forestry Initiative® (SFI) certified supply chains. Ideally, the supplier also carries that organisation's Chain-of-Custody certification enabling us to share those credentials to end users via our own FSC and SFI retail licences.

Percentage of Taskright® sales sourced from responsible forestry programmes by end of year:

2022	**42%**
2023	**100%**
2024 Target	**100%**

We pay particular attention to supplier selection as it pertains to our private label brands and the partners that they select for production. All are core long-term partners to 4imprint and are included in our Tier 1 monitoring programme (see page 25); their manufacturing partners are included in our Tier 2 programme (see page 25).

Our supplier of garments under the Crossland® brand has been an Accredited Participating Company of the FLA for over ten years. An additional supplier of drinkware, bags and stationery was approved by the FLA to start their accreditation journey in 2022. Together they represent over 75% of private label brand revenue.

SUSTAINABILITY CONTINUED

Certifications and collaborations

CarbonNeutral® Certified Company	FTSE4Good Index Member	Wisconsin Green Masters
4imprint has achieved CarbonNeutral® company certification in accordance with The CarbonNeutral® Protocol.	Independently assessed according to the FTSE4Good criteria, 4imprint satisfies the requirements to become a constituent of the FTSE4Good Index.	Participation in the Wisconsin Sustainable Business Council's programme has earned 4imprint 'Maturing' status.

Forest Stewardship Council	Sustainable Forestry Initiative	Sustainable Packaging Coalition
To enable us to distribute FSC certified products 4imprint holds an FSC Retail Licence: N003663.	To enable us to distribute SFI certified products 4imprint holds an SFI Private Label ID: SFI-02014.	4imprint is a member of the Sustainable Packaging Coalition.

Environmental strategy – scenario planning analysis

Our first year of TCFD reporting in 2021 was assisted by an external firm of sustainability consultants. We engaged with the same consultants in 2022 to carry out a bespoke qualitative scenario planning analysis. This project was designed to assess the resilience of our sustainability strategy under different warming scenarios and to identify key risks and opportunities, thereby providing strategic outputs to inform our approach to climate change, and sustainability more generally, in our corporate strategy.

In 2023 we revisited and refreshed our scenario planning analysis, given that there had been no material changes to the business in terms of business strategy, customer base, supply chain or external standards. This exercise found that the work completed in 2022 remained relevant and valid.

Warming scenario methodology

The scenario planning project considered two major warming scenarios, global warming of 2°C and 4°C above pre-industrial levels by 2100. The warming scenarios were constructed from internationally recognised warming and socio-economic cases, overlaid with sector and Company-specific research. Key individuals from across the business participated in the project, scoring across different scenarios in order to assess 4imprint's business model in the context of both transitional and physical climate risks alongside current and aspirational mitigating activities.

Time horizons considered were: Short term – to 2030; Medium term – 2030-2040; Long term – 2040-2050.

2°C 'Middle of the road' scenario:

- Imperfect efforts to reduce emissions lead to moderate progress but exacerbate inequalities.
- National climate policy drives the US towards net zero and the regulatory scrutiny on environmental performance increases.
- Environmental credentials of products come under increasing scrutiny through extended regulation and consumer preference.
- Consumers increasingly demand more sustainable products, valuing fewer, higher-quality goods over mass consumption.
- Attendance at events and conferences declines as emissions reduction efforts and carbon taxation disincentivise air travel.
- Increasing regulation and stakeholder pressure tightens the offset market, making reliance on offsets in corporate net zero commitments increasingly difficult and costly.
- As the scenario progresses and emissions begin to plateau, physical climate impacts are still felt, locked in from previous decades' emissions, and physical climate impacts from extreme weather, flooding, droughts and extreme heat begin to become more costly and disruptive to business and their supply chains.

4ºC 'Fossil-fuelled global growth' scenario:

- In the absence of national climate policy, the regulatory scrutiny on environmental performance and reporting declines.
- Little to no regulation is introduced to mandate the use of sustainable materials as consumption soars.
- Fossil-fuelled growth in developing nations expands the global middle class leading to an increase in consumerism, demand for products and material use.
- There is little improvement in energy efficiency or clean tech, the offset market remains relatively unchanged with supply of low-quality offsets exceeding demand and prices remaining low.
- Severe physical climate change impacts, including flooding, drought and tropical storms, disrupt global supply chains and material supply, leading to price volatility and consumer frustration.
- Mass climate migration, protests and geopolitical disruption as a result of climate change and historic inaction become increasingly common.

Key themes: risks, opportunities and mitigations

The climate-conscious consumer (short through to long-term risk)

- 4imprint's customers and their buying decisions are largely similar to those of the broader consumer market.
- As the global economy transitions towards a low carbon future there will be increasing changes in consumer behaviour.
- Consumers begin to value fewer, higher-quality goods over mass consumption.
- Sustainability of products, the materials they are produced from, and the companies that produce them, become increasingly important considerations in buying decisions.
- As it does now, 4imprint will continue to respond to the demands of its customers.

A volatile supply chain (medium to long-term risk)

- With an asset-light, drop-ship business model, 4imprint will face limited direct exposure to physical risk.
- Instead, the impacts of physical risk will come indirectly through suppliers and the supply chain. This will manifest in increased supply chain costs, increasingly volatile raw material prices and availability and increased product lead times.
- If minor and infrequent, this should have little material impact on 4imprint. However, as time progresses, and the effects of climate change become more pronounced, the frequency and severity of these impacts will increasingly impact 4imprint. These effects were notably worse in the 4ºC scenario.

Opportunities in a changing climate (short to medium-term opportunity)

- The transition to a low carbon economy and the changes it brings will present significant opportunities for 4imprint.
- This includes pursuing low emissions sources of energy, an opportunity already being captured through the Oshkosh solar array.
- The growing demand for sustainable products will also provide significant opportunity, for example through further enhancing the Better Choices™ initiative whereby 4imprint can assist its customers in making more informed decisions by providing accurate sustainability information and supply chain transparency on its products.

Detailed observations arising from the scenario analysis

Climate focus headlines specific to 4imprint

- As an asset-light business serving a consumer-adjacent customer base, transition risks are likely to have the most material impact on 4imprint and its business. The principal transition risk relates to the development of the product range, which is likely to have a larger impact than flooding, storms and other severe weather events.
- This is explored in depth in the 2ºC scenario. In this scenario there is a marked shift in patterns of consumption as the global economy, and the consumers within it, begin to prioritise sustainability in the products they buy, the materials they are produced from, and the companies that produce them. These are changes 4imprint has already begun to observe, and respond to, with the introduction of Better Choices™, amongst other environmental initiatives. The risks and opportunities this poses to 4imprint are short through to long-term and continue to intensify as the global transition gathers pace.
- Given 4imprint's drop-ship model, it has relatively low exposure to physical risk in its direct operations. Instead, physical risk is likely to impact the business indirectly, through the supply chain and the ability to source products reliably and without significant price increases. As increased frequency of acute physical impacts, such as tropical storms and flash flooding, and chronic impacts such as heat stress put strain on global materials supply and supply chains, 4imprint will face increasing impact. These physical risks are explored in more detail in the 4ºC scenario and are a long-term risk.

Other points of interest

Climate change and the changing customer

- The way 4imprint's customers consume promotional products will continue to change. Sustainability is increasingly influencing buying decisions in the same way cost, colour or lead time would traditionally. The depth of this influence will vary between demographics, states or geographies and individuals, making it complex to respond to.

SUSTAINABILITY CONTINUED

Physical changes and an increasingly volatile supply chain

- 4imprint's supply chain will be affected by climate change. The impact of physical effects will increase as the severity and frequency of physical impacts increases. Small, infrequent disruptions will have little impact on the supply chain or material price and availability, but frequent, more intense events will become increasingly costly. 4imprint's strong relationship with suppliers and its drop-ship model will provide some resilience to supply chain impacts, as demonstrated during the pandemic, but in the long term, with several Tier 1 suppliers in high-risk states, such as Florida, the impacts will intensify.

Continued resilience through the strength of the 4imprint brand

- 4imprint's brand and its strong relationship with its stakeholders will offer resilience to some of its major climate-related risks. If decreases in consumption reduce overall demand, brand strength will ensure a consistent market share. If supply chain disruption threatens material supply, strong supplier relationships will help secure supply. This is underpinned by 4imprint's commitment to continue to operate responsibly.

Enabling informed decisions through sustainability transparency

- The transition to a low carbon economy poses significant opportunity for 4imprint, most notably in providing low carbon, sustainability-focused products. 4imprint can assist its customers in making more informed decisions by providing accurate sustainability information and supply chain transparency on its products. This will also allow 4imprint to maintain its position as a market leader and remain ahead of potential product-focused sustainability legislation.

TCFD

In 2023 we made further progress in the implementation of the TCFD (Taskforce on Climate-related Financial Disclosures) framework across our operations, but we also recognise that opportunities remain for continuous improvement in our climate strategy and for enhancements to be made in future disclosures.

We consider that 4imprint's climate reporting disclosures are consistent with the four pillars and eleven recommendations of the TCFD framework.

Our expectation is to continue to utilise the framework and approach established under TCFD as we transition to ISSB IFRS S1 and S2 reporting going forward.

Our updated 2023 TCFD disclosure summary is set out below:

TCFD Pillar	TCFD Disclosure	4imprint Response	Page(s)
Governance	Board's oversight of climate-related risks and opportunities	**CURRENT**	
		– The Board has ultimate responsibility and accountability for climate-related issues	26
		– Climate-related issues reviewed by the Board include operational mitigation activities and strategic commercial activities	
		– The Group Environmental Committee supports the development and implementation of 4imprint's environmental framework and reports to the Board at the annual strategic review and through the Executive Directors	26
		– Relevant experience on the Board to hold management to account on environmental matters	26
		FUTURE PRIORITIES	
		– Continued emphasis at Board level on shaping of climate strategy and implications for commercial strategy	
	Management's role in assessing and managing climate-related risks and opportunities	**CURRENT**	
		– The Group Environmental Committee drives the agenda and is responsible for implementation at the operational level	26
		– The Committee is composed of operational executives from both US and UK operations and Executive Directors and is chaired by a member of the Oshkosh senior management team	
		– The strategy is aligned to our environmental framework parameters	9
		FUTURE PRIORITIES	
		– Refocusing of senior executives and recruitment of senior talent to assist with sustainability agenda	
		– Consider implementation of ESG-linked remuneration and inclusion of climate-related metrics at the executive level	

TCFD Pillar	TCFD Disclosure	4imprint Response	Page(s)
Strategy	Identification of climate-related risks and opportunities	**CURRENT**	
		– Sustainability is a key part of our first strategic pillar	9
		– Environmental risks are included as a primary risk category in the Principal Risks & Uncertainties matrix, with sub-headings 'Climate change' and 'Products and market trends'	52–53
		– Transition risks associated with climate change are expected to be of greatest relevance to the business in the short to medium term, with business operations and locations at relatively low risk from physical climate-related events	33–34
		– Climate change scenario planning analysis conducted in 2022 was revisited with minor updates made in 2023	32–34
		FUTURE PRIORITIES	
		– Continuous refinement and advanced granularity in the response to climate-related risks over different time horizons	
		– Improved identification of emerging physical climate risks, particularly at Tier 2 and Tier 3 in the upstream supply chain	
	Impact of climate-related risks and opportunities on business, strategy and finance	**CURRENT**	
		– The expected impacts on the business are detailed in the 'Environmental risks' category in the Principal Risks & Uncertainties matrix	52–53
		– Impact leading to commercial opportunities is set out in this Sustainability section	32–34
		– Climate change scenario planning analysis conducted in 2022 was revisited with minor updates made in 2023	32–34
		FUTURE PRIORITIES	
		– Continuous refinement and advanced granularity in the response to climate-related risks over different time horizons, leveraging scenario planning analysis conducted in 2022	
		– Further develop and test commercial opportunities such as Better Choices™ and complementary private label product lines to offer low carbon product solutions to increasingly climate-conscious customers	
		– Produce qualitative assessment of potential financial materiality of climate-related risks and opportunities; progress over time to quantitative assessment	
	Resilience of strategy under various climate-related scenarios	**CURRENT**	
		– Climate change scenario planning analysis conducted in 2022, and revisited in 2023 identifying and articulating impact of risks or opportunities and considering business resilience	32–34
		FUTURE PRIORITIES	
		– Consider building on qualitative scenario analysis already performed to add quantitative scenario analysis in subsequent years, allowing a more granular understanding of the potential financial impacts of identified risks	

SUSTAINABILITY CONTINUED

TCFD Pillar	TCFD Disclosure	4imprint Response	Page(s)
Risk management	Processes for identifying and assessing climate-related risks	**CURRENT**	
		– Climate-related or environmental topics are raised directly by Board members	44
		– The Business Risk Management Committee considers emerging risks through an analysis and scoring process	44
		– Group Environmental Committee discussions may be elevated to Board level on an ad hoc basis	26
		– Use of external consultants to assist with climate change planning and analysis	32–34
		FUTURE PRIORITIES	
		– Current risk identification processes considered appropriate given the nature of the Group's operations and short reporting lines	
	Processes for managing climate-related risks	**CURRENT**	
		– Group risk management processes are set out under Principal Risks & Uncertainties	44
		– The Business Risk Management Committee's scoring and mitigations of climate-related risks are addressed under the 'Environmental risks' section	52–53
		– The Group Environmental Committee and ultimately the Board drive the broad strategic approach to identifying, managing and mitigating climate-related risks, including both internal actions to mitigate GHG emissions and actions to increase customer awareness of products with sustainable credentials	26
		FUTURE PRIORITIES	
		– Current risk management processes considered appropriate given the nature of the Group's operations and short reporting lines	
		– Consideration and review of relevant metrics annually to measure and evidence progress on risk management initiatives	
	Integration into overall risk management	**CURRENT**	
		– Both climate change and sustainability-related product trends are recognised within 4imprint's Principal Risks & Uncertainties framework	44
		– As a result, the process for identifying and managing climate-related risks is fully integrated into the Group's overall risk management	52–53
		FUTURE PRIORITIES	
		– Current procedures considered appropriate given the Group's operations and short reporting lines	

TCFD Pillar	TCFD Disclosure	4imprint Response	Page(s)
Metrics and targets	Metrics to assess climate-related risks and opportunities	**CURRENT**	
		– GHG emissions, intensity measures and energy consumption: year-over-year performance and analysis	27–29
		– Metrics expanded to include relevant Scope 3 emissions	27–29
		– Metrics included under CarbonNeutral® Protocol subject to external independent verification	27
		– Measurement of energy generated by solar array project at Oshkosh distribution centre	27
		– Better Choices™ programme tag count and revenue generation	30
		– Private label brand revenue within Better Choices™ programme	30–31
		– Tier 1 supplier engagement in calculation of own Scope 1 and 2 GHG emissions	29
		FUTURE PRIORITIES	
		– Continue to refine and expand GHG reporting under CarbonNeutral® Protocol and Scope 3 emissions, in particular those related to goods sold	
	Disclose Scope 1, Scope 2, Scope 3 GHGs	**CURRENT**	
		– GHG emissions table covers Scope 1, 2 and categories of Scope 3 relevant to the business operations	27–28
		FUTURE PRIORITIES	
		– Improvement in data gathering and disclosure of relevant aspects of Scope 3, in particular those related to goods sold	
	Targets used to manage climate-related risks and opportunities and performance against targets	**CURRENT**	
		– CarbonNeutral® certification achieved in 2021, re-certified in 2022 and 2023	27
		– GHG emissions reporting	27–29
		FUTURE PRIORITIES	
		– Further develop targets, reporting and disclosure around Better Choices™ sustainable product initiative	
		– Develop targets for the proportion of renewable energy used to defray the overall carbon footprint	
		– Ensure that the Group's risk management and evaluation process provides feedback on emerging climate-related risks and opportunities	

In the context of the nature of the Group's risks, the Directors consider that the existing targets and key performance indicators as set out in this Sustainability section are suitable for an understanding of the potential impacts of climate change on the Group's business. The Group continues to develop monitoring and reporting of its GHG emissions with the aim of exploring ways to further reduce these whilst maintaining the existing CarbonNeutral® certification.

FINANCIAL REVIEW

A well financed and cash generative business

	2023 $m	2022 $m
Operating profit	**136.2**	102.9
Net finance income	**4.5**	0.8
Profit before tax	**140.7**	103.7
Taxation	**(34.5)**	(23.6)
Profit for the period	**106.2**	80.1

The Group's revenue, gross profit and operating profit in the period, summarising expense by function, were as follows:

	2023 $m	2022 $m
Revenue	**1,326.5**	1,140.3
Gross profit	**401.9**	321.9
Marketing costs	**(159.9)**	(128.7)
Selling costs	**(47.2)**	(38.6)
Administration and central costs	**(56.8)**	(50.4)
Share option charges and related social security costs	**(1.1)**	(0.8)
Defined benefit pension plan administration costs	**(0.7)**	(0.5)
Operating profit	**136.2**	102.9

Operating result

Following the record-breaking organic growth levels recorded in 2022, the business saw continued encouraging results at the demand level in 2023, particularly in the first quarter against a relatively weak, pandemic-affected, 2022 comparative, before moderating from April onwards as the comparatives became significantly more challenging. This growth in demand, together with a significant improvement in the supply chain leading to shorter order cycle times, lower order cancellation rates and credits/claims, drove revenue to $1.33bn, an increase of $0.19bn or 16% compared to $1.14bn in 2022.

The gross profit percentage of 30.3% improved markedly from 28.2% in 2022, benefitting from previously implemented price adjustments, improved supplier rebates, more stable product input prices and lower freight costs.

Marketing costs increased to 12% of revenue compared to 11% in 2022, reflecting a return to our usual cycle of continued investment in the testing and refinement of the marketing mix. The revenue per marketing dollar KPI of $8.30 for 2023 (2022: $8.86) represents a material improvement from our pre-pandemic historical norms following the expansion of the brand advertising component of the mix.

Selling, administration and central costs together increased 17% to $104.0m (2022: $89.0m) reflecting planned investment in people, most notably customer service resources, and higher incentive compensation costs in line with trading performance.

The factors outlined above, combined with the financial leverage in the business model, delivered further material uplifts in operating profit to $136.2m (2022: $102.9m) and operating margin to 10.3% (2022: 9.0%).

Foreign exchange

The primary US dollar exchange rates relevant to the Group's 2023 results were as follows:

	2023		2022	
	Year-end	**Average**	Year-end	Average
Sterling	**1.27**	**1.24**	1.20	1.24
Canadian dollars	**0.76**	**0.74**	0.74	0.77

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

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

- Translational risk in the income statement remains low with the majority of the Group's revenue arising in US dollars, the Group's reporting currency.
- Most of the constituent elements of the Group balance sheet are US dollar-based.
- The Group generates cash mostly in US dollars, but its primary applications of post-tax cash are Shareholder dividends, some Head Office costs and, up until the end of July 2023, pension deficit reduction contributions, all of which are paid in Sterling.

As such, the Group's cash position is sensitive to Sterling/US dollar exchange movements. To the extent that Sterling weakens against the US dollar, more funds are available in payment currency to fund these cash outflows.

Share option charges

A total of $1.1m (2022: $0.8m) was charged in the period in respect of IFRS 2 'Share-based Payments'. This was made up of two elements: (i) executive awards under the Deferred Bonus Plan (DBP) and 2015 Incentive Plan; and (ii) charges in respect of employee savings-related share schemes.

Current options and awards outstanding are 78,705 shares under the US Employee Stock Purchase Plan, 10,956 shares under the UK Save As You Earn scheme, and 42,631 shares under the DBP and 2015 Incentive Plan. Awards under the DBP in respect of 2023 are anticipated to be made in late March 2024.

Net finance income

Net finance income for the period was $4.5m (2022: $0.8m). This comprises interest earned on cash deposits, lease interest charges under IFRS 16, and the net income on the defined benefit pension plan assets and liabilities.

Net finance income has increased significantly over 2022 due to improved yields and significant cash deposits, particularly in the US where interest rates rose steadily through 2022 and 2023 in response to economic conditions.

FINANCIAL REVIEW CONTINUED

Taxation

The tax charge for the period was $34.5m (2022: $23.6m) giving an effective tax rate of 25% (2022: 23%). The primary component of the charge relates to current tax of $32.1m (2022: $24.0m) on US taxable profits.

Earnings per share

Basic earnings per share increased 32% to 377.9c (2022: 285.6c), reflecting the 33% increase in profit after tax and a weighted average number of shares in issue similar to prior year.

Dividends

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

The Board has proposed a final dividend of 150.0c per share (2022: 120.0c) which, together with the interim dividend of 65.0c per share, gives a total paid and proposed regular dividend relating to 2023 of 215.0c per share (2022: 160.0c), an increase of 34% compared to prior year.

The final dividend has been converted to Sterling at an exchange rate of £1.00/$1.2818. This results in a final dividend per share payable to Shareholders of 117.0p (2022: 99.2p), which, combined with the interim dividend paid of 50.8p per share, gives a total dividend per share for the period of 167.8p (2022: 132.2p).

The final dividend will be paid on 3 June 2024 to Shareholders on the register at the close of business on 3 May 2024.

Defined benefit pension plan

The Group sponsors a legacy UK defined benefit pension plan (the "Plan") which has been closed to new members and future accrual for several years. The Plan has 122 pensioners and 197 deferred members.

At the end of June 2023, the Trustee of the Plan entered into an agreement with Legal and General Assurance Society Limited to insure substantially all remaining pension benefits of the Plan through the purchase of a bulk annuity policy. The transaction took the form of a buy-in arrangement, with the insurer funding the Plan for the future payment of liabilities. The fair value of the bulk annuity policy matches the liabilities being insured, thus eliminating inflation, interest rate and longevity risks. The premium of £20.7m was settled by the transfer of the Plan's existing investment portfolio valued at £17.5m and a cash amount of £3.2m ($4.1m) paid by the Group.

This buy-in agreement was an investment decision for the Plan, consistent with both the Trustee's overriding objective to enhance the security of the benefits payable to members and the Group's long-term commitment to the full de-risking of its legacy defined benefit pension obligations. As a result of this transaction, the Group ceased to make monthly deficit funding contributions to the Plan from August 2023 but will still fund the ongoing administration costs and settlement of residual liabilities.

At 30 December 2023 the Plan on an IAS 19 basis was in a breakeven position, compared to a surplus of $1.2m at 31 December 2022. Gross Plan assets and liabilities under IAS 19 were both $23.3m.

The change in the net IAS 19 Plan position is analysed as follows:

	$m
IAS 19 surplus at 31 December 2022	**1.2**
Company contributions to the Plan	**6.5**
Administration costs paid by the Plan	**(0.5)**
Pension finance income	**0.2**
Return on Plan assets (excluding interest income and impact of buy-in policy)	**(1.1)**
Return on Plan assets (in relation to buy-in policy)	**(4.6)**
Remeasurement losses due to changes in assumptions	**(1.8)**
Exchange gain	**0.1**
IAS 19 surplus at 30 December 2023	**–**

The net IAS 19 surplus reduced by $1.2m in the period. This was mainly the result of a negative return on assets and the net impact of entering the buy-in arrangement discussed above.

A triennial actuarial valuation of the Plan was completed as at 30 September 2022 and this forms the basis of the IAS 19 valuation set out above.

Cash flow

The Group had cash and bank deposits of $104.5m at 30 December 2023, an increase of $17.7m against the 31 December 2022 balance of $86.8m. Cash flow in the period is summarised as follows:

	2023 $m	2022 $m
Operating profit	**136.2**	102.9
Share option charges	**1.1**	0.8
Defined benefit pension administration costs paid by the Plan	**0.5**	0.5
Depreciation and amortisation	**4.7**	4.0
Lease depreciation	**1.7**	1.5
Change in working capital	**29.2**	(8.5)
Capital expenditure	**(9.7)**	(8.0)
Underlying operating cash flow	**163.7**	93.2
Tax and interest	**(29.9)**	(20.1)
Consideration for business combination	**–**	(1.7)
Defined benefit pension plan contributions	**(6.5)**	(4.3)
Proceeds from issue of ordinary shares	**2.4**	–
Own share transactions	**(1.0)**	(0.9)
Capital element of lease payments	**(1.4)**	(1.2)
Exchange and other	**1.2**	(1.1)
Free cash flow	**128.5**	63.9
Dividends to Shareholders	**(110.8)**	(18.7)
Net cash inflow in the period	**17.7**	45.2

The Group generated underlying operating cash flow of $163.7m (2022: $93.2m), a conversion rate of 120% of operating profit (2022: 91%). The high conversion rate is due to the unwinding of the elevated net working capital position from the 2022 year-end driven by the significant improvement in supply chain conditions. Capital expenditure includes investments in our screen-printing operations (machinery and leasehold improvements), embroidery machinery, and the early phases of an extension to our Oshkosh distribution centre due to be completed in 2024.

Free cash flow improved by $64.6m to $128.5m (2022: $63.9m). This is attributable to the excellent trading performance during the period and the much improved net working capital position at the end of 2023 compared to 2022. Dividends to Shareholders includes the 2022 final and special dividends of $93.0m paid in June 2023 and the 2023 interim dividend of $17.8m paid in September 2023.

Balance sheet and Shareholders' funds

Net assets at 30 December 2023 were $134.5m, compared to $140.2m at 31 December 2022. The balance sheet is summarised as follows:

	30 December 2023 $m	31 December 2022 $m
Non-current assets (excluding pension asset)	**51.4**	46.7
Working capital	**(7.9)**	20.8
Cash and bank deposits	**104.5**	86.8
Lease liabilities	**(12.3)**	(13.7)
Pension asset	**–**	1.2
Other assets and liabilities – net	**(1.2)**	(1.6)
Net assets	**134.5**	140.2

Shareholders' funds decreased by $5.7m since 31 December 2022. The main constituent elements of the movement were retained profit in the period of $106.2m, net of equity dividends paid to Shareholders of $110.8m.

The Group had a net negative working capital balance of $7.9m at 30 December 2023 (31 December 2022: net positive balance of $20.8m). The elevated position at 31 December 2022 reflected the effects of global and local supply chain issues, causing a build-up of accrued revenue and inventory on orders being processed. Significant improvements to supply chain conditions in the period have driven the reduction in the working capital balance. This normalised net negative position reflects the strength of our business model, with a high proportion of customers paying for orders by credit card and the diligent payment of suppliers to agreed terms.

Balance sheet funding

The Board is committed to aligning the Group's funding with its strategic priorities. This requires a stable, secure and flexible balance sheet through different economic cycles. The Group will therefore typically remain ungeared and hold a positive cash and bank deposits position.

The Board's funding guidelines are unchanged, and aim to provide operational and financial flexibility:

- To facilitate continued investment in marketing, people and technology through different economic cycles, recognising that an economic downturn typically represents a market share opportunity for the business.
- To protect the ability of the business to act swiftly as growth opportunities arise in accordance with the Group's capital allocation guidelines.
- To underpin a commitment to Shareholders through the maintenance of regular interim and final dividend payments.
- To meet our pension contribution commitments as they fall due.

The quantum of the cash target at each year-end will be influenced broadly by reference to the investment requirements of the business, and the subsequent year's anticipated full-year ordinary dividend and pension payment obligations.

The Board will keep these guidelines under review and is prepared to be flexible if circumstances warrant.

Capital allocation

The Board's capital allocation framework is designed to deliver increasing Shareholder value, driven by the execution of the Group's growth strategy. The Group's capital allocation priorities are:

- **Organic growth investments**
  - Either capital projects or those expensed in the income statement.
  - Market share opportunities in existing markets.
- **Interim and final dividend payments**
  - Increasing broadly in line with earnings per share through the cycle.
  - Aim to at least maintain dividend per share in a downturn.
- **Residual legacy pension funding**
  - Further de-risking initiatives, if viable.
- **Mergers and acquisitions**
  - Not a near-term priority.
  - Opportunities that would support organic growth.
- **Other Shareholder distributions**
  - Quantified by reference to cash over and above balance sheet funding requirement.
  - Special dividends most likely method: other methods may be considered.

Treasury policy

The financial requirements of the Group are managed through a centralised treasury policy. The Group operates cash pooling arrangements for its North American operations. Forward contracts may be taken out to buy or sell currencies relating to specific receivables and payables as well as remittances from overseas subsidiaries. There were no forward contracts open at the year-end or prior year-end. The Group holds most of its cash with its principal US and UK bankers.

The Group has a $20.0m working capital facility with its principal US bank, JPMorgan Chase, N.A. The facility has minimum net income and debt to EBITDA covenants. The interest rate is the Secured Overnight Financing Rate (SOFR) plus 1.6%, and the facility expires on 31 May 2025. In addition, an overdraft facility of £1.0m, with an interest rate of the Bank of England base rate plus 2.0% (or 2.0% if higher), is available from the Group's principal UK bank, Lloyds Bank plc, until 31 December 2024. The Group expects these facilities to be renewed prior to their respective expiry dates.

The Group had cash and bank deposits of $104.5m (2022: $86.8m) at the year-end and has no current requirement or plans to raise additional equity or core debt funding.

FINANCIAL REVIEW CONTINUED

Estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments and estimates that affect the application of accounting policies, the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Critical accounting judgments are those judgments, apart from those involving estimations, that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Key assumptions and sources of estimation uncertainty are those that have a significant risk of resulting in a material adjustment to the carrying amounts of the Group's assets and liabilities within the next financial year.

Management considers the critical accounting judgments to be in respect of revenue and the purchase of a bulk annuity policy.

A review of internal and external indications of impairment was undertaken in accordance with IAS 36 for both the North American and UK cash-generating units (CGU). This did not lead to formal impairment reviews being undertaken for either CGU.

Going concern

The Group's business activities, together with the principal risks and uncertainties likely to affect its future development, performance and position are set out in the Strategic Report on pages 6 to 13 and 44 to 53. The financial position of the Group, its cash flows and liquidity position are described in this Financial Review. In addition, the financial risk management note in the financial statements on pages 132 and 133 details the Group's approach to managing its exposures to currency, credit, liquidity, and capital risks.

In determining the appropriate basis of preparation of the financial statements for the period ended 30 December 2023, the Directors have considered the Group's ability to continue as a going concern over the period to 28 June 2025.

The Group has modelled its cash flow outlook for the period to 28 June 2025, considering the ongoing uncertainties in the macroeconomic and geopolitical environment. This forecast shows no liquidity concerns or requirement to utilise the Group's undrawn facilities described in the Treasury policy section on page 41.

The Group has also modelled a downside scenario reflecting severe but plausible downside demand assumptions over a three-year horizon which shows no liquidity concerns or requirement to utilise the Group's undrawn facilities in the going concern period. Details are set out in the viability statement below.

Based on their assessment, the Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern from the date the financial statements are approved until 28 June 2025. Accordingly, they continue to adopt the going concern basis in preparing the Group's and Company's financial statements.

Viability statement

The Directors have assessed the prospects of the Group over the three-year period commencing from the start of the 2024 financial year. This longer-term assessment process supports the Board's statements on viability, as set out below, and going concern as set out above.

A three-year period of assessment was determined to be the most appropriate as it is the period covered by the Group's strategic planning process which sets the direction of the Group and is reviewed at least annually by the Board. In the context of the fast-moving nature of the business, its markets, and the relatively short-term nature of the order book, the Directors consider that the robustness of the strategic plan is higher in the first three years. Further, the Group's business model does not rely heavily on fixed capital, long-term contracts, or fixed external financing arrangements, which readily lend themselves to longer planning periods.

In assessing the Group's prospects, the Directors carefully considered several key factors, including the strategy, market position and business model (see pages 9 to 19), the approved budget and three-year plan (the "plan"), the principal risks and uncertainties (see pages 44 to 53) and the Group's financial position, cash flows and liquidity (as contained in this Financial Review).

The budget and plan, covering the period from 31 December 2023 to 2 January 2027 and developed for the purposes of the Group's strategic planning process, provide the basis for the financial modelling used to assess viability. Over the three-year period, the plan shows no liquidity concerns, requirement to utilise the Group's undrawn facilities, or breaches of any covenants.

Whilst all the principal risks and uncertainties could have a material impact on Group performance, the following risks are considered to pose the greatest threat to the business model and to future performance:

- An uncertain macroeconomic and geopolitical environment that poses downside risks to economic conditions and growth.
- Risk of disruption to the business from increasingly sophisticated cyber threats.
- Environmental risks manifesting in damage to our reputation, our operational facilities and/or those of our supplier partners, and the failure to respond to trends and shifts in consumer product preferences.

The Directors have considered the mitigating actions that would be taken if these principal risks were to materialise, either individually or collectively, and do not consider it likely that they have the potential to threaten the viability of the Group over the assessment period.

The Directors consider the key factor that could prejudice the liquidity and viability of the Group would be a sudden unforeseen shock to demand that is beyond what is normally expected. A severe, but plausible, downside scenario has been modelled to reflect such an event and includes the following assumptions:

- A severe demand shock occurs at the start of 2024, like that experienced in 2020 at the start of the pandemic, resulting in revenue for 2024 falling to around 70% of 2023 levels.
- Revenue gradually recovers back towards 2023 levels by the end of 2026.
- Marketing and direct costs flexed in line with revenue, capital expenditure moderated to reflect the reduction in demand, and dividend payments reduced in line with earnings per share.
- Other payroll and overhead costs maintained at 2023 levels with an allowance for inflationary increases to retain capability and capacity to meet the recovery in demand.

Even under the severe stress built into this scenario, the Group retains strong liquidity in the form of cash balances throughout the assessment period. In addition, there are further mitigating actions that the Group could take, including further cutting marketing costs and reducing headcount, that are not reflected in the downside scenario assumptions but would, if required, be fully under the Group's control.

Given the scalability of the Group's business model, as demonstrated over the past few years, the absence of external financing, and low fixed capital and working capital requirements, a reverse stress testing scenario has not been undertaken. The Group has proven during previous downturns its ability to flex its marketing and other costs to mitigate the impact of falls in revenue and retains flexibility to further reduce other costs should the need arise.

Though the Group maintains a $20m line of credit with its US bankers that expires on 31 May 2025 and a small overdraft facility with its UK bankers that expires on 31 December 2024, the modelling in both the budget and plan and severe downside scenario shows the maintenance of positive cash balances throughout the assessment period. As such, there is no current requirement to utilise these facilities or intention to secure any additional facilities.

The assumptions and resulting financial forecasts for the budget and plan and severe downside scenario have been reviewed and approved by the Board. The conclusion of this review is that the Group has significant flexibility in its variable costs, a low fixed cost base, and enters the 2024 financial year with a strong cash and bank deposits position of $104.5m, enabling it to remain cash positive even under severe economic stress.

Based on this review of the Group's prospects and viability, the Directors confirm that they have a reasonable expectation that the Group will continue to operate and to meet its liabilities as they fall due, for the next three years to 2 January 2027.

PRINCIPAL RISKS & UNCERTAINTIES

The Board recognises that effective risk management and a robust system of internal control are integral components of good corporate governance and are fundamental to the long-term sustainable success of the Group. Risk appetite, the risk management process, and associated mitigating activities and controls are all essential elements of the Group's strategic and operational planning processes.

Risk appetite

4imprint's business model means that it may be affected by numerous risks, not all of which are within its control. The Board seeks to take a balanced approach to the risks and uncertainties that it faces, encouraging an appetite for measured risk-taking that contributes to both the operational agility and innovative culture that it believes is necessary to meet the Group's strategic objectives. That risk appetite is, however, tempered by risk identification, evaluation and management.

Risk management process

The Board has ultimate responsibility for oversight and management of risk and control across the Group. The Audit Committee assists the Board in fulfilling its responsibilities to maintain effective governance and oversight of the Group's risk management and internal controls.

Risks are identified through a variety of sources, including internally from within the Group including the Board, operational and functional management teams and the Group Environmental and Business Risk Management Committees, and externally, to ensure that emerging risks are considered. Risk identification focuses on those risks which, if they occurred, have the potential to have a material impact on the Group and the achievement of its strategic, operational and compliance objectives. Risks are categorised into the following groups: strategic risks; operational risks; reputational risks; and environmental risks.

Management is responsible for evaluating each significant risk and implementing specific risk mitigation activities and controls with the aim of reducing the resulting residual risk to an acceptable level, as determined in conjunction with the Group's risk appetite. The Business Risk Management Committee (BRMC) meets at least three times a year and reviews the consolidated Group risk register and the mitigating actions and controls and provides updates to the Audit Committee on a bi-annual basis. This process is supplemented with risk and control assessments completed by the operating locations and Group function annually.

An internal audit function has been established during the period with the recruitment of an experienced Director of Group Internal Audit in October 2023. This will provide the Group with additional independent assurance over the effectiveness of internal controls, risk management and governance processes.

Emerging risks

The Group's risk profile will continue to evolve as a result of future events and uncertainties. Emerging risks are closely monitored at BRMC meetings to understand the potential impact on the business. Emerging risks that have been discussed over the period include the threat of strike action at our primary parcel delivery partner, the potential risks and opportunities presented by the advancement in artificial intelligence (AI), and potential secondary risks from the impact of sustained high interest rates on our supplier partners.

Fraud risks

A review of our fraud risk framework and a fraud risk assessment was initiated during the period to ensure that the Group's governance, identification, preventative, and detective measures are appropriate to manage this growing threat. Fraud risks are considered alongside other Group risks.

The Board

The Board undertakes a formal review of the Group's principal and emerging risks at least annually, assessing them against the Group's risk appetite and strategic objectives. The Executive Directors will routinely update the Board on urgent emerging issues and principal risks where the residual risk exceeds the Group's risk appetite to allow the Board to determine whether the actions being taken by management are sufficient.

Principal risks and uncertainties

Outlined in the following tables are the current principal risks and uncertainties that would impact the successful delivery of the Group's strategic goals. These are consistent with those disclosed in the prior year. The list is not exhaustive and other, as yet unidentified, factors may have an adverse effect.

Strategic risks

Macroeconomic conditions

RISK AND DESCRIPTION

The Group conducts most of its operations in North America and would be affected by a downturn in general economic conditions in this region or negative effects from tension in international trade. In previous economic downturns the promotional products market has typically softened broadly in line with the general economy.

STRATEGIC RELEVANCE

- Customer acquisition and retention could fall, impacting revenue in current and future periods.
- The growth and profitability levels called for in the Group's strategic plan may not be achieved.
- Cash generation could be reduced broadly corresponding to a reduction in profitability.

MITIGATION

- Management monitors economic and market conditions to ensure that appropriate and timely adjustments are made to marketing and other budgets.
- The customer proposition in terms of promotions, price, value, and product range can be adjusted to resonate with customer requirements and budgets in changing economic climates.
- The Group's balance sheet funding policy provides operational and financial flexibility to facilitate continued investment in the business through different economic cycles.

DIRECTION

- **A challenging macroeconomic and geopolitical environment continues to cause uncertainty in our North American and UK markets, posing downside risks to general economic conditions and growth.**
- **Whilst product cost inflation has eased over the period to a more manageable level, persistent inflationary pressures could further drive up product, transportation and labour costs.**

Unchanged

PRINCIPAL RISKS & UNCERTAINTIES CONTINUED

Markets and competition

RISK AND DESCRIPTION

The promotional products markets in which the business operates are intensely competitive. New or disruptive business models, potentially facilitated or accelerated by emerging technology and AI, looking to break down our industry's prevailing distributor/supplier structure may become a threat. Buying groups and online marketplaces may allow smaller competitors access to improved pricing and services from suppliers. Private equity interest in the promotional products industry has increased in recent years, offering potential funding for existing competitors or new entrants.

STRATEGIC RELEVANCE

- Aggressive competitive activity or a disruptive new model could result in pressure on prices, margin erosion and loss of market share, impacting the Group's financial results.
- The Group's strategy based on achieving organic revenue growth in fragmented markets may need to be reassessed.
- Customer acquisition and retention could fall, impacting revenue in current and future periods.

MITIGATION

- Service level, price and satisfaction guarantees are an integral part of the customer proposition. Negative or changing customer feedback is investigated and addressed rapidly. Customers are surveyed regularly to monitor changing customer interests and perceptions.
- Merchandising and supply chain teams have extensive experience in rapidly adapting the product range to meet evolving consumer demand.
- Our aim is to position the business at the forefront of innovation in the industry, driven by an open-minded culture that is customer-focused, embraces collaborative supplier relationships, and has an appetite for emerging technology.
- Management closely monitors competitive activity in the marketplace including periodic market research studies.

DIRECTION

- **The competitive landscape to date has been relatively consistent on the distributor side in our main markets.**

Unchanged

Effectiveness of key marketing techniques and brand development

RISK AND DESCRIPTION

The success of the business relies on its ability to attract new and retain existing customers through a variety of marketing techniques. These methods may become less effective as follows:

- **TV/Video/Brand:** Fluctuations in available inventory may cause the price of this technique to increase beyond our acceptable thresholds. The evolving nature of how consumers access this type of content could change our ability to effectively access our audience.
- **Online:** Search engines are an important source for channelling customer activity to 4imprint's websites. The efficiency of search engine marketing could be adversely affected if the search engines were to modify their algorithms or otherwise make substantial changes to their practices, for example to benefit from the use of emerging technology and AI, and the Group was unable to respond and adapt to these rapid changes.
- **Offline:** The flow of print catalogues and sample packages would be disrupted by the incapacity of the US Postal Service to make deliveries, for example due to natural disasters or labour activism. Pandemic conditions that lead to increased levels of people working from remote locations may diminish the effectiveness of this technique.

The evolving landscape around consumer data privacy preferences and data privacy legislation potentially affects all marketing techniques if it compromises our ability to access and analyse customer information or results in any adverse impacts to our brand image and reputation.

STRATEGIC RELEVANCE

- If sustained over anything more than a short time period, an externally driven decrease in the effectiveness of key marketing techniques would cause damage to the customer file as customer acquisition and retention fall. This would affect order flow and revenue in the short term and the productivity of the customer file over a longer period, impacting growth prospects in future years.
- Restrictive data privacy legislation or changes in consumer demands around data privacy could decrease the yield on our marketing activities and might increase compliance costs and the possibility of lawsuits.

MITIGATION

- **TV/Video/Brand:** Given that this is the newest element of our marketing portfolio, our utilisation of this technique is still at a relatively early stage of its development, allowing for a high degree of flexibility.
- **Online:** Management stays very close to evolving technological developments and emerging platforms in the online space. Efforts are focused on anticipating changes and ensuring compliance with both the requirements of providers and applicable laws. An appetite for technological innovation is encouraged by the business.
- **Offline:** Developments in the US Postal Service are closely monitored through industry associations and lobbying groups. Alternative parcel carriers are continuously evaluated.
- Data privacy requirements and consumer data preferences are monitored closely and assessed.

DIRECTION

- **Marketing diversification continues via the successful expansion of the brand component in the marketing portfolio.**
- **Much of the offline/print budget has been redeployed towards investment in brand marketing activities.**
- **The business has significantly reduced the amount of data it shares, increasingly relying on first party data.**

Unchanged

PRINCIPAL RISKS & UNCERTAINTIES CONTINUED

Operational risks

Business facility disruption

RISK AND DESCRIPTION

The 4imprint business model means that operations are concentrated in centralised office, distribution and production facilities. The performance of the business could be adversely affected if activities at one of these facilities were to be disrupted, for example, by pandemic, fire, flood, loss of power or internet/telecommunication failure.

STRATEGIC RELEVANCE

- The inability to service customer orders over any extended period would result in significant revenue loss, deterioration of customer acquisition and retention metrics and diminished return on marketing investment.
- A significant portion of our apparel orders are embroidered in-house at our distribution centre, therefore disruption at this facility would impact our ability to fulfil these orders.
- The Group's reputation for excellent service and reliability may be damaged.

MITIGATION

- Back-up and business continuity infrastructure is in place to ensure the risk of customer service disruption is minimised.
- Websites are cloud-based, and data is backed up continuously to off-site servers.
- Relationships are maintained with third party embroidery contractors to provide an element of back-up in the event of facility unavailability.
- Our recently acquired screen-printing operations have been located separately to our existing distribution centre to diversify the risk of disruption to our facilities.
- A significant proportion of our office and customer service staff can work from home, mitigating some risk should offices become unavailable.

DIRECTION

- **There have been no significant changes to the operations of the Group over the period which materially change the nature or likelihood of this risk.**

Unchanged

Domestic supply and delivery

RISK AND DESCRIPTION

As a consequence of the Group's 'drop-ship' distribution model, trading operations could be interrupted if: (i) the activities of a key supplier were disrupted and it was not possible to source an alternative supplier in the short term; (ii) a key supplier's own supply chain is compromised by 'force majeure' events in the country of original product manufacture, for example natural disasters, social/political unrest or pandemic; or (iii) the primary parcel delivery partner used by the business suffered significantly degraded service levels. As the Group continues to grow, the volume of orders placed with individual suppliers becomes significant.

STRATEGIC RELEVANCE

- Inability to fulfil customer orders would lead to lost revenue and a negative impact on customer acquisition and retention statistics.
- The Group's reputation for excellent service and reliability may be damaged, leading to potential erosion of the value built up in the 4imprint brand.

MITIGATION

- A rigorous selection process is in place for key suppliers, with evaluation and monitoring of quality, production capability and capacity, ethical standards, financial stability and business continuity planning.
- Very close relationships are maintained with key suppliers, including a detailed shared knowledge of the supply end of the value chain, allowing swift understanding of and appropriate reaction to events.
- Wherever possible, relationships are maintained with suitable alternative suppliers for each product category.
- Secondary relationships are in place with alternative parcel carriers.

DIRECTION

- **Supply chain conditions, initially disrupted by the impact of the pandemic and later compounded by challenges in the recruitment of staff by both the Group and our supply partners, have improved significantly over the period. This has led to shorter order cycle times, lower order cancellations and a significant reduction to the elevated working capital position from the prior year-end arising from a build-up of accrued revenue and inventory on orders in process.**
- **The risk of strikes at our primary parcel delivery partner has been averted following the ratification of a new five-year contract by UPS workers.**

Decreased

Failure or interruption of information technology systems and infrastructure

RISK AND DESCRIPTION

The business is highly dependent on the efficient functioning of its IT infrastructure. An interruption or degradation of services, including from a malicious cyber attack, would affect critical order processing systems and thereby compromise the ability of the business to deliver on its customer service proposition.

STRATEGIC RELEVANCE

- In the short term, orders would be lost and delivery deadlines missed, decreasing the efficiency of marketing investment and impacting customer acquisition and retention.
- Revenue and profitability are directly related to order flow and would be adversely affected as a consequence of a major IT failure.
- Depending on the severity of the incident, longer-term reputational damage could result.

MITIGATION

- There is continuous investment in both the IT team supporting the business and the hardware and software system requirements for a stable and secure operating platform.
- Back-up and recovery processes are in place, including immediate replication of data to an alternative site, to minimise the impact of information technology interruption.
- Cloud-based hosting for eCommerce and elements of back-office functionality.
- IT infrastructure in place to support working from home for our office-based team members.

DIRECTION

- **The IT platform is mature, and performance has been efficient and resilient.**
- **Investment in home working capability has been successful and is a stable part of the overall IT solution.**

Unchanged

PRINCIPAL RISKS & UNCERTAINTIES CONTINUED

Reputational risks

Cyber threats

RISK AND DESCRIPTION

Malware, ransomware and other malicious cyber threats can lead to system failure and/or unauthorised access to and misappropriation of customer data, potentially leading to reputational damage and loss of customer confidence. This is a rapidly changing environment, with threats from new technology emerging on an almost daily basis.

STRATEGIC RELEVANCE

- Revenue and profitability are directly related to order flow and would be adversely affected as a consequence of system compromise.
- A significant security breach could lead to litigation and losses, with a costly rectification process. In addition, it might be damaging to the Group's reputation and brand.
- An event of this nature might result in significant expense, impacting the Group's ability to meet its strategic objectives.

MITIGATION

- The business employs experienced IT staff whose focus is to identify and mitigate IT security vulnerabilities.
- Investment in software and other resources in this area continues to be a high priority.
- Technical and physical controls are in place to mitigate unauthorised access to customer data and there is an ongoing investment process to maintain and enhance the integrity and efficiency of the IT infrastructure and its security.
- Due to the ever-evolving nature of the threat, emerging cyber risks are addressed by the IT security team on a case-by-case basis.
- Third party cyber security consultants are employed as and when appropriate.

DIRECTION

- **The expected frequency, sophistication and publicity of attacks continues to increase. Accordingly, we continue to invest in expertise and technical solutions, controls and security reviews to counter the increasing external risks.**

Unchanged

Supply chain compliance and ethics

RISK AND DESCRIPTION

Our business model relies on direct (Tier 1) and indirect (Tier 2 and 3) relationships with suppliers located both within our primary markets and at overseas locations. 4imprint has for many years had very high ethical expectations for supply chain compliance, but there is always a risk that our wider supply chain partners may, from time to time, not comply with our standards or applicable local laws.

STRATEGIC RELEVANCE

- Significant or continuing non-compliance with such standards and laws could result in serious damage to our reputation and brand image.
- This could have an adverse effect on our ability to acquire and retain customers and therefore our longer-term revenue prospects and financial condition.

MITIGATION

- Key Tier 1 suppliers must commit to cascading our ethical sourcing expectations down to their Tier 2 and Tier 3 supply chain partners.
- Specifically, we require our suppliers to comply with our supplier compliance documentation, including the '4imprint Supply Chain Code of Conduct' and the '4imprint Factory & Product Compliance Expectations' document.
- We are active in promoting audit coverage of our supply chain at many levels, and in ensuring that product safety and testing protocols are adequate and up to date.

DIRECTION

- **Our supplier compliance programme is well established.**
- **Whilst visits to, and audits of, both domestic and overseas suppliers have returned to more normalised levels, challenges in visiting certain locations persist.**

Unchanged

Legal, regulatory and compliance

RISK AND DESCRIPTION

We are subject to, and must comply with, extensive laws and regulations, particularly in our primary US market, including those relating to data privacy legislation.

STRATEGIC RELEVANCE

- If we or our employees, suppliers and other partners fail to comply with any of these laws or regulations, such failure could subject us to fines, sanctions or other penalties that could negatively affect our brand, reputation and financial condition.

MITIGATION

- Consultation with subject matter experts, specialist external legal advisers and Government agencies as appropriate.
- US General Counsel recruited during 2022 and additional resources committed to strengthen our in-house capabilities.

DIRECTION

- **Obligations continue to be complied with and monitored.**

Unchanged

PRINCIPAL RISKS & UNCERTAINTIES CONTINUED

Environmental risks

Climate change

RISK AND DESCRIPTION

Climate change potentially affects our operations, facilities, supply chain, team members, communities and our customers in a variety of ways. As such, it presents a multitude of risks to the business and threatens our ability to achieve our strategic objectives.

STRATEGIC RELEVANCE

- Extreme weather-related events that impact our customers and/or our suppliers can have 'episodic' negative impact on revenue, customer acquisition and retention, and they can also cause increases to our product and distribution costs. Some of our suppliers are located in geographic areas that are subject to increased risk of these events in the long term.
- Further, in the medium term, if the business is not seen to be taking deliberate and tangible actions to reduce its GHG emissions, the Group's reputation and brand may be damaged.

MITIGATION

- The flexible nature of our 'drop-ship' model allows for relatively rapid adjustment to episodes of extreme weather. The business has very low customer concentration which helps mitigate an element of the risk as well.
- The business became 'carbon neutral' in 2021 in respect of Scopes 1 and 2 and meaningful elements of Scope 3, a year earlier than originally targeted.
- Our solar array project at the Oshkosh distribution centre became fully operational during 2022, significantly increasing the portion of the Group's power requirements generated from renewable sources.
- Management is actively monitoring and measuring progress towards further environmental goals, most notably further GHG reductions in Scopes 1 and 2 and meaningful elements of Scope 3.

DIRECTION

- **There remains a global sense of urgency in relation to climate change. As such, the risks in this area remain elevated, albeit they are considered stable over the period.**

Unchanged

Products and market trends

RISK AND DESCRIPTION

The transition to a low carbon economy may lead to changing product trends or consumer preferences that render certain products undesirable or obsolete whilst increasing demand for others.

STRATEGIC RELEVANCE

- Failure to anticipate accurately, and respond to, trends and shifts in consumer preferences by adjusting the mix of existing product offers may lead to lower demand for our products, impacting our market position and ability to generate revenue growth.

MITIGATION

- Our merchandising teams actively collaborate with our suppliers to continuously curate our range of products to adapt to and meet the needs and tastes of our customers.
- Our Better Choices™ initiative has been launched to highlight promotional products that have sustainable attributes, giving our customers the ability to research product attributes and supplier standards and certifications related to sustainability, environmental impact, workplace culture and more.
- Additional resources have been committed to strengthen our sustainability team and assist in delivering our initiatives in this rapidly evolving area.

DIRECTION

- **The transition to a low carbon economy is driving changes in consumer preferences towards sustainable products.**
- **However, the fact that most of the products in our broad range are also sold unbranded in the retail setting, and with an increasing number of products being 'tagged' with our Better Choices™ designation, the pace of the transition towards sustainable choices is likely to remain quite manageable.**

Unchanged

STAKEHOLDER ENGAGEMENT

The following disclosure describes how the Directors have had regard to the matters set out in section 172 (1) (a) to (f) and forms the Directors' statement required under section 414CZA of the Companies Act 2006.

Section 172 Statement

4imprint's key stakeholders and outcomes are set out along with our business model on pages 18 and 19. Our Board members understand and embrace the responsibility of balancing the interests of this wide stakeholder base. A strong and distinctive culture encouraging responsible practice has been deeply embedded at all levels of our business for many years (see page 21). Our team members observe clear guiding principles that drive ethical interactions with, and generate positive outcomes for, our key stakeholders.

The Board of 4imprint sets the tone by nurturing and reaffirming these principles and demonstrating, through its discussions and actions, that the interests of stakeholders are central to its decision-making. Within this framework, the Directors discharge their duties by monitoring and assessing stakeholder interests in two primary ways:

(i) Regular information flow from the Executive Directors.
The Executive Directors are directly involved in day-to-day business operations as a result of a flat organisational structure and a business model conducted from centralised facilities. The Non-Executive Board members receive regular written and verbal business updates from the Executive Directors via monthly reports, face-to-face at regular Board meetings and between Board meetings as required.

(ii) Direct engagement of Board members.
Directors are expected, where appropriate, to engage directly with, or on behalf of, stakeholders. In particular, the Chairman, Senior Independent Director, Board Committee Chairs and 'Employee Voice' Director seek to understand the needs and priorities of each stakeholder group and are encouraged to engage independently with stakeholders depending on subject matter and context.

The Directors consider the interests of each of 4imprint's key stakeholder groups when considering their duties under section 172 and take into account the information gathered through engagement with these stakeholders when determining the Group's strategies and key decisions (see page 67).

A summary of our stakeholder engagement activities (together with the issues and factors the Directors have considered in respect of our stakeholders in complying with section 172 (1) (a) to (f)) is set out in the following tables.

Team members

WHAT'S IMPORTANT

Investment in our people is a key driver of our competitive advantage (see Strategic Objectives on page 10). We can only deliver a remarkable customer experience if we have exceptional team members who subscribe to our principles and values. We engage with our team members to ensure that we are fostering a safe, diverse and inclusive environment that they are happy to work in and a culture that they identify with. See pages 21 to 23 for further discussion on people and culture.

ENGAGEMENT

- Open and honest culture involving regular communications/updates with team members, whether in-person, via our in-house social media platform or by email/video call for team members working from home
- Competitive, merit-based compensation, excellent benefits package and opportunity for an easily understood, results-based bonus
- Ability to participate in the Group's success through bonus plans and share ownership (US Employee Stock Purchase Plan (ESPP) and UK Save As You Earn (SAYE) plans)
- Wide range of training and development opportunities available for team members (see Sustainability on page 22)
- The Executive Directors are based at the Oshkosh site and have regular interaction with team members, including updates as appropriate from the CEO
- Site visits by Chair and NEDs including an annual two-day visit and strategy review in Oshkosh (see page 61)

DECISIONS, ACTIONS AND OUTCOMES

- Reaffirmed the Board's commitment to a people-led approach, prioritising the welfare, health and safety of our team members
- Conducted an extensive, externally facilitated employee survey, the feedback from which will drive initiatives in relation to internal communications and collaboration in the coming year
- Development and cultivation of the distinctive 4imprint culture and working environment
- Diversity, equity and inclusion principles continuously reviewed and embedded in the business (see page 22)
- Continued review of pay rates to ensure remuneration remains competitive in the market
- Good participation rates in the US ESPP and UK SAYE schemes launched in the year
- Regular input from the NED with responsibility for championing the interests of team members ('Employee Voice')
- Low staff turnover rates despite tight labour markets

Customers

WHAT'S IMPORTANT

Our purpose (see inside front cover) revolves around providing relevant, quality promotional products to our customers to help them convey their message. Our customers rely on us to make them and their organisations look good.

ENGAGEMENT

- Emphasis on providing remarkable customer service within a culture of continuous improvement (see page 3)
- Guiding each customer to their 'perfect product'; product quality, safety, price and range development (see pages 15 to 17)
- Regular customer surveys
- Periodic extensive customer market research projects
- Team members empowered to make decisions in the customer's interest, and managers (up to and including CEO) available to address customer concerns
- Responsible use and security of personal data

DECISIONS, ACTIONS AND OUTCOMES

- Continued development of the marketing mix, including additional investment in brand marketing, to resonate with shifts in customer perceptions and requirements
- Focus on service quality to maintain a great customer experience in the context of a rapidly growing business
- Substantial investment in customer service resource in the year. Tangible beneficial results in the customer experience in 2023 after the stresses caused by the very strong post-pandemic order intake in 2022
- Ongoing development of a curated, easy-to-access range of products including the Better Choices™ range highlighting promotional products that have sustainable attributes, giving our customers the ability to research product features and supplier standards and certifications related to sustainability, environmental impact, workplace culture and more (see pages 29 to 31)
- Continued focus on ethical sourcing and product safety/compliance (see pages 24 and 25)

Suppliers

WHAT'S IMPORTANT

Our suppliers are integral to the 'drop-ship' pillar of our business model, allowing us to provide the remarkable customer service and efficient, on-time delivery of great products that meet the functional, safety and environmental requirements that are essential to the success of the business. Our supplier relationships are discussed in more detail on pages 24 and 25.

ENGAGEMENT

- Regular meetings, information sharing and site visits with our Tier 1 domestic suppliers
- Supplier agreements and expectation setting
- 4imprint Social & Ethical Principles Statement and Modern Slavery Statement
- 4imprint Supply Chain Code of Conduct
- Cooperation with suppliers in marketing campaigns

DECISIONS, ACTIONS AND OUTCOMES

- Worked closely with our suppliers to manage residual supply chain issues from 2022, thereby maintaining the supply of products to service the strong demand seen throughout 2023
- Worked with our Tier 1 suppliers to further expand our supply chain monitoring and responsible sourcing programmes
- Continued to expand the product range including further development of exclusive and 'in-house' private label products
- Retained and delivered on our commitment to paying all suppliers promptly to terms
- 4imprint's Social & Ethical Principles Statement was updated and reissued in 2023. A copy can be found at http://investors.4imprint.com

STAKEHOLDER ENGAGEMENT CONTINUED

Community

WHAT'S IMPORTANT

Most of our team members live locally to our primary 4imprint facilities, so it is clearly in our interests to have a positive influence in our local communities. This begins with stable and competitively remunerated employment, extending to involvement in many community activities. Our community involvement initiatives are described more fully on pages 23 and 24.

ENGAGEMENT

- Paid time off work for our team members to volunteer for a local charity or non-profit organisation
- Support for and sponsorship of many local organisations, events and good causes
- Donations of promotional products for events
- *one* by *one*® charitable giving programme

DECISIONS, ACTIONS AND OUTCOMES

- Impact of 4imprint volunteers in the community
- Charitable donations – over 5,600 *one* by *one*® charitable grants made in 2023 (see page 24)
- Sponsorship of approximately 170 organisations, totalling $330,000 in support (see page 24)
- 4imprint's profile and reputation in the local community enhanced, improving our ability to attract and retain high-quality, locally-based team members in tight labour markets
- Outreach programmes to seek to recruit team members from under-represented groups in the local community

Pension Plan Trustee and members

WHAT'S IMPORTANT

The Group sponsors a legacy defined benefit pension plan (the "Plan"). We are fully committed to satisfying our pension obligations in full, with the aim of full funding and complete de-risking of the remaining liability (see page 40).

ENGAGEMENT

- Regular interaction with the Trustee of the Plan
- Regular advice from our own pension consultants
- Periodic evaluation of Plan funding and cost of insuring liabilities
- Specific engagement with the Trustee, the Plan's actuaries and our advisers on a completed buy-in transaction and actions required to make the Plan ready for buyout in due course

DECISIONS, ACTIONS AND OUTCOMES

- Updates to the Board on Plan funding level and proposals to insure remaining pension benefits
- Contributions paid into the Plan at the level agreed with the Trustee up until date of buy-in transaction
- Board approval for the lump sum acceleration of most of the previously agreed remaining schedule of contributions to leave the Plan in a position to insure substantially all remaining pension benefits via a buy-in transaction
- Plan substantially fully funded on a buyout basis
- Ongoing activities to ensure the Plan is fully buyout ready by the end of 2024
- Company agreement to pay the ongoing administration costs and fund settlement of residual liabilities

Shareholders

WHAT'S IMPORTANT

We aim to attract Shareholders whose requirements are aligned with our strategic objectives, and who are interested in a long-term holding in our Company. This involves a good understanding of our strategic objectives, our business model and our culture.

ENGAGEMENT

Our key Shareholder engagement activities are:

- Annual Report & Accounts
- Investor Relations website
- Annual General Meeting (AGM)
- Results announcements, investor roadshows and periodic trading/performance updates (CEO and CFO)
- Meetings and calls throughout the year with existing and potential investors, including ESG/Compliance departments
- Meetings with the Chair, NEDs and Company Secretary as required

DECISIONS, ACTIONS AND OUTCOMES

- Frequent communication and active governance at Board level
- Timely communication to the market of strong financial performance including one unscheduled RNS market update in July 2023
- Detailed Board review and reaffirmation of organic growth strategy and evolution of the marketing portfolio including expanding investment in brand advertising
- Consultation with Shareholders and proxy advisors on the proposed changes to the Remuneration Policy including meetings with the Chair, Remuneration Committee Chair and Company Secretary
- Shareholder register and investor relations activity regularly reviewed by the Board
- Emphasis on culture, ethics and sustainability in Board discussions
- Interim and final dividend payments increased in line with trading performance
- Special dividend paid in June 2023 in line with the Group's balance sheet funding and capital allocation policies

NON-FINANCIAL AND SUSTAINABILITY INFORMATION

The table below sets out where stakeholders can find information in our Strategic Report relating to non-financial matters, as required by sections 414CA and 414CB of the Companies Act 2006. The information found in the table below forms our non-financial statement:

REPORTING REQUIREMENT	SECTION OF THE ANNUAL REPORT	PAGE(S)
Environmental matters	Sustainability	26 to 37
Employees	Sustainability	21 to 23
Social matters	Sustainability	23 and 24
Human rights	Sustainability/Statement on Corporate Governance	24/67
Anti-corruption and anti-bribery	Sustainability/Statement on Corporate Governance	24/67
Business model	Business Model	18 and 19
Non-financial KPIs	Strategic Objectives	12 and 13
Principal risks	Principal Risks & Uncertainties	44 to 53
Governance arrangements for assessing and managing climate-related risks and opportunities	Sustainability	34
How climate-related risks and opportunities are identified, assessed and managed	Sustainability/Principal Risks & Uncertainties	34/44
How climate-related risks and opportunities are integrated into the overall risk management process	Sustainability/Principal Risks & Uncertainties	34/44

REPORTING REQUIREMENT	SECTION OF THE ANNUAL REPORT	PAGE(S)
The climate-related principal risks and opportunities identified and their associated time periods	Sustainability/Principal Risks & Uncertainties	32 to 34/52 and 53
The actual and potential impact of identified climate-related risks and opportunities on the business model and strategy	Sustainability/Principal Risks & Uncertainties	32 to 34/52 and 53
An analysis of the resilience of the business model and strategy taking into account different climate-related scenarios	Sustainability	26 to 37
Targets used to manage climate-related risks and realise climate-related opportunities	Sustainability	37
Metrics and KPIs used to assess progress against climate-related targets and a description of their basis of calculation	Sustainability	26 to 31 and 37

The Strategic Report was approved by the Board on 12 March 2024.

KEVIN LYONS-TARR
CHIEF EXECUTIVE OFFICER

DAVID SEEKINGS
CHIEF FINANCIAL OFFICER

CORPORATE GOVERNANCE REPORT

Supporting a growing business

Chairman's introduction

"On behalf of the Board of 4imprint Group plc, I am pleased to introduce the 2023 Corporate Governance Report."

The Board remains committed to strong and appropriate corporate governance, supporting the principles and provisions contained in the UK Corporate Governance Code 2018 (the "Code"). I am pleased to confirm that in the 2023 financial year, 4imprint Group plc has complied with the Code in full.

This Corporate Governance Report contains:

- Details of the Board of Directors
- The Statement on Corporate Governance
- The Report of the Nomination Committee
- The Report of the Audit Committee
- The Report of the Remuneration Committee
- The Directors' Report

During 2023 the Board has prioritised supporting the leadership team in developing and enhancing the senior management organisational structure and bolstering the resources and infrastructure required for the Group to operate efficiently at a larger scale. Concurrently, we have remained cognisant of our governance responsibilities.

In November 2023 the Board held its annual strategy review and Board meeting at the 4imprint facilities in Oshkosh, Wisconsin. The Board members were impressed to see the developments at the screen-printing facility which has transitioned from an empty building a year ago to a busy operational site. The Board also had the opportunity to review the detailed plans for the expansion of the Oshkosh distribution centre which is due to be operational in the third quarter of 2024.

This visit also presented an opportunity for the Board to improve its understanding of the Group's ESG initiatives in the year. In particular the Board received detailed reports on responsible sourcing initiatives and the supplier monitoring and auditing programme which has been expanded in the year. Additionally, the Board has continued to support management in prioritising the interests of team members, a key element of the 4imprint culture.

Further details on ESG can be found in the Sustainability section on pages 20 to 34 of the Strategic Report.

I am extremely proud of the Board's work in 2023 in support of the executive and leadership teams. My fellow Directors have maintained diligent corporate governance standards throughout the year, and I would like to thank them for their continued commitment and contribution to 4imprint.

PAUL MOODY
CHAIRMAN
12 March 2024

BOARD OF DIRECTORS

PAUL MOODY
NON-EXECUTIVE CHAIRMAN

Appointed as a Non-Executive Director in February 2016 and became Non-Executive Chairman in December 2016.

Paul currently serves on the Board of Card Factory plc as Non-Executive Chairman. He was previously Non-Executive Chairman of Johnson Service Group plc and a Non-Executive Director of Pets at Home Group plc. Paul has extensive public company experience spending 17 years at Britvic plc, including the last 8 years as Chief Executive. Prior to that, he held a number of senior appointments in sales and HR, with companies including Grand Metropolitan plc and Mars.

KEVIN LYONS-TARR
CHIEF EXECUTIVE OFFICER

Appointed as Executive Director in June 2012 and became Chief Executive Officer in March 2015.

Based in Oshkosh, Wisconsin, Kevin has been with the business since 1991, serving in several capacities, including Chief Information Officer and Chief Operating Officer. He was appointed President of the Direct Marketing business in 2004 and has led its substantial growth since then.

LINDSAY BEARDSELL
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed as a Non-Executive Director in September 2021.

Lindsay is currently Executive Vice President, General Counsel at Tate & Lyle plc, the global supplier of food and beverage ingredients, which she joined in 2018. In addition to her extensive legal and governance background, Lindsay brings a breadth of commercial experience, both in the UK and internationally, having previously worked as General Counsel at Ladbrokes Coral plc, SuperGroup plc and Gazprom Energy Group. She is a graduate of European Law from the University of Warwick.

JOHN GIBNEY C
SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed as a Non-Executive Director in March 2021.

John currently serves as a Non-Executive Director and Chair of the Audit Committee at C&C Group plc. John is a Chartered Accountant who has extensive public company experience, having served for 17 years as Chief Financial Officer of Britvic plc, a leading European soft drinks business, where he was responsible for finance, legal, estates, risk management, quality, safety and environment and procurement. Prior to joining Britvic, John was Senior Corporate Finance & Planning Manager for Bass plc, and prior to that role, Finance Director and subsequently Deputy Managing Director of Gala Clubs. John has previously been a Non-Executive Director and Chair of the Audit Committee at PureCircle PLC and Dairy Crest PLC.

DAVID SEEKINGS
CHIEF FINANCIAL OFFICER

Appointed as Chief Financial Officer in March 2015.

David is a Chartered Accountant, having trained and qualified with KPMG. David has been with the 4imprint Group since 1996, initially as Group Financial Controller, moving to the USA in 2000 to become Chief Financial Officer of 4imprint Direct Marketing, based in Oshkosh, Wisconsin.

Committees:

- Audit Committee
- Nomination Committee
- Remuneration Committee
- C Chair

JAZ RABADIA
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed as a Non-Executive Director in September 2021.

Jaz is a Chartered Energy Manager with over 16 years of experience in energy, recycling and sustainability roles. She is currently Head of Responsible Business and Sustainability at Just Eat Takeaway.com, an online food order and delivery service, which she joined in December 2021. Prior to this she was Director of Energy, Sustainability and Social Impact at WeWork and she has also held senior positions at Starbucks Coffee Company and Sainsbury's Supermarkets Ltd. In 2015 Jaz was awarded an MBE for services to sustainability in the energy management sector and promoting diversity amongst young people in the STEM sectors.

CHRISTINA (TINA) SOUTHALL C C
INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed as a Non-Executive Director in May 2019.

Tina is the Chair of the Bally's Foundation in the UK and the former Executive Vice President – People for Bally Interactive, a NYSE listed company operating some of the world's biggest casinos, iGaming and sports media sites. Prior to this, Tina held executive sales and marketing roles at Vodafone Group Plc, culminating in her appointment as Regional Director, Northern Europe for Vodafone Global Enterprise, and she served as a long-standing Trustee of The Vodafone Foundation. Prior to joining Vodafone, Tina held senior positions at Avis Europe and at the RAC.

STATEMENT ON CORPORATE GOVERNANCE

Statement of compliance with the UK Corporate Governance Code

The Board supports the principles and provisions of the UK Corporate Governance Code (the "Code"). The Code sets out guidance on how companies should be directed and controlled to follow good governance practice. Companies listed in the UK are required to disclose how they have applied the main principles and whether they have complied with the Code's provisions throughout the financial year. Where the provisions have not been complied with, companies must provide an explanation.

For the year ended 30 December 2023, the Board considers that the Company has complied with the provisions of the Code.

The Code is publicly available on the FRC website.

Role of the Board

The primary responsibility of the Board is to promote the long-term success of the Company and to look after the interests of all of its stakeholders. The Board has responsibility for the management, direction and performance of the Group and is committed to delivering the Group's strategy through meaningful engagement with all stakeholder groups.

The Board is also responsible for determining risk appetite, establishing procedures to manage risk and overseeing the Group's internal control framework. This involves undertaking appropriate assessments of the Group's emerging and principal risks, monitoring the Group's risk management and internal control systems and reviewing their effectiveness. The Board is assisted in fulfilling these responsibilities by the Audit Committee and the Business Risk Management Committee. The aim of these procedures is to manage and mitigate the risk of any failure to meet business targets and can only provide reasonable and not complete assurance against such failures.

The Board is the decision-making body for all matters material to the Group's finances, strategy and reputation. The powers of the Company's Directors, as well as the rules relating to the appointment and removal of Directors, are set out in the Company's Articles of Association, which can be found on the Company's website at https://investors.4imprint.com/governance/company-documents/.

The Chairman is responsible for leadership of the Board and ensuring its effectiveness. The Chairman promotes a culture of openness and debate, ensuring that each Board member is given opportunity to contribute their views to each topic under discussion.

Board composition and structure

As at the date of this report, the Board comprised seven members, namely the independent Non-Executive Chairman, four independent Non-Executive Directors and two Executive Directors, being the Group Chief Executive Officer and the Group Chief Financial Officer. The biographies of the Directors can be found on pages 62 and 63.

The Board is satisfied that there is sufficient balance between Executive and Non-Executive Directors on the Board to ensure that no one individual has unfettered decision-making powers and that the Board has the appropriate balance of skills, experience, independence and knowledge of the Group to enable it to discharge its duties and responsibilities effectively.

Having undertaken a review of the Non-Executive Directors' outside commitments, the Board is satisfied that all Non-Executive Directors have sufficient time available to allocate to the Company in order to discharge their duties effectively.

The role of the Non-Executive Directors includes: assisting in the development of strategy; monitoring the integrity of financial information and systems of risk management; reviewing the performance of management including the alignment of performance with Company culture and values; assisting the Company in engaging effectively with all its stakeholders; and determining the appointment, removal and remuneration of Executive Directors.

The current Non-Executive Directors have letters of appointment for three years from 1 February 2022 for Paul Moody, 8 May 2022 for Tina Southall, 8 March 2024 for John Gibney, and 1 September 2021 for Lindsay Beardsell and Jaz Rabadia. These letters are available for inspection by any person at the Company's registered office during normal business hours and also at the AGM.

Operation of the Board

The Board has a formal schedule of matters reserved for its decision. This schedule was updated during 2020 to reflect the recommendations of the FRC's Guidance on Board Effectiveness and the requirements of the Code. The schedule was reconsidered and approved by the Board at its meeting on 12 December 2023.

The schedule of matters reserved for the Board includes, but is not limited to:

- Considering and approving the Group's purpose, values and strategic aims and objectives.
- Overseeing the Group's operations, management and performance.
- Approving any changes to the Group's capital, corporate or management structures.
- Approving half-year and final results announcements and the Annual Report & Accounts.
- Approval of dividend policy, declaration of interim dividend and recommendation of final dividend.
- Maintaining a sound system of internal control and risk management.
- Approval of major capital expenditure and commercial agreements.
- Ensuring effective communications with Shareholders and the market.
- Overseeing Board structure, membership and continuity.
- Determining the Remuneration Policy for Directors, Company Secretary and senior executives.
- Approving delegation of authority to Board Committees and executive management.
- Ensuring that appropriate corporate governance procedures are in place.
- Approval of Group policies and statements.
- Review and approval of any other matter likely to have a material impact on the Group.

The Board delegates other specific responsibilities to its principal Committees: the Audit Committee; the Nomination Committee; and the Remuneration Committee. The details of the Board Committees and their activities are set out on pages 68 to 92.

The Board is ultimately responsible for oversight of the Group's environmental initiatives and climate-related risks and opportunities, including oversight of the Group Environmental Committee. Further details regarding governance in this area are given in the Sustainability section on page 26.

The Board delegates day-to-day management of the Group to the Executive Directors. Detailed management accounts and operational reports are distributed to the Board on a monthly basis, in addition to information prepared for presentation at regular Board meetings.

The Board has at least six scheduled meetings per year and additional Board meetings are convened as and when required. In 2023 the Board had seven regular meetings and two supplementary meetings: (1) in July 2023 to address the need to make an unscheduled trading update; and (2) in August 2023 to approve the 4imprint Group plc interim Company financial statements for the 26 weeks ended 1 July 2023 to enable the declaration of an interim dividend.

During 2023, Board and Committee meetings have been held via a combination of video and in-person attendance at the 4imprint London office. The November 2023 strategy day and Board meeting was held at the 4imprint offices in Oshkosh, Wisconsin, with all Board members physically present.

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

	Scheduled Board meetings	Supplementary Board meetings	Audit Committee meetings	Nomination Committee meetings	Remuneration Committee meetings (i)
Number of meetings in 2023	7	2	2	4	4
P. Moody	7	2	2*	4*	4*
K. Lyons-Tarr	7	2	2*	2*	4*
D. Seekings	7	2	2*	2*	4*
L. Beardsell (ii)	7	1	2*	2*	4*
C. Brady (iii)	1	0	0	0	0
J. Gibney	7	2	2	4	4
J. Rabadia (ii)	7	1	2*	2*	4*
C. Southall	7	1	2	4	4

* By invitation.
(i) None of the Executive Directors were present at the time at which the Remuneration Committee considered and made decisions regarding the remuneration of the Executive Directors.
(ii) Lindsay Beardsell and Jaz Rabadia were appointed as formal members of the Audit, Nomination and Remuneration Committees with effect from 12 December 2023.
(iii) Charles Brady retired from the Board on 18 August 2023.

All Board and Committee meetings are minuted by the Company Secretary and these minutes are formally approved at the following Board meeting. Board minutes contain details of the Directors' decision-making processes and any concerns raised by Directors.

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 invitation of the Committee Chair. Each Committee's roles and responsibilities are set out in formal terms of reference which were reconsidered and approved by the Board at its meeting on 12 December 2023. Reports from each of these Committees are provided on pages 68 to 92.

Board information and support

The Chairman, in conjunction with the Company Secretary, ensures that the Board receives accurate, timely and clear information. In advance of each meeting, the Board receives an agenda for the meeting, minutes of the previous meeting, 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, all Directors have access to senior management should they require additional information on the items to be discussed.

The Company provides resources, as appropriate, to enable Directors to update their skills and knowledge, including an induction programme for new Directors joining the Board. Independent professional advice is available to all Directors as required, at the Company's expense. All Directors have access to the advice and services of the Company Secretary and may address issues to the Senior Independent Non-Executive Director, if required. The Non-Executive Directors meet from time to time without the Executive Directors being present.

Directors' conflicts of interest

The Companies Act 2006 codifies the duty of the Directors to avoid a situation in which they have, or could have, an interest that conflicts, or may possibly 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.

STATEMENT ON CORPORATE GOVERNANCE CONTINUED

BOARD ACTIVITIES IN 2023

Strategy and culture

- Reviewed and approved the Group's continuing organic growth strategy.
- Considered potential future performance targets and timeframes for communication externally.
- Ongoing review of the people and infrastructure investment requirements of the business.
- Monitored and reviewed the rapidly evolving marketing portfolio, in particular the significant investment in brand-related activities in the year.
- Reviewed and discussed Company culture including consideration of the impact of work from home and hybrid working arrangements.
- Considered responsible sourcing and sustainability initiatives, including projects to reduce greenhouse gas emissions, in the context of a growing business.
- Continued focus on diversity, equity and inclusion (DEI) initiatives.

Governance

- In-depth succession planning including ongoing development of senior management organisational structure.
- Developed a new Remuneration Policy to facilitate recruitment of future Executive Directors in the external market if necessary, including consulting with Shareholders and proxy advisors.
- Monitored Group environmental and sustainability initiatives including: updates on GHG emission reduction initiatives; initial measurement of Scope 3 GHG emissions; supplier monitoring and auditing programme; and expansion of the Better Choices™ programme.
- Annual Board visit to principal business in Oshkosh.
- Internal Board Evaluation.
- Reviewed the Group's key corporate policies and procedures, matters reserved for the Board and Terms of Reference of Committees.

Finance

- Reviewed and approved full-year and half-year results.
- Reviewed and approved 2024 budget and three-year plan including scenario planning.
- Considered and approved trading updates including unscheduled RNS market update in July 2023.
- Approved dividends paid in 2023, including special dividend paid in June 2023.
- Approved c.$20m capital investment for expansion of the Oshkosh distribution centre.
- Approved lump sum acceleration of pension contributions to facilitate pension buy-in.
- Approved the purchase of a bulk annuity policy to substantially complete the de-risking of the Group's legacy defined benefit pension scheme.

Risk management

- Reviewed principal risks and uncertainties.
- Regular review of Group risk matrix and internal control procedures, including reports from the Business Risk Management Committee.
- Regular review of emerging risks.
- Continued development of internal control procedures and documentation.
- Considered the scope of an externally facilitated review of the Group's Fraud Risk Management framework.
- Monitored and reviewed initiatives to deal with increasing cyber security risks.
- Appointed Director of Group Internal Audit based in Oshkosh.

BOARD PRIORITIES FOR 2024

- Ongoing consideration of the next 'headline' strategic target and timeframe.
- Regular review of the Group's longer-term strategic options, changes in investor priorities, and other unanticipated changes in the market or economic environment.
- Oversight of the continuing organic growth of the business through increasing market share and the further evolution of the marketing mix, with continued investment in brand marketing.
- Continued development of the business infrastructure and talent required to support significant further growth whilst maintaining or enhancing the 4imprint culture.
- Support the Executive Directors in developing a senior management organisational structure designed to support the current and future growth ambitions of the business.
- Finalise and approve the new Remuneration Policy for Executive Directors, taking into account the feedback from Shareholders and other stakeholders, with the aim of gaining Shareholder approval at the 2024 AGM.
- Provide support and challenge to management in relation to ESG initiatives including:
  - Initiatives to measure and address our Scope 3 greenhouse gas emissions.
  - Initiatives to promote the responsible sourcing of products.
  - Ongoing development of the Better Choices™ programme.
  - The development of specific DEI initiatives.
- Continue preparation to meet the requirements of the UK Corporate Governance Code 2024.

Principal risks and uncertainties

Throughout the period ending 30 December 2023 and in accordance with provision 28 of the Code, the Board has carried out a robust assessment of the principal risks and uncertainties and the possible emerging risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. This is described in the Principal Risks & Uncertainties section on pages 44 to 53.

Going concern and viability

The Board has considered the Group's and Company's ability to continue as a going concern and has assessed the future prospects of the Group in accordance with provisions 30 and 31 of the Code. The going concern and viability statements are set out on pages 42 and 43.

Board evaluation

The Code requires the Board to conduct an external evaluation of the performance and effectiveness of the Board and its Committees every three years. During 2022 an external independent Board Effectiveness Review was undertaken, led by The Trusted Advisors Partnership Ltd.

In 2023 an internal Board Evaluation was carried out by the Chairman and Company Secretary. The review took the form of a questionnaire with each Director asked to provide a score for each question and a written comment if appropriate. The output of the evaluation was presented in a report to the Board at its December 2023 meeting and the Directors discussed the points raised by the review.

The review identified the following areas of strength:

- The Board operates to a highly effective standard with a healthy balance between a cohesive and supportive Board and one that is prepared and confident to provide appropriate challenge to executive management.
- The Board remains confident that it is working to a clear and commonly understood purpose and collective vision and that the strategy is well defined and understood by all stakeholders.
- The Board composition is well balanced with a cohort of experienced, capable and engaged Non-Executive Directors who are able and willing to fulfil their responsibilities.
- The Board is well chaired, with a clear focus on the big issues facing the organisation and allowing full and open discussion before major decisions are taken.
- The Board has made good progress in developing a clear but flexible Board succession plan which is aligned to the future strategic needs of the business.
- The Board Committees are well chaired, experienced and operate effectively.

In November 2023 the Senior Independent Director undertook an assessment of the performance of the Chairman throughout 2023. This assessment took the form of individual interviews between the Senior Independent Director and each Board member, excluding the Chairman, and the Company Secretary. The feedback from the assessment was presented in a report to the Board and discussed at its December 2023 meeting. The feedback on the Chairman was positive and complimentary, with Board members being fully satisfied with his performance during 2023.

Corporate Governance Policies

The following Corporate Governance Policies and Company Statements were reconsidered and approved by the Board at a meeting on 12 December 2023:

- Anti-bribery, Financial Crime and Sanctions Policy
- Disclosure Policy
- Dealing Policy and Code
- Whistleblowing Policy
- Competition Compliance Policy

In addition, the following Company Statements were reconsidered and approved by the Board at a meeting on 17 January 2024:

- Environmental Principles Statement
- Social & Ethical Principles Statement
- Diversity, Equity and Inclusion Principles Statement

Copies of our Corporate Governance Policies and Company Statements can be found on our IR website at http://investors.4imprint.com.

The Board is committed to guarding against any form of modern slavery or human trafficking taking place in any part of its business operations or in the Group's supply chains. In accordance with section 54(1) of the Modern Slavery Act 2015, our slavery and human trafficking statement is published annually on the Company's website and can be found at https://investors.4imprint.com/modern-slavery-statement/. The Modern Slavery Statement in respect of the financial year ended 30 December 2023 was approved by the Board at a meeting on 17 January 2024.

Engagement with stakeholders

The Board is committed to its responsibilities to all of its stakeholders, including: Shareholders; team members; customers; suppliers; the communities in which it operates; and the Pension Plan Trustee and members, and strives to ensure effective engagement with, and encourage participation from, each of these groups. The Directors are mindful of these responsibilities and consider them as part of their decision-making process. The Companies Act 2006 s172 Statement on pages 54 to 57 sets out how the Board has engaged with these different stakeholder groups.

NOMINATION COMMITTEE REPORT

2023 HIGHLIGHTS

- Reviewed the composition of the Board and its Committees following the retirement of Charles Brady in August 2023.
- Recommended to the Board the appointment of Lindsay Beardsell and Jaz Rabadia to each of the 4imprint Committees.
- Reviewed and updated succession plans for the Executive Directors and key senior management.
- Supported management in the development of the Group's organisational structure, strengthening senior management resource as well as building resilience in the business.
- Visited the Oshkosh site to enhance engagement between the Board and members of the senior management team.
- Reviewed diversity, equity and inclusion (DEI) initiatives in the year.

2024 PRIORITIES

- Continue to support the Executive Directors as they transition to the new organisational design and seek to strengthen further the skills, experience and balance of the senior management team.
- Develop further opportunities for Board engagement with members of the senior management team to assess the internal talent pool.
- Implement actions for succession planning for the Executive Directors and senior management team.
- Support the further development of specific DEI initiatives.

Chair's overview

As Chair of the Nomination Committee (the "Committee"), I am pleased to present my report for 2023. The focus of the Committee in the year has been in three primary areas: (i) reviewing the composition of the Board and its Committees following the retirement of Charles Brady; (ii) succession planning for the Executive Directors and key senior talent; and (iii) supporting the development of the Group's organisational structure.

Composition of the Nomination Committee

I have chaired the Nomination Committee since 18 May 2021. The other members of the Committee during the period were John Gibney, the current Senior Independent Non-Executive Director; Lindsay Beardsell and Jaz Rabadia, who formally joined the Committee on 12 December 2023; and, until 18 August 2023, Charles Brady. All Committee members are independent Non-Executive Directors.

Paul Moody (Non-Executive Chairman of the Company) and the Executive Directors are usually invited to attend formal meetings of the Committee. The Company Secretary also attends the meetings.

Meetings of the Nomination Committee

The Nomination Committee meets as frequently as is required to fulfil its duties. During the period ended 30 December 2023 there were four meetings of the Nomination Committee. Details on attendance of meetings of the Nomination Committee are set out in the Statement on Corporate Governance, found on page 65.

Responsibilities of the Nomination Committee

The responsibilities of the Nomination Committee include:

- Reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes.
- Ensuring plans are in place for orderly succession to Board and senior management positions and overseeing the development of a diverse pipeline for succession.
- Identifying and nominating candidates for the approval of the Board to fill Board vacancies as and when they arise.
- Making recommendations to the Board concerning membership of the Audit and Remuneration Committees, and any other Board Committees as appropriate, in consultation with the Chair of those Committees.

The Nomination Committee ensures that Directors are appointed to the Board on merit, against objective criteria and with due regard to ensuring that the Board shows a balance of skills, knowledge and experience. The Nomination Committee has terms of reference which were considered and approved by the Board at its meeting on 12 December 2023. These terms of reference can be found on our IR website at https://investors.4imprint.com/governance/the-board.

Main activities of the Nomination Committee during the period ended 30 December 2023

The Nomination Committee's principal activities during the year included:

- Reviewing the membership of the Board and its Committees following the retirement of Charles Brady, Non-Executive Director, on 18 August 2023. This resulted in the following recommendations, which were formally approved by the Board:
  - Tina Southall replaced Charles Brady as Chair of the Remuneration Committee with effect from 18 August 2023.
  - John Gibney replaced Charles Brady as the Senior Independent Director with effect from 18 August 2023.
  - Lindsay Beardsell and Jaz Rabadia, both independent Non-Executive Directors, were appointed as formal members of the Audit, Nomination and Remuneration Committees with effect from 12 December 2023.
  - No additional appointments to the Board were considered to be required following Charles Brady's retirement.
- Reviewing, with the Executive Directors, a phased organisational restructuring designed to increase business resilience whilst also enabling senior employees to diversify their roles and experience, facilitating the further development of potential internal candidates for future appointments up to and including the Board. The Committee is dedicated to ensuring that an effective succession plan is maintained in respect of the Company's Directors and for the senior management team.
- Further recruitment at the senior management level to fill skills gaps, including the recruitment of a Director of Group Internal Audit based in Oshkosh in October 2023.
- Board visit to the Oshkosh site in November 2023 offering the opportunity for face-to-face interaction with members of the senior management team.
- Review and discussion of the Company's DEI initiatives in the year to support the strategy (see page 22 for details).
- Participation in the internal Board evaluation undertaken in 2023 (see page 67 for details).

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 AGM and is then eligible for election by the Shareholders.

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

All Non-Executive Directors have written letters of appointment. The terms and conditions for the appointment of Non-Executive Directors are available for inspection at the Company's registered address (during normal working hours) on request.

Full biographies of each Director can be found on pages 62 and 63. Each Director will be seeking re-election at the 2024 AGM. The Board is satisfied that, having been subject to a recent performance evaluation in relation to the fulfilment of their s172 duty, each Director seeking re-election continues to be an effective member of the Board.

Independence of Directors

The Code states that at least half the members of the boards of public companies in the FTSE 350, excluding the chairman, should be independent non-executive directors, meaning that those directors should be independent in character and judgment, and free from relationships or circumstances which are likely to affect, or could appear to affect, their judgment.

The independent Non-Executive Directors play a key role in ensuring the maintenance of high business standards, assist in the formation of strategy and provide a constructive and experienced perspective. The Board considers that Paul Moody, Lindsay Beardsell, John Gibney, Jaz Rabadia and Tina Southall are independent for the purposes of the Code. The Board reviews the independence of Non-Executive Directors on an ongoing basis and manages a succession plan which considers the balance of skills of the Board, the tenure of existing Non-Executive Directors and the Company's strategy and DEI principles.

NOMINATION COMMITTEE REPORT CONTINUED

Diversity policy

The Committee supports the Code provision that boards should consider the benefits of diversity, including gender and ethnicity, when making appointments and is committed to ensuring diversity, not just at Board level, but also across the Group's senior management.

The Committee understands the importance and beneficial effect of diversity within the workforce and aims to foster a culture that recruits, develops and promotes team members at all levels regardless of background. The Group is committed to promoting the principle of equal opportunity and to combatting discrimination throughout its workforce as well as in senior management, and no applicant or employee receives less favourable treatment on the grounds of nationality, age, gender, gender identity, sexual orientation, religion, race, ethnicity or disability. The Group recognises its responsibility to disabled persons and endeavours to assist them to make their full contribution at work.

In relation to gender diversity, at the date of this report, the Board is 42.9% female (three women out of seven Board members). In November 2023 the Company took part in the FTSE Women Leaders Review which monitors gender balance in FTSE 100 and FTSE 250 companies. In addition to reviewing gender diversity at Board level, the FTSE Women Leaders Review reports on the gender diversity of the senior management team and their direct reports. Based on data as at 31 October 2023, 47.3% of the senior management team including direct reports were female (50.7% based on data at 31 October 2022).

In November 2023, the Company also took part in the Parker Review which monitors ethnic diversity at Board level in FTSE 100 and FTSE 250 companies. The Committee is pleased to report that the Company has met the recommendation of the Parker Review that by 2024, FTSE 250 companies should have at least one director from a minority ethnic group. In addition, the Company also provided data on the ethnic diversity of senior management (defined in the same way as for the FTSE Women Leaders Review to be the executive team and their direct reports). Based on the expected position at 31 December 2023, 6.8% of the senior management team, including direct reports, were from a minority ethnic background.

The Committee'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 to discharge their duties effectively. The Committee agrees that it is appropriate that it should seek to have diversity on its Board; however, it does not consider that this can be best achieved by establishing specific quotas and appointments will continue to be made based on merit, with diversity in mind.

More information about the Company's people and culture can be found in the Sustainability section on pages 21 to 23.

TINA SOUTHALL
CHAIR OF THE NOMINATION COMMITTEE
12 March 2024

AUDIT COMMITTEE REPORT

2023 HIGHLIGHTS

- Monitored the development and maturity of the Group's control environment, including its anti-fraud policies and procedures.
- Established an internal audit function reflecting the continued growth and evolution of the Group.
- Continued preparation for the upcoming changes contained in the UK Corporate Governance Code 2024 (the "2024 Code") and measures recently introduced in the Economic Crime and Corporate Transparency Act 2023 (ECCTA).

2024 PRIORITIES

- Continue to oversee the Group's plans and activities to meet the changes in the governance landscape, including the 2024 Code.
- Development of the internal audit function including the planned assurance activities.
- Continued oversight of the Group's plans related to current and emerging cyber security threats.

Chair's overview

As Chair of the Audit Committee (the "Committee"), I am pleased to present the Committee's report for the period ended 30 December 2023. The Committee continues to fulfil an important oversight role, monitoring the effectiveness of the Group's risk management and internal control systems and the integrity of its financial reporting.

This report explains how the Committee has discharged its responsibilities during 2023, specifically in relation to financial and narrative reporting, significant financial reporting matters, external audit and risk management and internal control. The focus of the Committee's work has taken account of the challenging macroeconomic and geopolitical environment, along with the continued growth of the Group and the expansion of its operational footprint in Oshkosh.

With continued development and investment into its control and reporting systems, the Group is well placed to meet the additional requirements under the 2024 Code.

AUDIT COMMITTEE REPORT CONTINUED

Committee membership and responsibilities

All members of the Committee are independent Non-Executive Directors and collectively have recent and relevant financial and sector experience. There were three changes to the Committee during the year with Charlie Brady stepping down from the Board on 18 August 2023 and Lindsay Beardsell and Jaz Rabadia, both independent Non-Executive Directors since 1 September 2021, being appointed as additional members to the Committee on 12 December 2023. Committee member biographies and attendance at meetings during the year can be found on pages 62 to 63 and 65.

The Board continues to maintain the view that I have the recent and relevant financial knowledge and experience required to chair the Committee. I am a qualified Chartered Accountant and have previously held the positions of Non-Executive Director and Chair of the Audit Committee at PureCircle PLC and Dairy Crest PLC, and am currently a Non-Executive Director and Chair of the Audit Committee at C&C Group plc.

At my invitation and to maintain effective communication, the Chairman of the Board, other independent Non-Executive Directors, the Chief Executive Officer, the Chief Financial Officer and the external auditor, Ernst & Young LLP (EY), attend all meetings. Other attendees include the Group Financial Controller, Company Secretary and Director of Group Internal Audit. At the end of each meeting, EY and the Director of Group Internal Audit are given the opportunity to discuss matters with the Committee without executive management being present. EY and the Director of Group Internal Audit also have direct access to me and the Committee should they wish to discuss matters outside of the scheduled meetings.

The Committee meets twice each year with a third regular meeting planned from 2024, and has an agenda linked to events in the Group's financial calendar, the Committee's priority focus areas, and any emerging regulatory or business issues.

The Committee is ultimately responsible for the oversight and monitoring of the financial reporting and risk and control processes. The Committee fulfils this remit by undertaking the following roles and responsibilities:

- Monitoring the integrity of the financial statements of the Company and any formal announcement relating to its financial performance, and reviewing significant financial reporting judgments contained in them, having regard to matters communicated to it by the external auditor.
- Reviewing the content of the Company's Annual Report & Accounts and advising the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.
- Reviewing the Company's internal financial controls and its internal control and risk management systems.
- Reviewing and approving the Internal Audit Charter and audit plan and assessing the effectiveness of the function, its work and its resources.
- Making recommendations to the Board about the appointment, reappointment and removal of the Company's external auditor and approving their remuneration and terms of engagement.
- Reviewing the effectiveness of the external audit process and reviewing and monitoring the independence and objectivity of the external auditor.
- Developing and recommending to the Board the Company's policy on the provision of non-audit services by the external auditor, including approval of non-audit services by the Committee and specifying the types of non-audit service to be pre-approved, and assessment of whether non-audit services have a direct or material effect on the audited financial statements.
- Reporting formally to the Board on its proceedings after each meeting and on how it has discharged its responsibilities.

Financial and narrative reporting

The Group has appropriate processes and controls in place to support the financial reporting process and provide reasonable assurance that the financial statements are prepared in accordance with applicable standards. This includes the different levels of review, preparation of management papers for material judgments and completion of disclosure checklists as appropriate.

The Committee reviewed the full and half-yearly results announcements, the Annual Report & Accounts and the going concern and viability statements. This review considered the appropriateness of the accounting principles, policies and practices adopted in the Group's financial statements and the proposed changes to them, significant accounting issues and areas of judgment and complexity (set out below), and the integrity of the financial and non-financial information. The Committee also considered the reports from EY summarising their work undertaken in respect of the year-end audit and the outcome of discussions on their key audit matters.

In recommending the results announcements, Annual Report & Accounts and the going concern and viability statements to the Board for approval, the Committee satisfied themselves 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.
- The processes used for determining the value of the assets and liabilities have been appropriately reviewed, challenged and are sufficiently robust.
- The Annual Report & Accounts taken as a whole is fair, balanced and understandable.

Fair, balanced and understandable

In assessing whether the Annual Report & Accounts was fair, balanced and understandable, the Committee considered:

- Feedback provided by Shareholders on the Group's 2022 Annual Report & Accounts and trading updates, and information received by the Board throughout the period.
- Climate-related disclosures, including those in relation to the TCFD and The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 reporting requirements.
- The processes underpinning the compilation of the Annual Report & Accounts and the Group's reporting governance framework.
- The use and disclosure of alternative performance measures and its belief that these measures are necessary to aid users' understanding of the business.
- The reviews and findings of the Group's external auditor.

Taking the above into account, together with the views of EY, the Committee recommended, and the Board confirmed, that the 2023 Annual Report & Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

Significant financial reporting matters

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

Impact of uncertain macroeconomic conditions and climate change

The impacts of the uncertain macroeconomic conditions and climate change have been considered in the preparation of the financial statements. The Committee has reviewed and challenged the material assumptions in the forecast financial performance and cash flows of the Group that underpin management estimates, as well as the critical accounting judgments and disclosures in relation to going concern, viability, adequacy of provisions and potential impairments, and is satisfied that they are appropriate.

Purchase of a bulk annuity policy

During the period, the Trustee of the 4imprint 2016 Pension Plan (the "Plan") entered a bulk purchase annuity policy to insure substantially all the Plan's defined benefit obligations. Management assessed that the purchase of the policy did not constitute a settlement and that the excess of the cost of the annuity over the IAS 19 valuation of the obligations covered should be recorded in other comprehensive income. The Committee reviewed and concurred with management's conclusions and accounting treatment for this transaction.

Going concern

The Committee received and reviewed management forecasts for the Group's future cash flow performance which also included a severe, but plausible, downside scenario that reflected a sudden unforeseen shock to demand that is beyond what is normally expected.

Following a robust assessment of the forecasts, the Committee concluded that the adoption of the going concern basis for both the half-year and full-year results was appropriate. The Committee also reviewed and approved the going concern disclosures included in the financial statements.

External audit

The Company complies with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Uses of Competitive Tender Process and Audit Committee Responsibilities) Order 2014 and undertook a competitive tender process in 2018, described in the 2018 Annual Report & Accounts. Following this process, EY was appointed as the Group's external auditor at the 2019 AGM for the financial year commencing 30 December 2018. It is the intention of the Committee that the Company tender the external audit at least every ten years.

Having been the partner in charge of the audit since EY's appointment and with the audit of the financial statements for the period ended 30 December 2023 marking a tenure of five years, Chris Voogd's involvement with the audit of the Company will end following his signing of the audit opinion for the 2023 financial year. Following a detailed selection process overseen by myself, Jon Killingley will be appointed as the partner in charge of the audit for the next financial year. Jon's tenure will be limited to five years in line with EY's rotation policy and UK audit regulation.

Scope of the external audit plan and fee proposal

The Committee reviewed and approved EY's audit planning report and fee estimate for the 2023 financial year audit and monitored the execution of the audit plan throughout the process.

Independence and objectivity

To fulfil its responsibility of maintaining and safeguarding the independence and objectivity of the external auditor, the Committee reviewed:

- Changes and rotation of external audit team members in the audit plan for the current year.
- A report from the external auditor describing their arrangements to identify, report and manage any conflicts of interest.
- Whether or not the level of challenge to matters of significant audit risk and the degree of professional scepticism applied by the auditor were appropriate.
- The nature and extent of non-audit services, if any, provided by the external auditor.

Non-audit work

The Group's policy on external audit prohibits certain types of non-audit work from being performed by the external auditor, particularly in cases where the external auditor's independence and objectivity would be put at risk. Before any significant non-audit work is commissioned, the nature and extent of such work is considered, initially by the Chief Financial Officer and the Company Secretary, to determine if such work would put at risk the external auditor's independence and objectivity. This process includes discussion with the audit partner at EY. The matter is then referred to the Committee for approval, prior to commissioning.

No non-audit services were provided by EY during the period. Details of fees paid to EY for the year ended 30 December 2023 are shown in note 2 of the consolidated financial statements.

Effectiveness of the external audit process

The Committee continually assessed the effectiveness of the external audit process during the year. The Committee considered:

- The relevant skills and experience of the external audit partner and team and their knowledge of the business.
- The external auditor's planning report detailing scope of the audit, materiality, identification of areas of audit risk and audit timelines.
- The execution of the audit plan.
- Feedback from senior management and the external auditor about the audit process.
- The robustness of the external auditor in challenging the key accounting and audit judgments.
- Recommendations made by the external auditor in their management letters and the adequacy of management's response.
- The content, insight and value of the external auditor's reports.

After taking into account the factors noted above and its interactions with EY throughout the year, the Committee was satisfied that the external audit process was effective. Accordingly, the Committee has recommended the reappointment of EY, as external auditor, to the Board.

AUDIT COMMITTEE REPORT CONTINUED

Risk management and internal control

The Committee assists the Board in fulfilling its responsibilities to maintain effective governance and oversight of the Group's risk management and internal controls by providing assurance that the Group has appropriate risk management procedures and effective controls in place and provides oversight of the internal audit function.

The control system of the Group is intended to mitigate 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 Group operates a continuous process of identifying, evaluating and mitigating the significant risks faced by each business and the Group as a whole. This includes:

- A defined organisational structure with appropriate delegation of authority.
- Formal authorisation procedures for 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 through clear authorisation levels.
- Identification of operational risks and the development of mitigation plans by senior management.
- Regular reviews of both forward-looking business plans and historic performance.
- 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 pages 109 and 110.

The Committee received updates on the project to review the Group's internal controls over financial reporting and IT general controls that was initiated in the prior year. With the material processes and controls now documented and operational across the Group, focus will move in 2024 to internal audit testing and further enhancement. In parallel, work is also being undertaken to review the Group's processes and controls to manage fraud risk which is expected to be substantially completed in the coming year. These programmes of work, in addition to being appropriate to support the continued growth of the business, will put the Group in a strong position to comply with the latest changes in the 2024 Code and ECCTA.

The internal control process will continue to be monitored and reviewed by the Board through the Committee, which will, where necessary, ensure improvements are implemented.

Internal audit

Following the decision to establish an internal audit capability in the prior year, an experienced Director of Group Internal Audit was recruited in October 2023 to lead the function. Reporting directly to myself, this resource will support the work undertaken to date in advancing the Group's risk management agenda and provide independent advice and third-line assurance to the Committee over the effectiveness of risk management processes, internal controls and mitigations.

In the absence of an internal audit function for most of the period, the Committee continued to derive internal assurance through:

- The very flat structure of the Group and close involvement of the Executive Directors in business operations.
- The maturity of the operational and financial systems, no historical instances of material control breakdown or fraud, and the low inherent risk presented by the business model and limited operational sites.
- The combination of experienced internal resource and specialist external advice used to manage operational risks, for example cyber-crime and supply chain integrity.
- Regular reports from the Business Risk Management Committee (BRMC), Executive Directors, supplemental internal control questionnaires, and reports from the external auditor.

The Committee has reviewed and approved the Internal Audit Charter and audit plan for 2024 and will work closely with the Director of Group Internal Audit in delivering the work programmes. The Committee has also decided to add an additional meeting to the 2024 calendar and future years outside of the main financial reporting and audit cycles, focused on internal audit and risk management items.

Whistleblowing

The Group has a Whistleblowing Policy (which is also available on the Company's website), containing arrangements for the US General Counsel or the Company Secretary to receive, in confidence, complaints on accounting, risk issues, internal controls, auditing issues and related matters for reporting to the Committee as appropriate.

Assessment of risk management and internal control systems

In assessing the effectiveness of the Group's risk management procedures and internal controls, the Committee received regular reports from the BRMC and considered the external auditor's review of internal controls and audit highlights memoranda.

The BRMC reports provide detailed information on the Group's principal risks and uncertainties, the effectiveness of mitigating activities and key controls, emerging risks, the categorisation and disclosure of risks in results announcements and the Annual Report & Accounts, and updates on changes in the corporate governance landscape. A description of the risk management process and the principal risks and uncertainties facing the Group can be found in the Strategic Report on pages 44 to 53.

Taking into account the factors outlined above and in the absence of any material matters having been identified, the Committee continues to have a high degree of confidence in the effectiveness of the Group's risk management and internal controls.

JOHN GIBNEY
CHAIR OF THE AUDIT COMMITTEE
12 March 2024

ANNUAL STATEMENT BY THE CHAIR OF THE REMUNERATION COMMITTEE

2023 HIGHLIGHTS

- Consulted with Shareholders and developed a new Remuneration Policy.
- Detailed remuneration benchmarking exercise undertaken in conjunction with our remuneration advisors.
- Reviewed our remuneration strategy in the context of business developments and the future growth ambitions of the business.
- Reviewed governance, regulatory and investor developments on executive compensation matters.
- Considered broader employee pay and conditions.

2024 PRIORITIES

- Obtain Shareholder approval for the new Remuneration Policy at the 2024 AGM.
- Monitor business performance against 2024 bonus targets during the year.
- Continue to consider employee pay at all levels of the organisation.
- Continue to monitor governance, regulatory and investor developments on executive compensation.

KEY REMUNERATION PRINCIPLES

The Committee's long-held view regarding remuneration is that it should be:

- Competitive when compared to organisations of a similar size, complexity, and type.
- Linked to the long-term strategy of the Group.
- Clear, easy to understand and motivational.
- Structured to not promote unacceptable behaviour or encourage unacceptable risk-taking.
- Structured to avoid reward for failure.

Chair's overview

As Chair of the Remuneration Committee (the "Committee"), I am pleased to present the Directors' Remuneration Report for the year ended 30 December 2023. The report contains:

- This Annual Statement which summarises the remuneration decisions made during the year and the context in which these decisions have been taken.
- A copy of the new Remuneration Policy which will be put forward for approval by Shareholders at the 2024 AGM.
- The Remuneration Report for the year ended 30 December 2023 (see pages 78 to 92) which details how our Remuneration Policy was implemented in the year ended 30 December 2023 and how we intend to implement our Remuneration Policy in 2024.

ANNUAL STATEMENT BY THE CHAIR OF THE REMUNERATION COMMITTEE CONTINUED

Business context for executive remuneration

The Committee considers a range of factors when making pay decisions for the Executive Directors and senior management team, including the recent financial and operational performance of the Group. The Group has delivered a strong financial performance in 2023 and significant operational progress has been made in preparing the business for its current and future growth ambitions.

For 2023 the financial results of the business included:

- Group revenue up by 16% to $1.33bn.
- Increase in operating profit of 32% to $136.2m.
- Increase in basic earnings per share of 32%.
- 2023 interim dividend paid of 65.00c (50.80p) per share; final dividend declared of 150.0c (117.0p).
- Continued investment in marketing and people to position the business well for future growth.
- Retaining a strong financial position and good liquidity with cash and bank deposits at the year-end of $104.5m.

Committee decisions and undertakings in 2023

Base salary

As disclosed in last year's report, the Remuneration Committee awarded a base salary increase of 6.8% to the Executive Directors for 2023, in line with that received by the wider workforce.

Annual bonus

The Committee also approved the annual bonus plan for 2023, setting targets based on the 2023 budget. In recognition that the 2023 budget was challenging and represented a major step change in financial performance, for 2023 only, the Committee approved a bonus of 60% of base salary for on-target performance. The Remuneration Policy enables the Committee to increase the bonus opportunity to 150% of salary, and for on-target payout to increase to up to 75% of base salary. The Committee determined that although the performance targets were made more stretching, the maximum bonus should remain at 100% of salary for 2023.

The Group has delivered a very strong financial performance in 2023 with revenue and operating profit exceeding the 2023 budget. In this context and given that all performance targets were met in full, the Committee determined that it was appropriate for the annual bonus plan for the Executive Directors to pay out in full at 100% of salary.

The financial success of the business in 2023 has meant that there have been regular payments to team members under both the leadership and management bonus plans and the quarterly 'gain share' bonus plan for all employees.

Committee decisions and undertakings for 2024

Base salary

At its meeting in January 2024, the Committee awarded the Chief Executive Officer and the Chief Financial Officer a 4.5% increase in basic annual salary with effect from 1 January 2024. This is in line with the average increase anticipated to be applied to the remuneration of employees across the business in 2024.

Annual bonus

In relation to the annual bonus plan, specific performance targets for 2024 have been set by the Committee with reference to the 2024 budget approved by the Board. As at January 2024, the Committee was confident that the targets set were appropriately stretching. No changes have been made to the performance measures or operation of the bonus grid for 2024.

Remuneration Policy review

The Remuneration Policy (the "Policy") was approved three years ago at the 2021 AGM and is therefore due for renewal at the AGM in 2024.

Context to the review

Since the last Policy was approved, 4imprint has grown significantly as a result of the successful implementation and execution of our strategy by the current Executive Directors. The Group surpassed its strategic revenue target of $1bn in 2022 (a 45% increase from 2021) and revenue has grown to over $1.3bn in 2023. Profit before tax exceeded $100m for the first time in our history in 2022 (a 243% increase from 2021) and has grown to over $140m in 2023. As a consequence, the 4imprint share price has significantly outperformed the FTSE 250 index over the last ten-year period. 4imprint entered the FTSE 250 in June 2019 and is ranked FTSE 220 as at the end of December 2023.

The current Policy was designed with the specific circumstances of the current Executive Directors in mind. Both current Executive Directors have significant shareholdings (together owning 1.6% of 4imprint with shareholdings in excess of 3,000% of salary), therefore the current Policy does not incorporate an LTIP. In addition, the quantum of the current Policy reflects both the former size of the business and the desires of our current Executive Directors to be moderately positioned against the market.

The Policy review process and consultation

Given this context, the Committee agreed that it was important to review not only the Remuneration Policy structure but also the overall potential quantum, to make sure that the new Policy:

- Supports our current business strategy and values;
- Is competitively positioned and future-proofed in terms of potential quantum and incentive structure to facilitate Executive Director succession planning; and
- Meets current UK governance standards.

The Committee has undertaken a thorough exercise in reviewing the current Policy, supported by its independent advisor and with input from management. The review included obtaining stakeholder input from all Board members, remuneration benchmarking, market trends analysis, and review of investor sentiment and recent governance developments.

The Committee conducted a thorough Shareholder consultation exercise. Letters and invitations for feedback were shared with 17 Shareholders representing approximately 68% of our register. We had constructive conversations with ten Shareholders meaning we received input from just over half of our register. In summary, Shareholders were very supportive of the proposals for the new Policy and remain supportive of our business strategy and the current Executive team.

Policy review findings and summary of key changes

The Committee concluded that the potential package value for Executive Directors is significantly below that of similar sized FTSE 250 companies. This poses a potential risk to succession planning. In addition, the Committee concluded that to provide a market standard package to attract and retain new Executives, an LTIP would need to be made available for use.

Therefore, under the new Policy an LTIP in the form of a Performance Share Plan with a maximum award of 200% of salary has been introduced.

When used in conjunction with the LTIP, the Committee concluded that the Deferred Bonus Plan (which currently extends to five years) would need to be made more market standard. As such, for future LTIP participants, the deferral arrangement is to be reduced to one-third of the total bonus (currently 50%), with a three-year deferral period.

Finally, the Committee identified that minor adjustments should be made to align the Policy with UK governance standards, including extension of the Post-Employment Shareholding Guidelines time horizon from one to two years and increasing the guideline to 200% of salary. This change will apply to both current and future Executive Directors.

For 2024, the current Executive Directors have reaffirmed that they do not wish to be in receipt of an LTIP award and are not seeking realignment of their total remuneration package value to be competitive with levels in the FTSE 250. As such, no changes have been proposed to the incentive maxima or incentive structure for the current Executive Directors for 2024.

A market review of the Non-Executive Director fee levels showed that these were also below competitive FTSE 250 levels and therefore the fees would need to be increased. The basic Non-Executive Director fee level has therefore been increased from £45,000 to £55,000; an additional fee of £8,250 per annum has been introduced for the Senior Independent Director and for the Committee Chairs; and the Chair of the Board's fee has been increased from £157,500 to £192,150.

We would like to thank Shareholders for their constructive feedback and engagement with the Policy review process and we welcome any further feedback on our remuneration arrangements.

TINA SOUTHALL
CHAIR OF THE REMUNERATION COMMITTEE
12 March 2024

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) (Amendment) Regulations 2013, Listing Rules of the Financial Conduct Authority and the UK Corporate Governance Code. This report is unaudited except where otherwise stated. An ordinary resolution to approve this report will be put to the AGM on 22 May 2024.

In addition, at the 2024 AGM, Shareholders will be asked to approve the new Remuneration Policy which is set out in this report (pages 79 to 86).

Remuneration governance

Composition of the Remuneration Committee

I have chaired the Remuneration Committee since 18 August 2023 following the retirement of Charles Brady from the 4imprint Board and its Committees. The other members of the Committee during the period were John Gibney, the current Senior Independent Non-Executive Director; and Lindsay Beardsell and Jaz Rabadia who formally joined the Committee on 12 December 2023. All Committee members are independent Non-Executive Directors.

Paul Moody (Non-Executive Chairman of the Company) and the Executive Directors are usually invited to attend formal meetings of the Committee. The Company Secretary also attends the meetings.

Meetings of the Remuneration Committee

The Remuneration Committee meets as frequently as is required to fulfil its duties. During the period ended 30 December 2023 there were four meetings of the Remuneration Committee. Details on attendance of meetings of the Remuneration Committee are set out in the Statement on Corporate Governance, found on page 65.

Responsibilities of the Remuneration Committee

The responsibilities of the Remuneration Committee include:

- Determining the policy for Directors' remuneration and setting remuneration for the Company's Chairman, Executive Directors, senior management, and the Company Secretary, in accordance with the Principles and Provisions of the Code.
- Establishing remuneration schemes that promote long-term shareholding by Executive Directors that support alignment with long-term Shareholder interests.
- Designing remuneration policies and practices to support the strategy and promote long-term sustainable success, with executive remuneration aligned to Company purpose and values, clearly linked to the successful delivery of the Company's long-term strategy.
- To determine the targets for any performance-related bonus and share incentive plans operated for Executive Directors and senior management.

The Remuneration Committee has terms of reference which were reconsidered and approved by the Board of the Company at its meeting on 12 December 2023. These terms of reference are available for inspection on the Company's website.

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

In exercising its responsibilities and carrying out key decisions, the Remuneration Committee is mindful of the size and structure of the Company's businesses. It regularly assesses the remuneration of Executive Directors and senior management in the context of the remuneration of the wider workforce and of the Company's actual and projected growth and profitability. The Remuneration Committee also considers the value generated for Shareholders, and engages, as appropriate, with Shareholders and other stakeholders to explain and discuss existing policy and future decision-making.

Willis Towers Watson are engaged as remuneration consultants to the Committee. Fees paid to Willis Towers Watson during 2023 were £77,081 (2022: £6,892).

Remuneration Policy

The following section sets out 4imprint Group plc's Directors' Remuneration Policy (the "Policy") which will be subject to a binding Shareholder vote at the AGM on 22 May 2024 and will take effect from that date.

The Committee has undertaken a thorough exercise in reviewing the current Policy, supported by its independent advisor and with input from management. The review included stakeholder input from all Board members, remuneration benchmarking, market trends analysis, and review of investor sentiment and recent governance developments. In addition, the Committee conducted a thorough Shareholder consultation exercise.

New Remuneration Policy summary and changes

Element of Policy	Overview of changes proposed to Policy
Deferred Bonus Plan (DBP)	No change to award opportunity or length of deferral for current Executive Directors for 2024 (50% of bonus deferred over five years). Introduction of a more market-aligned structure to defer one-third of the bonus over three years for future LTIP participants.
Long-Term Incentive Plan (LTIP)	Introduction of a new LTIP in the form of a Performance Share Plan. The introduction of the LTIP is intended to support future Executive Director recruitment as and when required. At the time of writing, the current Executive Directors have expressed an intention not to participate in the LTIP and instead continue to participate in the DBP in its current form. Maximum opportunity of 200% of salary aligned with the FTSE 250 median although the Committee may choose to make awards at lower levels. Awards would be subject to a three-year performance period with a two-year holding period.
Share Ownership Guidelines	Extend the post-cessation share ownership guidelines to a 200% of salary holding for a full two years post cessation to align with the Investment Association guidance and accepted best practice.

Principles of Policy

The Committee is made up entirely of independent Non-Executive Directors to avoid any conflicts of interest and no individual is present at a Committee meeting where their own remuneration is discussed. The Committee ensures that it is kept up to date with published guidance from investors, shareholder representative bodies and current market practice, so that it can bear these factors in mind when formulating and making decisions in connection with the Policy.

The guiding principles underlying the Policy remain unchanged. These are that:

(i) Remuneration should be competitive when compared to remuneration in organisations of similar size and complexity in the relevant external market, without paying more than is necessary;

(ii) Subject to satisfying (i) above, remuneration should be considered in the context of wider employee pay and conditions and Shareholder views;

(iii) Packages should be structured so that remuneration is aligned to both the strategy of the Company and long-term growth in Shareholder value;

(iv) Each element of the remuneration package should be clear, easy to understand and motivating;

(v) The overall package should be designed to take account of the performance of the business and to respond to regulatory changes but not to promote undesirable behaviour or to encourage unacceptable risk taking; and

(vi) Packages should be structured to avoid reward for failure.

REMUNERATION REPORT CONTINUED

Executive Director Policy table

Element and purpose	Opportunity	Operation	Performance measures
Base salary Enables 4imprint to attract and retain executive talent	Base salaries are reviewed annually, however increases are not automatic. Base salary adjustments reflect various factors, including increases for other employees across the 4imprint business; individual and Company performance; changes in role and responsibilities; and pay at companies of a similar size and complexity in the relevant external market. Base salaries should be competitive when compared to similar roles at organisations of a similar size and complexity in the relevant external market. Base salary increases are also considered in the context of the value of the total remuneration package.	Base salary increases will not normally exceed the average increase awarded to the wider workforce. However, in exceptional circumstances salary increases may exceed this level.	Not applicable.
Retirement benefits To provide a competitive level of retirement benefit in order to attract and retain executive talent	Executive Director retirement benefits are limited to the opportunity offered to the local workforce. This is currently capped at 5% of base salary per annum.	Executive Directors are eligible either (i) to participate in local Company pension arrangements, or (ii) subject to the discretion of the Committee, to receive a salary supplement in lieu of pension contributions (which is not taken into account as salary for calculation of annual bonus, or other benefits).	Not applicable.
Other benefits To maintain competitiveness in attracting and retaining talent	Benefit values are set at an appropriate level taking into account market practice. The Committee reserves the discretion to approve a higher level of benefits if it is considered by the Committee to be necessary, appropriate and in the best interests of the Company and its stakeholders. For example, this may include additional benefits to cover the cost of relocation.	Typical benefits may 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 up to four times base salary; (iv) income protection insurance; and (v) access to independent professional advice when necessary. Other benefits may also be offered in line with those offered to other employees, such as paid holiday. The benefits offering may differ to reflect the market practice of the country of employment or domicile of the individual Director.	Not applicable.

Element and purpose	Opportunity	Operation	Performance measures
Deferred Bonus Plan (DBP) To encourage share ownership and to incentivise and reward strong annual performance	The ongoing maximum potential annual bonus opportunity is 100% of base salary for 2024. However, the Policy provides the Committee with an overall maximum of 150% of base salary for use in future years, for example, in a recruitment scenario, or in order to maintain the competitiveness of the bonus relative to the market taking into account Company and individual performance and the potential value of the rest of the remuneration package. *See Recruitment Policy for further details.* The award for on-target performance is 50% of base salary where awards are made in line with the ongoing maximum opportunity of 100% of salary. Where the overall maximum of 150% is employed, the on-target bonus opportunity may be increased to 50% of the maximum, being 75% of base salary.	For 2024 and future years in which Executive Directors do not participate in the Long-Term Incentive Plan (LTIP): 50% of the annual bonus is delivered in cash. 50% of the annual bonus is deferred into share awards (generally nil-cost options, conditional share awards or other forms to meet regulatory or business needs) for five years following the date of grant. *See Leaver Policy for exceptions to this rule.* To the extent an Executive Director participates in the LTIP: Two thirds of the annual bonus will be delivered in cash. One third of the annual bonus will be deferred into share awards (generally nil-cost options, conditional share awards or other forms to meet regulatory or business needs) for three years following the date of grant. *See Leaver Policy for exceptions to this rule.* Cash bonus and deferred share awards are typically allocated to participants following the audit of the Annual Report & Accounts in the March following the performance period. The number of nil cost options or conditional share awards is based on the share price on 31 December of the financial year to which annual performance relates. The cash bonus and deferred share awards are subject to clawback and malus provisions. *See notes to the table.*	Performance may be assessed using financial and non-financial measures. Financial performance measures may include: profitability, revenue growth, cash generation, or other financial metrics that are aligned to the business strategy. Financial objectives generally account for the majority of the annual bonus performance assessment. Non-financial, corporate objectives may also be used, such as environmental, social and governance (ESG) metrics to the extent that they align with the Board's strategy and are deemed to enhance prospective long-term growth in Shareholder value. Performance measures and targets are generally set at the start of the financial year to reflect the Group's strategic priorities. Once awarded, the deferred component of the annual award will not be subject to further performance targets.

REMUNERATION REPORT CONTINUED

Element and purpose	Opportunity	Operation	Performance measures
Long-Term Incentive Plan (LTIP) To encourage share ownership and to incentivise and reward strong long-term performance	The ongoing maximum potential LTIP opportunity is 200% of base salary, however the Committee may determine award values within this maximum.	The award for threshold performance is 25% of maximum with straight-line vesting between threshold and maximum vesting. For 2024, the current Executive Directors will not participate in the LTIP. To the extent LTIP awards are granted in future years, performance will be measured over a three-year period and a two-year holding period will apply to vested shares, normally on a net-of-tax basis. In line with the DBP, share awards are typically allocated to participants following the audit of the Annual Report & Accounts. The LTIP share awards are subject to clawback and malus provisions. *See notes to the table.*	Performance may be assessed using financial and non-financial measures. Financial measures will normally govern the majority of the award. Financial performance measures may include profitability or other financial metrics that are aligned to the business strategy as well as Total Shareholder Return. Non-financial, corporate objectives may also be used, such as ESG metrics to the extent that they align with the Board's strategy and are deemed to enhance prospective long-term growth in Shareholder value. Performance measures and targets are generally set at the start of the financial year of the award to reflect the Group's long-term strategic priorities and are measured over a three-year period.
All Employee Share Plans To encourage employee share ownership and reward long-term value creation	Employees (including Executive Directors) may save an agreed monthly amount, and options are normally granted at a discount of up to 20% to the current share price. Savings are capped at an agreed monthly contribution rate, and the option price is set at the outset of the plan.	Periodic employee share option plans open to all employees are operated in the 4imprint Group. These take the form of HMRC approved Sharesave plans in the UK, and equivalent plans in the USA.	Not applicable.
Share ownership guidelines Provides alignment with Shareholders whilst encouraging sustainable, long-term value creation	Executive Directors are expected to maintain a holding of shares in the Company of at least 200% of annual base salary. Executive Directors are also expected to maintain a shareholding of at least 200% of base salary for two years following cessation of employment.	At least 50% of any vested share awards (net of tax) from incentive arrangements are expected to be held in order to accumulate the recommended personal shareholding. Executive Directors will have until their fifth annual bonus share award grant to accumulate their shareholding. The post-employment shareholding guideline will be enforced through contractual means.	Not applicable.

Notes to the Policy table

Remuneration Committee discretion	When assessing incentive plan results and performance, the Committee retains the discretion to adjust incentive plan outcomes in exceptional circumstances if it considers that the outcome does not reflect the overall performance of the Group over the performance period, or that the outcome is inappropriate in the context, due to circumstances that were unexpected or unforeseen at the date of grant.
Malus and clawback	Malus and clawback provisions apply to both cash and deferred share elements of the DBP and to shares under the LTIP. Malus includes the reduction (including to nil) of in-year and/or future year bonus amounts and the forfeiture or withholding of unvested deferred shares and LTIP share awards. Clawback involves the recovery of annual bonus and LTIP amounts that have been paid. Clawback may apply to cash bonus payments made up to two years after the relevant payment date and for deferred shares and LTIP awards that vested up to five years from the relevant grant date. These provisions may be invoked by the Committee if it deems this to be appropriate in the context of one or more 'trigger' events. These include: – Material misstatement (including omission) in the Company's accounts. – The bonus/award was based on an error, or inaccurate or misleading information. – Serious misconduct. – Corporate failure. – Serious reputational damage.
Discretion to amend the future operation of the DBP and LTIP	In the event of a variation in share capital or other event that may affect the share price, the number of shares subject to an award may be adjusted.
Dividend equivalent payments	Share-based awards under the LTIP may include the right to receive dividend equivalent payments to the extent the awards vest.
Minor amendments to the Policy and remuneration under previous arrangements	Minor changes may be made to the Policy for regulatory or administrative purposes without seeking further Shareholder approval for such an amendment. The Committee may make payments notwithstanding that they are not within the current Policy if they were agreed <u>before</u>: – The Company's first remuneration policy subject to binding Shareholder approval came into effect; – This Policy came into effect (provided they are in line with the remuneration policy at the time of agreement); or – Promotion (of the individual to which the payment relates) to the Board of Directors.
Performance measures	The Committee has selected financial measures as the primary method of determining performance, as these metrics directly affect Shareholder value. The Committee, when setting the relevant targets, takes into account the Company's business plan and internal and external forecasts for the business. Strategic performance conditions are set in line with the Company's business plan and strategic priorities. At the end of the performance period, the Committee will review performance against targets and may adjust formulaic outcomes for reasons such as (but not limited to) disposals, acquisitions and changes in accounting treatment, if it is considered necessary for a fair outcome in the context of wider Company performance. Where discretion is exercised the rationale and adjustment will be disclosed in the relevant Annual Report.

REMUNERATION REPORT CONTINUED

Executive Director service contracts

Executive Directors have rolling service contracts, notice periods are twelve months from the Company and six months from the Executive Director. Any new Executive Director would be appointed on similar terms. The Executive Directors' service contracts are available for inspection at the Company's registered office.

Executive Director recruitment policy

The following guidelines are followed by the Committee when considering the pay and employment terms for a new Executive Director:

- The Committee aims to pay no more than is necessary to secure the right talent for the business.
- The ongoing remuneration policy for any new Executive Director will align to the remuneration policy for Executive Directors as set out in this Policy.
- Base salaries are set at a market rate in order to attract the appropriate person. Factors to be taken into account include: the individual's previous salary and remuneration package; the skills and experience of the individual; the salary of the previous role incumbent; and pay at organisations of similar size, complexity and sector in the relevant external market.
- Special arrangements may be made for a new Executive Director in order to secure their appointment. These may include:
  - The Committee may choose to provide additional compensation for incentive awards forfeited by the executive upon joining 4imprint. In such cases, we would seek to apply similar conditions to forfeited awards including: performance conditions; vesting and holding periods; and form of award. Any 'buyout' payment will be reduced by an equivalent amount in the event the Executive Director's former employer pays a portion of the remuneration that was deemed foregone. Where possible, existing incentive plans will be used to satisfy such awards, however, in the event that this is not appropriate, the Committee retains the right to use the Listing Rules exemption 9.4.2 for the purposes of a buyout award. There is no specified limit to the value of buyout awards, however the Committee will rigorously consider the appropriate value so as not to pay more than the compensation being forfeited. Malus and clawback provisions would normally apply to buyout awards, for the same reasons as detailed under the DBP and LTIP.
  - The overall maximum incentive opportunity that may be offered upon recruitment is 350% of base salary. This comprises an increased award under the DBP of 150% of base salary and an LTIP award of up to 200% of salary.
  - 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 clawback for service of less than 12 months.

Corporate events

Upon a takeover, unvested deferred share awards under the DBP would normally vest in full immediately. Unvested share awards under the LTIP would normally vest (and be released) early. The proportion of any unvested LTIP awards which vest will be determined by the Committee, taking into account: the extent to which the Committee deems any performance conditions applicable to awards have been satisfied; the underlying performance of the Company and the participant; such other factors the Committee considers in its opinion to be relevant; and, unless the Committee determines otherwise, the proportion of the performance period which has elapsed. Awards may be exchanged to the extent that an offer to exchange awards for new awards is made and accepted by the award holder.

Executive Director Leaver Policy

Element / provision	Policy
Contractual notice period and loss of office compensation	– Twelve months' notice from the Company and six months from the Executive Director. – Executive Directors may be required to work during their notice period or take 'gardening leave'. Payments in lieu of notice may also be made. – Contractual non-competition payments may be made on a monthly basis for the twelve months following termination of employment subject to mitigation. – Contractual termination payments for Executive Directors include base salary, retirement and other benefits.
Treatment of bonuses	– Normally, an Executive Director may, at the Committee's discretion, receive a bonus for the year in which the Executive Director leaves, although US-based Executive Directors are entitled to continue to participate in the bonus plan up to the date of termination of employment (subject to the satisfaction of performance requirements). Any such bonus award may be paid in such proportions of cash or shares as the Committee may determine. – For 'good leavers' unvested deferred share awards will normally continue to vest as if the Executive Director had not left, with the Committee retaining the discretion to accelerate the vesting of awards where the Committee considers it appropriate (for example, if the Executive Director dies or has a terminal illness). 'Good leaver' reasons are defined as: injury, ill health, disability, redundancy, retirement (as agreed by the Company), the company or business for which the Executive Director works being sold out of the 4imprint Group, death or such other circumstances as the Committee may determine. – Leavers for any other reason would result in no bonus being paid, and any unvested deferred share awards would lapse.
Treatment of LTIP	– An unvested award will usually lapse when an Executive Director ceases to be an employee or director of the Group. – If, however, an Executive Director ceases to be an employee or director of the Group because of their ill health, injury, disability, retirement, redundancy, the sale of their employing company or business out of the Group or in other circumstances at the discretion of the Committee (i.e. they leave as a 'good leaver'), their award will normally continue to vest on the date when it would have vested and be released from any relevant holding period on the date when it would have been released if they had not ceased to be an employee or director of the Group. The extent to which awards normally vest in these circumstances will be determined by the Committee, taking into account the satisfaction of the performance conditions applicable to awards measured over the original performance period, the underlying performance of the Company and the Executive Director and such other factors the Committee considers, in its opinion, relevant. – The Committee retains discretion to allow the award to vest (and be released) following the Executive Director ceasing to be an employee or director of the Group, taking into account any applicable performance conditions measured up to that point. – Unless the Committee decides otherwise, the extent to which an award vests will also take into account the proportion of the performance period which has elapsed when the Executive Director ceases to be an employee or director of the Group. The period over which a 'recruitment award' will normally be time pro-rated will be determined at the time of grant and will normally replicate the approach to time pro-rating applied to the award in respect of which the 'recruitment award' was granted. – If an Executive Director dies, their award will vest (and, where subject to a holding period, be released) on the date of their death on the basis set out for other 'good leavers' above. Alternatively, the Committee may decide that unvested awards will vest (and, where subject to a holding period, be released) on the date they would have if the Executive Director had not died on the basis set out for other 'good leavers' above. – If an Executive Director ceases to be an employee or director of the Group during a holding period in respect of an award for any reason other than summary dismissal, their award will normally be released at the end of the holding period, unless the Committee determines that it should be released when the participant ceases to be an employee or director of the Group. If a participant dies during the holding period, their award will be released on the date of death (unless the Committee decides it will be released at the end of the normal holding period). – If an Executive Director is summarily dismissed, any outstanding awards they hold will lapse immediately.

REMUNERATION REPORT CONTINUED

Future reward scenarios

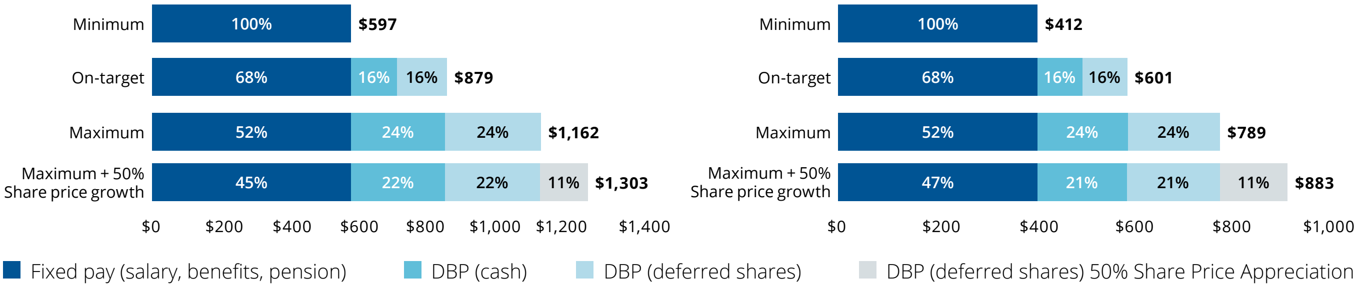
The graphs below provide an indication of the reward opportunity for each of the current Executive Directors based on their roles as at 1 January 2024.

CEO

Total remuneration ($000s)

CFO

Total remuneration ($000s)



The basis of calculation and key assumptions used to complete the charts are as follows:
Minimum – only fixed pay is payable, i.e. base salary, benefits and pension or cash in lieu of pension. No cash bonus is payable and no deferred share awards under the DBP is granted.
On-target – fixed pay plus 50% of ongoing maximum payout under the DBP.
Maximum – fixed pay plus 100% of ongoing maximum payout under the DBP.
Maximum + 50% share price growth – shows the maximum scenario plus the impact of 50% share price growth.
To note: the charts above illustrate the Policy as it will be implemented in 2024, therefore the LTIP has not been included.

Consideration of employee conditions in the wider Group

The Board (and therefore each Committee member) receives a report for its consideration at its meeting in January in respect of current salary levels, bonus entitlements, annual pay review and bonus proposals. This is accompanied by a verbal update from the CEO. In combination, this annual update enables the Committee to take into account conditions in the wider workforce when considering executive pay actions.

In addition, we have a dedicated Non-Executive Director who is responsible for championing the interests of team members (our 'Employee Voice') and who reports back to the Board on initiatives such as the employee engagement survey results.

The remuneration package available to Executive Directors under the Policy is broadly in line with the remuneration package afforded to our other employees. All employees (including Executive Directors) are entitled to participate in the Company's Sharesave plans in the same way. Employees may receive discretionary bonuses based on their performance, although in the case of Executive Directors and other members of senior management, part of any bonus earned is deferred into awards of the Company's shares. A three-year deferral period applies to awards for senior management and currently a five-year deferral period applies to awards for Executive Directors.

More information about how we engage with our team members can be found on page 54 of the Annual Report.

Consideration of Shareholder views

The Committee actively seeks and listens to Shareholder views on 4imprint's executive remuneration arrangements on an ongoing basis. In developing this Policy, the Committee undertook a significant consultation with Shareholders and carefully considered the views put forward. Following the feedback received, the Committee reviewed the position on post-cessation share ownership for Executive Directors and decided to extend the Policy guidelines to a 200% of salary holding for a full two years post cessation to align with the Investment Association guidance and accepted best practice.

Non-Executive Director remuneration

Element and purpose	Fees are aimed at attracting and retaining high-quality and experienced Non-Executive Directors, with fee levels reflecting the time commitments and responsibilities of the roles. Non-Executive Directors are paid a basic fee which is delivered in cash. Additional fees may be paid for responsibilities of the Senior Independent Director (SID) and for Committee chairs.
Operation	Fee levels are reviewed periodically by the Board to maintain competitiveness relative to other listed companies of a similar size, complexity and type. Non-Executive Directors do not participate in any incentive schemes and do not receive a pension.
Opportunity	Fees payable to Non-Executive Directors cannot exceed the maximum that is set out in the Company's Articles of Association. The Company does not adopt a quantitative approach to pay positioning and exercises judgment as to what it considers to be reasonable in all the circumstances as regards quantum.

Non-Executive Director letters of appointment

Non-Executive Directors are generally appointed for a period of three years, subject to annual re-election. Non-Executive Directors' appointments may be terminated without notice by either party.

Annual report on remuneration

Directors' remuneration – single total figure (audited information)

Apart from Kevin Lyons-Tarr and David Seekings, Directors are paid in Sterling. It is therefore considered more appropriate to present the Directors' remuneration in Sterling. The US dollar remuneration amounts for Kevin Lyons-Tarr and David Seekings are disclosed separately below:

	Base salary £	Benefits £	Annual bonus £	Long-term incentives £	Pension £	**Total £**	Fixed pay £	Variable pay £
K. Lyons-Tarr								
2023	**439,134**	**14,691**	**434,998**	**–**	**10,615**	**899,438**	**464,440**	**434,998**
2022	414,367	9,280	409,640	–	9,867	843,154	433,514	409,640
D. Seekings								
2023	**292,756**	**17,799**	**289,998**	**–**	**10,692**	**611,245**	**321,247**	**289,998**
2022	276,245	15,307	273,094	–	9,802	574,448	301,354	273,094
P. Moody								
2023	**157,500**	**–**	**–**	**–**	**–**	**157,500**	**157,500**	**–**
2022	150,000	–	–	–	–	150,000	150,000	–
L. Beardsell								
2023	**45,000**	**–**	**–**	**–**	**–**	**45,000**	**45,000**	**–**
2022	45,000	–	–	–	–	45,000	45,000	–
C. Brady (i)								
2023	**28,673**	**–**	**–**	**–**	**–**	**28,673**	**28,673**	**–**
2022	45,000	–	–	–	–	45,000	45,000	–
J. Gibney								
2023	**45,000**	**–**	**–**	**–**	**–**	**45,000**	**45,000**	**–**
2022	45,000	–	–	–	–	45,000	45,000	–
J. Rabadia								
2023	**45,000**	**–**	**–**	**–**	**–**	**45,000**	**45,000**	**–**
2022	45,000	–	–	–	–	45,000	45,000	–
C. Southall								
2023	**45,000**	**–**	**–**	**–**	**–**	**45,000**	**45,000**	**–**
2022	45,000	–	–	–	–	45,000	45,000	–

(i) Charles Brady retired from the Board on 18 August 2023.

Kevin Lyons-Tarr and David Seekings US dollar remuneration

	Base salary $	Benefits $	Annual bonus $	Long-term incentives $	Pension $	**Total $**	Fixed pay $	Variable pay $
K. Lyons-Tarr								
2023	**546,063**	**18,268**	**540,920**	**–**	**13,200**	**1,118,451**	**577,531**	**540,920**
2022	512,323	11,474	506,479	–	12,200	1,042,476	535,997	506,479
D. Seekings								
2023	**364,042**	**22,132**	**360,613**	**–**	**13,296**	**760,083**	**399,470**	**360,613**
2022	341,549	18,926	337,653	–	12,119	710,247	372,594	337,653

REMUNERATION REPORT CONTINUED

Salaries

The Chief Executive Officer and the Chief Financial Officer received a 6.8% increase in basic annual salary with effect from 1 January 2023. This was in line with the increase applied to the remuneration of salaried employees across the business.

Pension and benefits

The Executive Directors' pension and other benefits are the same as that offered to the wider workforce. Benefits include medical insurance, life assurance and income protection.

Short and long-term incentives: Deferred Bonus Plan (DBP)

The Executive Directors participate in a single variable incentive plan through which they may receive an annual bonus, half of which is paid in cash and half of which is deferred into shares through the award of conditional share awards. The deferral period for shares awarded to Executive Directors is five years from date of award.

Operation of the DBP

Bonus outcomes under the DBP are variable and depend on the achievement of stretching and robust performance targets based on the financial results of the Group's North American business. This basis of measurement is considered to be appropriate given that:

- The North American business comprises 98% of the revenue of the Group and substantially all of its operating profit; and
- It enables direct alignment of the incentive remuneration of the Executive Directors with that of the US-based management team.

Rationale for metric selection

The measures used to assess the performance of the Executive Directors were chosen specifically to align directly with the Group's strategic objectives (see pages 9 to 11). These objectives can be summarised as:

- Expansion of market share in large, fragmented, and attractive markets through organic revenue growth; and
- Investment in primarily marketing-based initiatives designed to maximise growth potential up to the point at which this investment no longer produces an acceptable return.

Accordingly, the Committee agreed the following performance measures as most likely to incentivise an optimum outcome in alignment with the Group's strategic priorities:

- **Revenue growth.** This is the primary driver in meeting the Group's market share expansion targets and as such serves as the most heavily weighted measure in calculating incentive remuneration outcomes.
- **Operating profit.** The inclusion of this measure ensures that the marketing investment to build a strong and growing customer file is accompanied by an appropriate financial return.

Bonus outturn under each performance measure is contingent on the performance of the other given the key role that both measures play in ensuring an appropriate balance designed to meet 4imprint's strategic priorities.

Target setting process and outcomes

The specific bonus targets for 2023 were set by the Committee at its meeting in January 2023, with reference to the 2023 budget approved by the Board. The Committee noted that the 2023 budget was challenging and represented a major step change in financial performance and so, for 2023 only, approved a bonus of 60% of base salary for on-target performance ($1,275m revenue; $115m operating profit).

The bonus measures and targets are inter-related, and as such are best expressed in a grid format. The performance grid approved by the Committee in January 2023 is set out below.

2023 Plan	Threshold				Target				Maximum
Revenue target ($m)	1,233	1,244	1,256	1,267	1,275	1,289	1,300	1,312	1,323
Op. profit $115m minimum	40%	45%	50%	55%	60%	80%	100%	100%	100%
Op. profit $110m minimum	20%	25%	30%	35%	40%	70%	90%	100%	100%
Revenue growth % vs 2022	10%	11%	12%	13%	14%	15%	16%	17%	18%

Table shows bonus outcome as a % of base salary.

For the avoidance of doubt:

- If operating profit was below $110m no bonus would have been payable regardless of revenue performance.
- If revenue growth was below 10% no bonus would have been payable regardless of operating profit performance.
- Budgeted revenue growth of 14% and operating profit of $115m would have resulted in the Executive Directors earning an on-target bonus of 60% of base salary, with lower and higher combinations of the two measures producing outcomes ranging from 10% of base salary for threshold performance to 100% of base salary for maximum performance.

For 2023, revenue of the North American business was $1,302.6m (growth of 16% over 2022) and operating profit was $141.0m. These financial results exceeded the amounts necessary per the performance grid, for bonuses of 100% of base salary to be awarded to the Executive Directors.

Accordingly at the January 2024 Remuneration Committee meeting, the Committee approved the maximum bonus award to the Executive Directors of 100% of base salary, payable 50% in cash and 50% in the form of conditional share awards with a vesting period of five years. The Committee had no requirement to exercise its discretion to alter the amount of bonus payable.

Bonus targets in respect of 2024 performance are not disclosed for reasons of commercial sensitivity but will be disclosed retrospectively in next year's Remuneration Report.

Statement of Directors' shareholdings and share interests (audited information)

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 30 December 2023	Holding at 31 December 2022
Kevin Lyons-Tarr	**266,425**	265,909
David Seekings	**187,501**	186,779
Paul Moody	**9,500**	9,500
Lindsay Beardsell	**–**	–
Charles Brady	**2,000***	2,000
John Gibney	**3,000**	3,000
Jaz Rabadia	**–**	–
Tina Southall	**3,000**	3,000

* On date of retirement from the 4imprint Board.

The value of each of the Executive Directors' shareholdings at the year-end exceeds the 200% of base salary shareholding requirement. The shareholdings included in the table above are not subject to any further performance conditions.

There has been no change in the Directors' interests in the share capital of the Company from 31 December 2023 to the date of this report.

Movement in scheme interests during the financial year (audited information)

Scheme interests awarded in the year comprise deferred bonus payments and US ESPP interests only.

In accordance with the rules of the DBP, the intention is to issue deferred shares in 2024 in respect of the 2023 bonus awards.

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

	Holding at 31 Dec 2022	Granted during the year	Exercised	**Holding at 30 Dec 2023**	Date of grant	Share price at date of grant	Exercise price	Exercisable From	Exercisable To
K. Lyons-Tarr									
US ESPP	516	–	516	**–**	17 May 2021	£23.00	$27.61	25 July 2023	25 July 2023
US ESPP	–	390	–	**390**	4 Oct 2023	£49.50	$51.08	12 Dec 2025	12 Dec 2025
2015 Incentive Plan	10,196	–	–	**10,196**	28 Mar 2019	£24.00	$nil	28 Mar 2024	28 Mar 2024
DBP	–	4,920	–	**4,920**	28 Mar 2023	£49.00	$nil	28 Mar 2028	28 Mar 2028
D. Seekings									
US ESPP	722	–	722	**–**	17 May 2021	£23.00	$27.61	25 July 2023	25 July 2023
US ESPP	–	390	–	**390**	4 Oct 2023	£49.50	$51.08	12 Dec 2025	12 Dec 2025
2015 Incentive Plan	6,797	–	–	**6,797**	28 Mar 2019	£24.00	$nil	28 Mar 2024	28 Mar 2024
DBP	–	3,280	–	**3,280**	28 Mar 2023	£49.00	$nil	28 Mar 2028	28 Mar 2028

Gains made on exercise of options in the period were £12,033 for Kevin Lyons-Tarr and £16,837 for David Seekings (2022: £nil for Kevin Lyons-Tarr and £nil for David Seekings).

During 2023 the middle-market value of the share price ranged from £42.00 to £53.50 and was £45.70 at the close of business on 30 December 2023.

Details of share options granted by 4imprint Group plc as at 30 December 2023 are given in note 5.

None of the terms and conditions of the share options were 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.

REMUNERATION REPORT CONTINUED

Payments to past Directors

There were no payments to past Directors during the period.

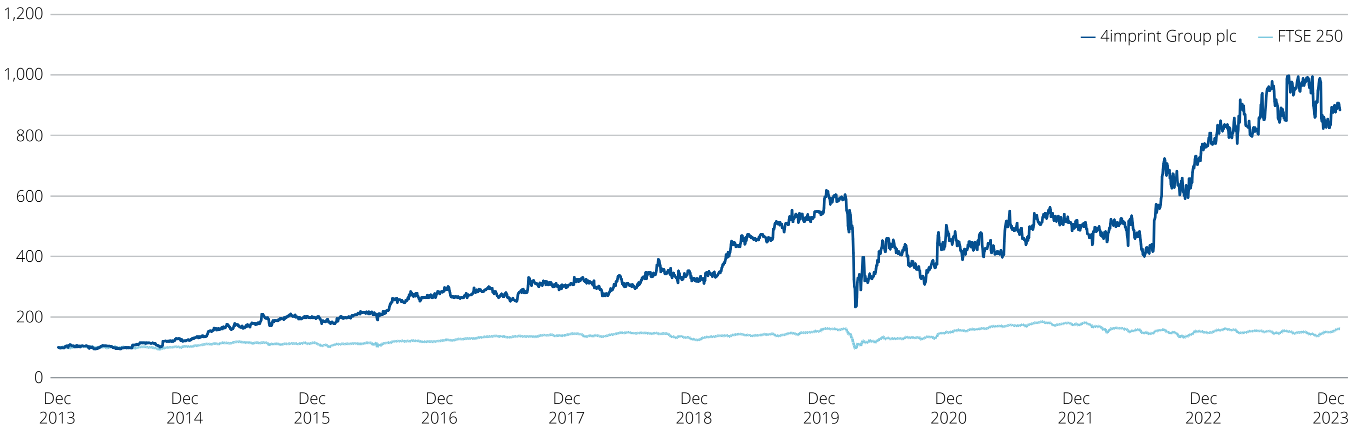
Payments for loss of office

There were no payments for loss of office made during the period.

Performance graph and table

Total Shareholder Return

The graph below illustrates the Company's Total Shareholder Return performance relative to the FTSE 250 Index of which the Company is a constituent. The graph shows performance of a hypothetical £100 invested over the period.



Total remuneration of Executive Chairman/Chief Executive Officer

	2014 £'000	2015 £'000	2016 £'000	2017 £'000	2018 £'000	2019 £'000	2020 £'000	2021 £'000	2022 £'000	**2023 £'000**
K. Lyons-Tarr		326	481	564	738	603*	422	386	843	**899**
J.W. Poulter	180	45								
Total remuneration	180	371	481	564	738	603	422	386	843	**899**
Annual variable award										
Percentage versus max opportunity (%)	100	60	40	50	100	50*	n/a	n/a	100	**100**
Long-term incentive										
Vesting rate (%)	–	–	–	–	–	–	–	–	–	**–**

* In March 2020, Kevin Lyons-Tarr waived his conditional share awards in respect of 2019.

Kevin Lyons-Tarr was appointed Group Chief Executive Officer on 31 March 2015. Prior to that, the Executive Chairman, John Poulter, fulfilled the role.

Relative importance of spend on pay

The table below shows the Group's actual spend on pay relative to dividends:

	2023 $m	2022 $m	Change
Wages and salaries	**92.7**	77.8	19%
Dividends paid	**110.8**	18.7	493%

Percentage change in remuneration of Directors and employees

The table below shows the percentage change in remuneration of each of the Directors and the Company's employees as a whole between 2023 and 2022.

	Salary	Bonus	Taxable benefits
Average pay based on all employees	2%	-31%	-17%
Kevin Lyons-Tarr	7%	7%	59%
David Seekings	7%	7%	17%
Paul Moody	5%	–	–
Lindsay Beardsell	0%	–	–
Charles Brady	0%	–	–
John Gibney	0%	–	–
Jaz Rabadia	0%	–	–
Tina Southall	0%	–	–

The calculation for the full year shows that average pay based on all employees across the US and UK has increased by 2% in 2023. However, this calculation is anomalous for a number of reasons: (i) the average number of employees increased significantly during the year (+20%), having a dilutive effect on the salary increase percentage; (ii) a large number of new employees were added in customer services and production roles on starting salaries below longer-tenured employees; (iii) there are c.600 employees on levels where their wages change based on productivity; and (iv) since the pandemic, wage increases have been implemented at different times of the year, with the majority of US employees receiving pay increases around mid-year. After eliminating the impact of these factors, the average base salary increase across all employees is around 7%.

The average bonus percentage for all employees decreased in the year as the prior year included a one-off special bonus of $1,000 for every team member in recognition of the extraordinary efforts during the year in dealing with unprecedented levels of demand.

The change in taxable benefits of -17% relates to medical insurance for a small number of UK employees. In the US business there has been no change to medical benefits for any employees. The increase in Kevin Lyons-Tarr's taxable benefits relates to a change in medical coverage.

CEO pay ratio

Year	Country	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2023	**UK**	**A**	**25.4 : 1**	**18.6 : 1**	**13.6 : 1**
2023	**US**	**A**	**18.8 : 1**	**16.0 : 1**	**11.5 : 1**
2022	UK	A	18.0 : 1	12.8 : 1	9.5 : 1
2022	US	A	12.4 : 1	10.5 : 1	7.5 : 1
2021	UK	A	24.4 : 1	18.4 : 1	12.9 : 1
2021	US	A	17.7 : 1	14.5 : 1	10.6 : 1
2020	UK	A	33.5 : 1	26.5 : 1	19.0 : 1
2020	US	A	25.2 : 1	19.9 : 1	14.7 : 1

The data in the table above has been calculated using Option A which provides a comparison of the Company's full-time equivalent total remuneration for all employees against the CEO's total remuneration. As the CEO is US-based and the Group has just 51 UK employees (2022: 50) compared with 1,491 US employees (2022: 1,274), the calculations are shown for both the UK and US employee populations.

The data set included all employees who received base salary during the year ended 30 December 2023 and were still employed at that date. Where appropriate, remuneration has been annualised to reflect the full-time equivalent amount, for example for part-time employees and new starters in the year.

REMUNERATION REPORT CONTINUED

The calculations were carried out by identifying the 25th, 50th and 75th percentile employee, based on total remuneration for the 2023 financial year. The calculation of total remuneration includes base pay and bonuses, benefits and employer pension contributions paid in the financial year. In the US data set, owing to the difficulty in compiling the data for each individual, medical and life cover benefits have been excluded from total remuneration. No other remuneration items have been omitted.

The Committee notes the limited availability of comparable pay ratios across companies and sectors given the range of business models and employee population profiles that exist.

Statement of voting at general meetings

Votes cast by proxy and in the meeting in respect of Directors' remuneration were as follows:

Resolution	AGM	Votes for	% for	Votes against	% against	Votes withheld (abstentions)
Approval of Remuneration Report	2023	20,786,721	93.52	1,441,396	6.48	75
Approval of Remuneration Report	2022	24,162,559	96.40	903,584	3.60	1,318
Approval of Remuneration Policy	2021	21,870,335	94.94	1,164,452	5.06	380,941

Implementation of Policy in 2024

At its meeting in January 2024, the Committee awarded the Chief Executive Officer and the Chief Financial Officer a 4.5% increase in basic annual salary with effect from 1 January 2024. This is in line with the average increase applied to the remuneration of all employees across the business.

In relation to the annual bonus scheme for the Executive Directors and senior management team, specific performance targets for 2024 have been set by the Committee with reference to the 2024 budget approved by the Board. The bonus plan variables, consisting of revenue growth percentage and operating profit performance of the North American business, remain unchanged, but the targets are not disclosed in this report for commercial reasons. As at January 2024, the Committee was confident that the targets set were appropriately stretching.

In respect of fees paid to the Non-Executive Chairman and Non-Executive Directors, during the year the Committee commissioned a report from its remuneration advisors to benchmark 4imprint fees against the FTSE 250. The report showed that, following five years of nil or minimal increases, annual fees paid to the Chair of the Board and to Non-Executive Directors were below the lower quartile of the FTSE 250. In recognition of the performance of the Board, and in order to bring the Chairman's annual fee closer to the lower quartile benchmark, at its meeting in January 2024, the Committee approved an increase in the Chairman's annual fee from £157,500 to £192,150 with effect from 1 January 2024.

In addition, at a Board meeting in January 2024, the Non-Executive Chairman and the Executive Directors approved an increase in Non-Executive Directors' fees from £45,000 to £55,000 per annum, plus an additional fee of £8,250 per annum for each of the following roles: Senior Independent Director; Chair of the Audit Committee; Chair of the Nomination Committee; and Chair of the Remuneration Committee. These increases, which were effective from 1 January 2024, aim to bring 4imprint Non-Executive Director fees closer to the lower quartile for FTSE 250 companies.

TINA SOUTHALL
CHAIR OF THE REMUNERATION COMMITTEE
12 March 2024

DIRECTORS' REPORT

The Directors present their report and the audited consolidated and Company financial statements for the period ended 30 December 2023. The Company's Statement on Corporate Governance is included in the Corporate Governance section on pages 64 to 67 of this Annual Report. The Statement on Corporate Governance 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. It is limited by shares. Its registered office is 25 Southampton Buildings, London WC2A 1AL.

Dividends

Dividends are declared in US dollars and paid in Sterling, converted at the exchange rate at the time the dividend is declared.

An interim dividend of 65.0c (50.8p) per ordinary share was paid on 15 September 2023. The Directors recommend a final dividend of 150.0c (117.0p) per share which, if approved, will be paid on 3 June 2024 in respect of shares registered at close of business on 3 May 2024.

The total distribution paid and recommended for 2023 on the ordinary shares is $60.0m (2022: $101.1m) or 215.0c per share (2022: 360.0c including a special dividend of 200.0c per share).

Cross-reference to Strategic Report

The Strategic Report is set out on pages 6 to 59 of the Annual Report. It includes the Chief Executive's Review and Financial Review, which contain information and disclosures concerning the Group's financial performance and position, future prospects, key performance indicators, principal risks and uncertainties, risk management objectives and policies, going concern and viability. The Board regularly considers the Company's approach to its risk management objectives and policies and reviews the Company's risk management processes. The Board concluded that the current risk management processes are appropriate for the nature of the business and current Group structure. Details of the Company's risk management processes are set out on page 44.

In addition, the Sustainability section, which is included within the Strategic Report, contains information in respect of the Group's approach to social and ethical responsibility, the environment, health and safety, employee welfare and diversity, equity and inclusion.

These elements of the Strategic Report are incorporated into the Directors' Report by cross-reference.

Directors

The names and biographical details of the present Directors, their Committee memberships, independence status and identification of the Senior Independent Director are given on pages 62 and 63. The Directors served throughout the period ended 30 December 2023 and up to the date of signing of these financial statements. In addition, Charles Brady served as a Non-Executive Director from the start of the period until 18 August 2023.

The interests of the Directors in the shares of the Company are shown on page 89.

None of the Directors, nor their associated companies, nor any members of their families, had any interest either during or at the end of the period ended 30 December 2023 in any contract with the Company or its subsidiaries requiring disclosure under sections 197, 198, 200, 201 and 203 of the Companies Act 2006.

Share capital

The Group's objective for managing capital is described in note 18.

The Company has a single class of share capital which is divided into ordinary shares of 38 6/13p 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 AGM, the Company seeks annual Shareholder authority for the Company's Directors to allot shares, in certain circumstances, for cash. Currently, there are no such restrictions in place over the issued share capital of the Company, other than those required by law or regulation.

Relations with Shareholders

Significant shareholdings

At 30 December 2023, the Company had received notification of the following interests in voting rights pursuant to the Disclosure and Transparency Rules:

	Date notified	% of share capital(i)
Baillie Gifford & Co	12.05.23	9.97%
abrdn plc	20.09.23	5.60%
Montanaro Asset Management Limited	04.12.23	4.95%

(i) Percentages are shown as a percentage of the Company's issued share capital when the Company was notified of the change in holding. As at 12 March 2024, the Company had received further notifications from abrdn plc (28.02.24, 5.36%). Copies of these, along with historic notifications received and any notifications received since 12 March 2024, can be found on our website at https://investors.4imprint.com/investors/regulatory-news/.

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 Chief Executive Officer and Chief Financial Officer, 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 ESG.

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.

Qualifying third party indemnity provisions

Qualifying third party indemnity agreements have been signed by the Company in respect of Kevin Lyons-Tarr, David Seekings, Paul Moody, Lindsay Beardsell, John Gibney, Jaz Rabadia and Tina Southall with effect from the date of their respective appointments to the Board of Directors.

DIRECTORS' REPORT CONTINUED

Shares held in trust for employee share schemes

The trustees of the 4imprint 2012 Employee Benefit Trust may vote or abstain from voting on shares held in the trust in any way they consider appropriate.

Significant agreements

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

Remuneration Report

Details of the procedures and guidelines used by the Remuneration Committee in determining remuneration are outlined in its report on pages 78 and 79.

Purchase of own shares

Following approval at the 2023 AGM of Resolution 17, the Company is authorised, generally and without conditions, to make market purchases, as defined in the Companies Acts, of its ordinary shares of 38⁶⁄₁₃p subject to the provisions set out in such Resolution. This authority applies from 24 May 2023 until the earlier of the end of the 2024 AGM or 24 August 2024 unless previously cancelled or varied by the Company in a general meeting. No such cancellation or variation has taken place. During the period, no shares have been purchased by the Company, but the Employee Benefit Trust purchased 18,000 (2022: 35,000) ordinary shares.

Waiver of dividends

The dividend income in respect of the 24,692 shares (2022: 22,860 shares) held in the 4imprint 2012 Employee Benefit Trust has been waived at the date of this report.

Going concern

The going concern statement is on page 42.

Environment and sustainability

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 its environmental impact. Further information about the Group's environmental and sustainability policy, together with TCFD reporting disclosures and climate change scenario analysis, is set out in the Sustainability section on pages 26 to 37.

Greenhouse gas emissions report

Details regarding the Group's carbon emissions, energy consumption and energy efficiency are included in the Strategic Report on pages 27 and 28.

Methodology

All of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report) 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 2023 for UK entities and EPA conversion factors for US entities.

Political donations

No political donations were made in the period ending 30 December 2023 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 AGM are described in detail in the Notice of the AGM and the notes on the business to be conducted.

Independent auditor

On the recommendation of the Audit Committee, a resolution to reappoint Ernst & Young LLP (EY) as independent external auditor will be proposed at the 2024 AGM, together with a resolution granting the Directors the authority to determine EY's remuneration.

Directors' statement as to disclosure of information to independent auditor

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 auditor is unaware.
- 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 auditor is aware of that information.

Approved by the Board and signed on its behalf by

EMMA TAYLOR
COMPANY SECRETARY
12 March 2024

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with UK-adopted International Accounting Standards (IFRSs). 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 the financial statements, the Directors are required to:

- Select suitable accounting policies in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and then apply them consistently.
- Make judgments and accounting estimates that are reasonable and prudent.
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information.
- Provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and Company's financial position and financial performance.
- In respect of the Group's and Company's financial statements, state whether IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the Group and Company will not continue in business.

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

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Remuneration Report and Corporate Governance Statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Each of the Directors, whose names and functions are listed in the Board of Directors on pages 62 and 63, confirm, to the best of their knowledge:

- That the consolidated financial statements, prepared in accordance with IFRSs, give a true and fair view of the assets, liabilities, financial position and profit of the Company and undertakings included in the consolidation taken as a whole.
- That the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Company and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- That they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Group's position, performance, business model and strategy.

Approved on 12 March 2024 by

KEVIN LYONS-TARR
CHIEF EXECUTIVE OFFICER

DAVID SEEKINGS
CHIEF FINANCIAL OFFICER

INDEPENDENT AUDITOR'S REPORT

To the members of 4imprint Group plc

Opinion

In our opinion:

- 4imprint Group plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 30 December 2023 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with UK adopted international accounting standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of 4imprint Group plc (the "Company") and its subsidiaries (the "Group") for the year ended 30 December 2023 which comprise:

Group	Company
Consolidated balance sheet as at 30 December 2023	Balance sheet as at 30 December 2023
Consolidated income statement for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of changes in equity for the year then ended	Related notes A to L to the financial statements, including material accounting policy information
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 24 to the financial statements, including material accounting policy information	

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Company and we remain independent of the Group and the Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Company's ability to continue to adopt the going concern basis of accounting included:

- We confirmed our understanding of the Board's going concern assessment process and also engaged with management early to ensure key factors were considered in their assessment. Management have performed their going concern assessment for the period ending on 28 June 2025. Management consider the key factor that would affect the going concern assumption for the Group to be a severe downturn in customer demand;
- We obtained the Board's going concern assessment, including cash flow forecasts which cover the period to 28 June 2025. The Board prepared 'base case' and 'downside' cash flow forecast models. The downside scenario assumes a significant deterioration in demand patterns during 2024, similar to those experienced in 2020 when the pandemic started, with order volumes for the first year of the three-year forecast period dropping back to around 70% of 2023 levels, before gradually recovering. Management's base case and downside forecasts demonstrate that the Group retains sufficient liquidity in the going concern period to 28 June 2025;

- We considered the appropriateness of methods used to calculate the cash forecasts and determined, through inspection of the methodology and testing of the calculations, that the methods utilised were appropriately sophisticated to be able to make an assessment for the Group and Company. We also confirmed the mathematical integrity of management's scenarios. We evaluated the historical accuracy of management's forecasting and considered this against external analyst expectations. We have concluded that management's estimates have historically been appropriate and conservative, and this is supported by post year-end results to date;
- We have assessed the Board's considerations related to material climate change impacts, including the re-certification of the Group's carbon neutral status during the year, and developing Better Choices™, their sustainable product initiative;
- We have checked the amount and maturity of the $20m US line of credit and £1m UK overdraft facility, which expire on 31 May 2025 and 31 December 2024, respectively, to facility agreements. These facilities remain undrawn and covenant requirements attached to the $20m US line of credit have also been tested to the facility agreement. There are no covenants on the £1m UK overdraft;
- We obtained the Board's forecast covenant calculations for the committed but undrawn $20m US line of credit which cover the period until expiry (31 May 2025). We tested inputs into the covenant forecast calculations back to the base case and confirmed the Group has significant headroom and no forecast breach in covenants. Both the base case and the downside cash flow forecasts assume no utilisation of the $20m line of credit or £1m UK overdraft facility;
- We assessed management's consideration of the geopolitical and macro-economic environment and the impact on the Group's operations, noting that the Group has no operations in Russia, Ukraine, Belarus, or in the Middle East. The possible impact to the Group would likely manifest itself through inflationary cost pressures;
- We tested the key assumptions included in each of the cash flow forecast models. We tested the assumption regarding significant declines in revenue included in the downside scenario as well as the recovery rates;
- We performed sensitivity analysis on the downside scenario, assuming increased product costs and reduction in demand, to identify the impact on the Group's liquidity. This did not identify liquidity issues. Moreover, the Group has demonstrated its ability to manage through historic recessions and the more recent COVID-19 pandemic;
- We performed reverse stress testing on the base case and downside forecasts to identify what reduction in revenue would be required before the Group's liquidity is exhausted during the going concern period. We assessed whether significant declines in revenue beyond those experienced during the pandemic were plausible;
- We considered the mitigating factors that are within the control of the Group which include the ability to reduce marketing costs, direct costs, capex spend and flex dividends. In addition, if required, other payroll and overhead costs could also be reduced;
- We consider that the severe but plausible scenario identified as part of the going concern assessment appropriately reflects the principal risks of the business and reasonable possible changes in key assumptions;
- In our stress test and reverse stress test models, we have excluded the $20m US line of credit and the £1m UK overdraft facility;
- Our reverse stress test models on the base case and downside scenario showed that with available mitigation, the Group would have sufficient liquidity to meet its liabilities as they fall due throughout the going concern period; and
- We read the Group's going concern disclosures included in the Annual Report in order to evaluate whether the disclosures were appropriate and in conformity with the applicable reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for a period to 28 June 2025.

In relation to the Group and Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	– We performed an audit of the complete financial information of two full scope components and audit procedures on specific balances for a further four components. – The components where we performed full or specific audit procedures accounted for 100% of profit before tax, 100% of revenue and 100% of total assets.
Key audit matters	– Management override of internal controls through manual journals to revenue.
Materiality	– Overall Group materiality of $7.0m (2022: $5.2m) which represents 5% (2022: 5%) of profit before tax for the current period.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of 4imprint Group plc

An overview of the scope of the Company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each company within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group-wide controls, changes in the business environment, the potential impact of climate change and other factors such as geographical and macroeconomic issues when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the six (2022: seven) reporting components of the Group, we selected six (2022: seven) components covering entities within the United States of America and United Kingdom, which represent the principal business units within the Group.

Of the six (2022: seven) components selected, we performed an audit of the complete financial information of two (2022: two) components ("full scope components") which were selected based on their size or risk characteristics. For the remaining four (2022: five) components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 100% (2022: 100%) of the Group's profit before tax, 100% (2022: 100%) of the Group's revenue and 100% (2022: 100%) of the Group's total assets.

For the current year, the full scope components contributed 100% (2022: 100%) of the Group's profit before tax, 98% (2022: 98%) of the Group's revenue and 98% (2022: 98%) of the Group's total assets.

The specific scope component contributed 0% (2022: 0%) of the Group's profit before tax, 2% (2022: 2%) of the Group's revenue and 2% (2022: 2%) of the Group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Changes from the prior year

We have reduced the number of specific scope components from five to four as a result of a component becoming dormant in the year.

Involvement with component teams

All audit work performed for the purposes of the audit was undertaken by the Group audit team except for our inventory existence procedures in respect of one full scope component. These procedures were undertaken by another EY global network firm operating under the Group audit team's instruction and were attended in person.

The Group audit team interacted with management throughout the audit and completed site visits to the Group's locations in the United States of America as part of our year-end testing, and to the Group's location in the United Kingdom as part of our interim and year-end audit procedures.

The Group audit engagement partner participated in the interim and closing meetings for full scope components.

Climate change

Stakeholders are increasingly interested in how climate change will impact 4imprint Group plc. The Group has determined that the most significant future impacts from climate change on their operations will be from extreme weather-related events and potential reputation and brand damage from failure to take deliberate and tangible action to reduce its GHG emissions and changes in consumer preferences towards sustainable products. These are explained on pages 34 to 37 in the required Task Force for Climate related Financial Disclosures in the sustainability section and on pages 44 to 53 in the principal risks and uncertainties.

All of these disclosures form part of the 'Other information', rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on 'Other information'.

In planning and performing our audit we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

As explained in the Group's viability statement, governmental and societal responses to climate change risks are still developing, and the degree of certainty of these changes means that they cannot be taken into account when determining asset and liability valuations under the requirements of UK adopted International Accounting Standards.

The Group has included environmental matters in its strategic objectives and the cash flow impacts of its environmental initiatives are incorporated into the financial forecasts used to assess viability and going concern.

Our audit effort in considering the impact of climate change in the financial statements was focused on evaluating management's assessment of the impact of climate risk on future cash flow forecasts, including changes in consumer preferences towards sustainable products, which was used in their assessment of going concern, viability, recoverability of deferred tax assets and associated disclosures.

We also assessed the appropriateness of the Directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk 1 – Management override of internal controls through manual journals to revenue

Description of risk:

There is a risk that management may override controls to intentionally misstate revenue transactions through inappropriate manual journal entries to revenue and consequently operating profit.

Investor focus on the Group's revenue performance, together with the management reward and incentive schemes which are based on revenue percentage growth and operating profit targets, create an incentive for management to manipulate revenue recognition.

There is one material revenue stream with performance obligations that are straightforward and fulfilled by delivery of goods to customer. Revenue is generated through a high volume of relatively low value transactions and there is no concentration of customer credit risk. Our audit risk is focussed on manual journals to the revenue accounts. Therefore, we concluded there was a risk that management may override controls to:

a. overstate revenue, and therefore operating profit, in order to report improved results to the market; or
b. understate revenue, and therefore operating profit, in order to provide a contribution towards meeting targets for management rewards and incentive schemes in the next financial period.

Revenue for the year was $1,326.5m (2022: $1,140.3m) and operating profit was $136.2m (2022: $102.9m).

Refer to the accounting policies (pages 110 and 111); and note 1 of the consolidated financial statements (page 115).

Our response to the risk:

We identified, documented and confirmed our understanding of the Group's revenue recognition policies and performed a walkthrough to assess the design and implementation of key controls over the revenue process.

We performed testing to validate a sample of revenue transactions extracted from the sales invoicing system to revenue recorded and reconciled in the general ledger.

We performed data analytics testing over the entire revenue process from revenue recognition through to invoice settlement via cash. Where the postings did not follow our expectation, we investigated outliers and tested these journal entries to assess their validity by agreeing the transactions back to source documentation.

We tested manual journal entries posted to revenue accounts, applying parameters designed to identify entries that were not in accordance with our expectations. This included analysing and selecting journals for testing which appeared unusual in nature due to size, preparer or being manually posted as there is greater opportunity to record fictitious entries than with automated journals, and therefore outside the normal course of business.

We investigated material classes of journals which did not flow through this process in line with our expectations to confirm our understanding and ensure these were genuine transactions and appropriately accounted for.

We also introduced unpredictability into our manual journal entries testing, by randomly sampling manual journal entries with no pre-determined criteria. We corroborated such journals to source documentation to confirm that the entries supported the revenue recognised and that the entries were valid.

We performed audit procedures over this risk area on 4imprint, Inc. and 4imprint Direct Limited which covered 100% (2022: 100%) of revenue for the year.

Key observations communicated to the Audit Committee:

We did not identify evidence of management override through inappropriate journal entries recorded to revenue in the period.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of 4imprint Group plc

We have removed the following key audit matters included in our prior year auditor's report which we believe no longer present risks of material misstatement to the financial statements in the current period:

- *Management override of internal controls through manual journals to supplier rebate income*
  Our risk assessment has reduced reflecting the facts that rebates are based on agreed contractual rates with suppliers, agreements are coterminous with the reporting date and there are no significant judgments involved in the recognition of supplier rebates.
- *Management override of internal controls to the expected credit loss provision on unbilled accrued revenue*
  This risk emerged due to disruption to the Group's supply chain caused by the pandemic which resulted in an unusual increase in unbilled accrued revenue on orders that had been delivered to customers but where other products on the overall customer order had not been delivered at year-end. The ageing and value of unbilled accrued revenue balances is now comparable to pre-pandemic levels.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be $7.0m (2022: $5.2m), which is 5% (2022: 5%) of profit before tax for the current period. We believe that profit before tax for the current period provides us with an appropriate basis for determining materiality as we consider the users of the financial statements are primarily focused on earnings.

We determined materiality for the Company to be £2.5m (2022: £2.4m), which is 1% (2022: 1%) of equity.

There was no change in our final materiality from our original assessment at planning for the Company.

During the course of our audit, we reassessed initial materiality for both the Group and Company.

Our final materiality for the Group ($7.0m) was higher than our initial materiality ($6.2m) owing to the Group's improved trading performance throughout the year.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgment was that performance materiality was 75% (2022: 75%) of our planning materiality, namely $5.3m (2022: $3.9m). We have set performance materiality at this percentage based on our assessment of the appropriateness of the Group's internal controls, the nature of historic audit misstatements and the residual risk of undetected misstatements in the financial statements.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was $0.9m to $4.5m (2022: $0.8m to $2.9m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of $0.3m (2022: $0.2m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the Annual Report set out on pages 1 to 95, including the Strategic Report, set out on pages 6 to 59, Corporate Governance Report, set out on pages 60 to 95, and additional information set out on pages 146 to 148 other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook made by the Financial Conduct Authority (the "FCA Rules"), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the Company's Corporate Governance Statement and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the Strategic Report or the Directors' Report; or
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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 Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the Company.

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 42;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on pages 42 and 43;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 43;
- Directors' statement on fair, balanced and understandable set out on page 95;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 44 to 53;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on pages 44 and 74; and
- The section describing the work of the Audit Committee set out on pages 71 to 74.

INDEPENDENT AUDITOR'S REPORT CONTINUED

To the members of 4imprint Group plc

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 95, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting framework (IFRS, Companies Act 2006, the UK Corporate Governance Code, the Listing Rules of the UK Listing Authority) and the relevant tax compliance regulations in the jurisdictions in which the Group operates, notably in the US and the UK. In addition, we concluded that there are certain laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relate to health and safety, employee, environmental, bribery and corruption practices and various US state laws;
- We understood how 4imprint Group plc is complying with those frameworks by making enquiries of Board members and senior management executives, internal audit, those responsible for legal and compliance procedures, the US General Counsel and the Company Secretary. We corroborated our enquiries through our review of Board minutes, Business Risk Management Committee minutes, papers provided to the Audit Committee and attendance at meetings of the Audit Committee and members of the senior management team, and from reviewing correspondence received from regulatory bodies and noted that there was no contradictory evidence;
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. In doing so, we considered investor focus and management remuneration in the current year and next year which may create an incentive for management to manipulate earnings. We considered the possibility of fraud through management override and, in response, we incorporated data analytics across manual journal entries into our audit approach. Where unusual results or anomalies were identified through our data analytics, we performed additional audit procedures to address each identified risk. These procedures included testing transactions back to source information and were designed to provide reasonable assurance that the financial statements were free from material fraud or error. For more details, please refer to our Key Audit Matters section above; and
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved testing details of manual journal entries which met our defined risk criteria based on our understanding of the business, enquiries of the US General Counsel, Group management and senior management executives of full and specific scope components. We inspected the volume and nature of complaints by the whistleblowing hotline during the year, and any past or present pending or threatened litigation or claims against the Group and its components.

We did not identify any instances of non-compliance with laws and regulations that, in our opinion, could have an impact on the financial statements that would be more than inconsequential.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit Committee, we were reappointed by the Company on 24 May 2023 to audit the financial statements for the period ended 30 December 2023 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the 52 week period ended 28 December 2019, the 53 week period ended 2 January 2021, the 52 week period ended 1 January 2022, the 52 week period ended 31 December 2022 and the 52 week period ended 30 December 2023.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

CHRISTOPHER VOOGD
SENIOR STATUTORY AUDITOR
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
12 March 2024

GROUP INCOME STATEMENT

for the 52 weeks ended 30 December 2023

	Note	**2023 $m**	2022 $m
Revenue	1	**1,326.5**	1,140.3
Operating expenses	2	**(1,190.3)**	(1,037.4)
Operating profit	1	**136.2**	102.9
Finance income		**4.7**	1.1
Finance costs		**(0.4)**	(0.4)
Pension finance income		**0.2**	0.1
Net finance income	3	**4.5**	0.8
Profit before tax		**140.7**	103.7
Taxation	7	**(34.5)**	(23.6)
Profit for the period		**106.2**	80.1

		Cents	Cents
Earnings per share			
Basic	8	**377.9**	285.6
Diluted	8	**377.0**	285.0

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the 52 weeks ended 30 December 2023

	Note	2023 $m	2022 $m
Profit for the period		**106.2**	80.1
Other comprehensive income			
Items that may be reclassified subsequently to the income statement:			
Currency translation differences	22	**1.4**	(1.6)
Items that will not be reclassified subsequently to the income statement:			
Return on pension plan assets (excluding interest income and impact of buy-in policy)	6	**(1.1)**	(16.4)
Remeasurement loss on pension buy-in policy	6	**(4.6)**	–
Remeasurement (losses)/gains on post-employment obligations	6	**(1.8)**	11.9
Tax relating to components of other comprehensive income	7	**2.3**	1.8
Other comprehensive income for the period, net of tax		**(3.8)**	(4.3)
Total comprehensive income for the period, net of tax		**102.4**	75.8

GROUP BALANCE SHEET

at 30 December 2023

	Note	2023 $m	2022 $m
Non-current assets			
Intangible assets	10	**1.5**	2.0
Property, plant and equipment	11	**34.7**	29.2
Right-of-use assets	12	**11.4**	13.1
Deferred tax assets	7	**3.8**	2.4
Retirement benefit asset	6	**–**	1.2
		51.4	47.9
Current assets			
Inventories	13	**13.6**	18.1
Trade and other receivables	14	**68.4**	87.5
Other financial assets – bank deposits	15	**14.0**	35.0
Cash and cash equivalents	15	**90.5**	51.8
Corporation tax debtor		**0.4**	–
		186.9	192.4
Current liabilities			
Lease liabilities	12	**(1.4)**	(1.4)
Trade and other payables	16	**(89.9)**	(84.8)
Current tax creditor		**–**	(1.2)
		(91.3)	(87.4)
Net current assets		**95.6**	105.0
Non-current liabilities			
Lease liabilities	12	**(10.9)**	(12.3)
Deferred tax liabilities	7	**(1.6)**	(0.4)
		(12.5)	(12.7)
Net assets		**134.5**	140.2
Shareholders' equity			
Share capital	21	**18.9**	18.8
Share premium reserve		**70.8**	68.5
Other reserves	22	**5.8**	4.4
Retained earnings		**39.0**	48.5
Total Shareholders' equity		**134.5**	140.2

The financial statements on pages 104 to 134 were approved by the Board of Directors on 12 March 2024 and were signed on its behalf by:

KEVIN LYONS-TARR
CHIEF EXECUTIVE OFFICER

DAVID SEEKINGS
CHIEF FINANCIAL OFFICER

GROUP STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the 52 weeks ended 30 December 2023

				Retained earnings		
	Share capital $m	Share premium reserve $m	Other reserves (note 22) $m	Own shares $m	Profit and loss $m	Total equity $m
Balance at 2 January 2022	18.8	68.5	6.0	(0.8)	(9.5)	83.0
Profit for the period					80.1	80.1
Other comprehensive income						
Currency translation differences			(1.6)			(1.6)
Remeasurement losses on post-employment obligations					(4.5)	(4.5)
Tax relating to components of other comprehensive income (note 7)					1.8	1.8
Total comprehensive income			(1.6)		77.4	75.8
Proceeds from options exercised					0.3	0.3
Own shares utilised				1.1	(1.1)	–
Own shares purchased				(1.2)		(1.2)
Share-based payment charge					0.8	0.8
Deferred tax relating to components of equity (note 7)					0.2	0.2
Dividends (note 9)					(18.7)	(18.7)
Balance at 31 December 2022	18.8	68.5	4.4	(0.9)	49.4	140.2
Profit for the period					**106.2**	**106.2**
Other comprehensive income						
Currency translation differences			**1.4**			**1.4**
Remeasurement losses on post-employment obligations					**(7.5)**	**(7.5)**
Tax relating to components of other comprehensive income (note 7)					**2.3**	**2.3**
Total comprehensive income			**1.4**		**101.0**	**102.4**
Shares issued (note 21)	**0.1**	**2.3**				**2.4**
Proceeds from options exercised					**0.1**	**0.1**
Own shares utilised				**0.7**	**(0.7)**	**–**
Own shares purchased				**(1.1)**		**(1.1)**
Share-based payment charge					**1.1**	**1.1**
Deferred tax relating to components of equity (note 7)					**0.2**	**0.2**
Dividends (note 9)					**(110.8)**	**(110.8)**
Balance at 30 December 2023	**18.9**	**70.8**	**5.8**	**(1.3)**	**40.3**	**134.5**

GROUP CASH FLOW STATEMENT

for the 52 weeks ended 30 December 2023

	Note	2023 $m	2022 $m
Cash flows from operating activities			
Cash generated from operations	23	**166.9**	97.0
Tax paid		**(33.8)**	(20.8)
Finance income received		**4.3**	1.1
Lease interest	12	**(0.4)**	(0.4)
Net cash generated from operating activities		**137.0**	76.9
Cash flows from investing activities			
Purchases of property, plant and equipment		**(10.0)**	(7.7)
Purchases of intangible assets		**–**	(0.3)
Proceeds from sale of property, plant and equipment		**0.3**	–
Consideration for business combination		**–**	(1.7)
Decrease/(increase) in current asset investments – bank deposits		**21.0**	(35.0)
Net cash from/(used in) investing activities		**11.3**	(44.7)
Cash flows from financing activities			
Capital element of lease payments	12	**(1.4)**	(1.2)
Proceeds from issue of ordinary shares	21	**2.4**	–
Proceeds from share options exercised		**0.1**	0.3
Purchases of own shares		**(1.1)**	(1.2)
Dividends paid to Shareholders	9	**(110.8)**	(18.7)
Net cash used in financing activities		**(110.8)**	(20.8)
Net movement in cash and cash equivalents		**37.5**	11.4
Cash and cash equivalents at beginning of the period		**51.8**	41.6
Exchange gains/(losses) on cash and cash equivalents		**1.2**	(1.2)
Cash and cash equivalents at end of the period	15	**90.5**	51.8

NOTES TO THE FINANCIAL STATEMENTS

General information

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 25 Southampton Buildings, London WC2A 1AL.

The Group presents the consolidated financial statements in US dollars and rounded to $0.1m. Numbers in the financial statements were previously rounded to $'000, however, given the growth of the Group, it is now considered appropriate to round numbers to $0.1m. A substantial portion of the Group's revenue and earnings are denominated in US dollars and the Board is of the opinion that a US dollar presentation gives the most meaningful view of the Group's financial performance and position.

Material accounting policy information

The material 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.

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with UK-adopted International Accounting Standards.

New accounting standards, amendments or revisions to existing standards or interpretations applicable for the first time in this reporting period have not had a material impact on the Group's results or balance sheet. Note 7 'Taxation' includes disclosures relating to the impact of Pillar Two income tax legislation in accordance with Amendments to IAS 12 (International Tax Reform – Pillar Two Model Rules).

Environmental risks

In preparing the financial statements, management has considered the impact of environmental risks. Whilst the impact of environmental risks is still developing and therefore all possible future outcomes are uncertain, risks and mitigating actions known to the Group have been considered in forming judgments, estimates and assumptions and in assessing going concern and viability. The main impact of this consisted of the inclusion of cash flows in the forecasts used to assess impairment, going concern and viability for energy and waste reduction initiatives, including a planned extension to the solar array at the Oshkosh distribution centre, and in supporting our product transition for a low carbon economy with the expansion of our Better Choices™ programme. These considerations did not have a material impact on the financial statements.

Going concern

The financial statements have been prepared on a going concern basis. In adopting the going concern basis, the Directors have considered: the Group's business activities, together with the principal risks and uncertainties likely to affect its future development, performance and position as set out in the Strategic Report on pages 6 to 13 and 44 to 53; the financial position of the Group, its cash flows and liquidity position as described in the Financial Review on pages 38 to 43; and the Group's financial risk management objectives and its approach to managing its exposures to currency, credit, liquidity, and capital risks as described in note 18 on pages 132 and 133.

The Group continues to maintain a robust financial position in accordance with its balance sheet funding guidelines, providing it with sufficient access to liquidity to fund its strategic priorities and anticipated dividend payments. At 30 December 2023, the Group had cash and bank deposits of $104.5m, no debt, and undrawn facilities comprising a $20m working capital facility that expires on 31 May 2025 and £1m overdraft facility that expires on 31 December 2024.

In adopting the going concern basis of preparation, the Directors have assessed the Group's cash flow forecasts for the period to 28 June 2025, which reflect current market conditions and incorporate assumptions about demand activity and revenue, gross margins, and marketing productivity.

In forming its outlook over the going concern period, the Directors considered the ongoing uncertainties in the macroeconomic and geopolitical environment, and a variety of potential downsides that the Group might experience, such as a downturn in general economic conditions and a reduction in the effectiveness of key marketing techniques. This forecast shows no liquidity concerns or requirement to utilise the Group's undrawn facilities.

The Group has also modelled a downside scenario reflecting severe but plausible downside demand assumptions over a three-year horizon. This downside scenario assumes:

- A severe demand shock occurs at the start of 2024, like that experienced in 2020 at the start of the pandemic, resulting in revenue for 2024 falling to around 70% of 2023 levels.
- Revenue gradually recovers back towards 2023 levels by the end of 2026.
- Marketing and direct costs flexed in line with revenue, capital expenditure moderated to reflect the reduction in demand, and dividend payments reduced in line with earnings per share.
- Other payroll and overhead costs maintained at 2023 levels with an allowance for inflationary increases to retain capability and capacity to meet the recovery in demand.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Even under the severe stress built into this scenario, the forecast shows no liquidity concerns or requirement to utilise the Group's undrawn facilities in the going concern period. In addition, there are further mitigating actions that the Group could take, including further cutting marketing costs and reducing headcount, that are not reflected in the downside scenario assumptions but would, if required, be fully under the Group's control. Given recent trading and the outlook for the business the Directors consider that, whilst plausible, this scenario reflects a remote outcome for the Group.

Based on their assessment, the Directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern from the date the financial statements are approved until 28 June 2025. Accordingly, they continue to adopt the going concern basis in preparing the Group's and Company's financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the period. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries, as amended to conform to Group accounting policies, are included in the consolidated financial statements from the date that control commences until the date that control ceases. All subsidiaries have the same year-end date as the Group.

Estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments and estimates that affect the application of accounting policies, the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Critical accounting judgments are those judgments, apart from those involving estimations, that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Key assumptions and sources of estimation uncertainty are those that have a significant risk of resulting in a material adjustment to the carrying amounts of the Group's assets and liabilities within the next financial year.

Management considers the following to be the critical accounting judgments and key assumptions and sources of estimation uncertainty:

Critical accounting judgments

Revenue

For most of its product line, the Group operates a 'drop-ship' business model whereby suppliers hold blank inventory, imprint the product and ship directly to customers. In order to determine the amount of revenue to recognise, it is necessary for the Group to make a judgment to assess if it is acting as principal or an agent in fulfilling the performance obligations and promises to customers for these transactions.

The Group has full discretion to accept orders, agrees artwork with the customer, sets the transaction price, selects the suppliers used to fulfil orders, and considers its customer satisfaction promises ('on-time or free', price and quality guarantees) to be integral to meeting its performance obligations.

Accordingly, the Group is of the opinion that it acts as principal in providing goods to customers and recognises the gross amount of consideration as revenue.

Purchase of a bulk annuity policy

During the period, the Trustee of the 4imprint 2016 Pension Plan (the "Plan") exchanged the existing investment portfolio, including a further cash lump sum contribution from the Group, for a bulk purchase annuity policy. This policy insures substantially all the Plan's defined benefit obligations (a buy-in policy). This was an investment decision made in line with the stated objective of further de-risking the Plan's obligations. The Plan retains the legal and constructive obligation to pay the benefits and the Trustee continues to administer the Plan.

Based upon the above, management's judgment was that the purchase of the policy did not constitute a settlement, as defined by IAS 19, and the excess of the cost of the annuity over the IAS 19 valuation of the obligations covered has been recorded in other comprehensive income.

Other areas of judgment and accounting estimates

The consolidated financial statements include other areas of judgment and accounting estimates. Whilst these areas do not meet the IAS 1 definition of critical accounting judgments or significant accounting estimates, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or uncertainties. The other areas of judgment and accounting estimates include the estimation of the future cash flows of subsidiary companies and the determination of appropriate discount rates, growth rates, and probability of default rates necessary for undertaking impairment reviews and assessing the recoverability of assets (refer to notes 10 and 11 for further information on the impairment review process), and levels of provisions required in relation to trade and other receivables (refer to note 14) and inventories (refer to note 13).

Other accounting policies

Revenue

The activity from which the Group derives revenue is the sale and delivery of promotional products.

The Group primarily operates a 'drop-ship' model in which it acts as principal as it has control over the goods and services before transfer to the customer. The Group also acts as principal for apparel goods that are decorated within the Group's facilities and shipped directly to the customer. The Group recognises the gross amount of consideration as revenue in both instances.

It is common for a customer order to include several different product lines. Individual order lines are separately priced, have separately agreed delivery dates, and are capable of being used or enjoyed by the customer on their own, separately from any other order lines included in the overall customer order. The Group therefore considers each order line to constitute a separate performance obligation. Revenue is recognised at a point in time upon delivery and acceptance by the customer as this is when control of the goods has transferred.

The price for each order line is fixed at the time of order, inclusive of any discounts given for that order line. Revenue is shown net of discounts, credits, refunds, VAT and sales tax. The value of provisions for credits and refunds is determined using the expected value methodology based upon historical experience of credits/refunds issued and levels of revenue.

Payment terms vary by customer but are generally either payment with order or within 30 days of delivery.

Supplier rebates

Amounts due under rebate agreements are recognised based on volumes of 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 require operating segments to be identified based on 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 as the Board of Directors and the segmental analysis is based on the Group's internal reporting to the Board. The Group has two operating segments, North America and UK & Ireland. The costs of the Head Office are reported separately to the Board, but this is not an operating segment.

Leases

A lease is defined as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the commencement date of a lease a right-of-use asset and a lease liability are recognised in the financial statements.

The lease liability is initially measured at the present value of expected future lease payments discounted at the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. Subsequently the lease liability decreases by the lease payments made, offset by interest on the liability, and may be remeasured to reflect any reassessment of expected payments or to reflect any lease modifications.

The right-of-use asset is initially measured at cost. This comprises the amount of the initial lease liability plus: any lease payments made on or before the commencement date less incentives received; any incremental costs of obtaining the lease; and, if any, the costs of decommissioning the asset and any restoration work to return the asset to the condition required under the terms of the lease. Subsequently the right-of-use asset is measured using the cost model. The asset is depreciated on a straight-line basis over the expected term of the lease, adjusted for any remeasurement of the lease liability, and is shown net of the accumulated depreciation and any impairment provisions.

The Group has elected to use the recognition exemptions for low-value assets and short-term leases (leases with a duration of twelve months or less) which are expensed to operating profit on a straight-line basis over the term of the lease.

Share-based payments

Share options, which are all equity-settled, are measured at fair value at the date of grant allowing for any market conditions, if applicable. 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 any non-market or service conditions that impact 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.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

Taxation

Taxation 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. Tax attributable to the defined benefit pension plan is recognised in the income statement except to the extent it relates to actuarial movements recognised in other comprehensive income.

Current income tax is calculated based on 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.

Transactions and calculations for which the ultimate tax determination is uncertain may arise during the ordinary course of business. Should an uncertain tax position arise, where a risk of an additional tax liability has been identified and it is considered probable that the Group will be required to settle that tax, a tax provision is recognised. This is assessed on a case-by-case basis.

Deferred income 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 on an undiscounted basis using tax rates (and laws) that have been enacted or substantively 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 profits will be available against which the temporary differences or losses can be utilised. Trading forecasts approved by the Board and covering a three-year period are used to determine future taxable profits. Deferred tax movements in respect of losses recognised or derecognised in the period are allocated between the income statement, other comprehensive income and equity in proportion to the origin of those losses.

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.

Dividends

Final equity dividends and, where relevant, special 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, reflecting that most of the Group's revenues and transactions are generated in North America 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 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.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the fair value of the consideration transferred. Identifiable assets acquired 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.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the combination. Goodwill is not amortised but is reviewed annually for impairment.

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. 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 expenditure on developing websites and other computer systems, providing they meet the criteria for recognition under IAS 38, are capitalised, held at historic cost and amortised from the date of commissioning on a straight-line basis over their useful economic lives (currently three to five years). Amortisation is charged to operating expenses. Internal non-development costs are expensed to operating expenses as incurred.

An expense is recognised in operating expenses for advertising and promotional activities when, in the case of goods, the business has a right of access to the goods or, for services, when the business has received the service.

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 discount rate, 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.

Inventories

Inventories are valued at the lower of cost and net realisable value using the 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 has control are included in inventories.

Trade and other 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 based on the expected credit loss. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, which are grouped based on shared credit risk characteristics and the days past due. The amount of the provision is recognised in the income statement. Trade receivables are discounted when the time value of money is considered material. Receivables also include credit and debit card sales which have not reached the bank at the reporting date.

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 and other short-term highly liquid investments with an original maturity in excess of three months are classified as other financial assets.

Trade payables and contract liabilities

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.

Contract liabilities reflect the Group's obligation to transfer goods to a customer and arise where a customer has paid an amount of consideration in advance of receiving the goods.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

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 also sponsors a defined benefit plan (the "Plan"), which is closed to new members and future accrual. The Group accounts for the Plan under IAS 19 'Employee Benefits'. A deficit is recognised in full on the balance sheet if the present value of the defined benefit obligations exceeds the fair value of the Plan assets (including the value of the bulk annuity policy) at the balance sheet date. If the assets exceed the obligations, then a judgment is made to determine the level of refund available from the Plan in recognising the amount of the surplus to be recognised. A full actuarial valuation is carried out at least every three years and the defined benefit obligations are updated on an annual basis, by independent actuaries, using the projected unit credit method. Lump sum contributions to the Plan to reduce the deficit are included within 'cash generated from operations', alongside the regular contributions.

Pension charges recognised in the income statement consist of administration costs of running the Plan, past service costs, and a finance income/charge based on the net Plan's position 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 statement of comprehensive income.

Borrowings

Borrowings are measured initially at fair value net of transaction costs incurred and subsequently carried at amortised cost using the effective interest rate method. Arrangement fees are amortised over the life of the borrowing.

Own shares held by employee share trusts

The Company is the sponsoring entity of an Employee Benefit Trust (EBT) and, notwithstanding the legal duties of the Trustees, the Group considers that it has 'de facto' control of the EBT. The trust is accounted for as assets and liabilities of the Company and included in the consolidated financial statements. The Company's equity instruments held by the EBT are accounted for as if they were the Company's own equity and are treated as treasury shares. No gain or loss is recognised in profit or loss or other comprehensive income on the purchase, sale or cancellation of the Company's own equity held by the EBT.

IFRS standards effective in future financial statements

The IASB and IFRS Interpretations Committee have issued new or amended standards and interpretations which are effective for accounting periods as noted below. Standards and interpretations which have been issued but are not yet effective will be applied by the Group in the accounting period that they become effective. Management does not believe the impact of adopting the new or amended standards and interpretations listed below will have a material impact on the Group's results or balance sheet.

New and amended standards applicable for annual periods beginning on or after 1 January 2023

IFRS 17 Insurance Contracts
Amendments to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information
Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
Amendments to IAS 8 – Definition of Accounting Estimates
Amendments to IAS 12 – Deferred Tax relating to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12 – International Tax Reform – Pillar Two Model Rules

Amended standards applicable for annual periods beginning on or after 1 January 2024

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current
Amendments to IAS 1 – Non-current Liabilities with Covenants
Amendments to IFRS 16 – Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7 – Supplier Finance Arrangements

1 Segmental reporting

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

Revenue	2023 $m	2022 $m
North America	**1,302.6**	1,120.5
UK & Ireland	**23.9**	19.8
Total Group revenue	**1,326.5**	1,140.3

Profit	2023 $m	2022 $m
North America	**141.0**	108.0
UK & Ireland	**0.2**	(0.1)
Operating profit from Direct Marketing operations	**141.2**	107.9
Head Office costs	**(5.0)**	(5.0)
Operating profit	**136.2**	102.9
Net finance income (note 3)	**4.5**	0.8
Profit before tax	**140.7**	103.7

Other segmental information

	Assets		Liabilities		Capital expenditure		Depreciation and amortisation	
	2023 $m	2022 $m	**2023 $m**	2022 $m	**2023 $m**	2022 $m	**2023 $m**	2022 $m
North America	**125.6**	146.4	**(99.8)**	(95.8)	**10.0**	8.0	**(6.4)**	(5.4)
UK & Ireland	**3.6**	3.2	**(2.9)**	(3.4)	**–**	–	**–**	(0.1)
Head Office	**109.1**	90.7	**(1.1)**	(0.9)	**–**	–	**–**	–
	238.3	240.3	**(103.8)**	(100.1)	**10.0**	8.0	**(6.4)**	(5.5)

Head Office assets include other financial assets – bank deposits, cash and cash equivalents, deferred tax assets and the retirement benefit asset. Head Office liabilities include other payables and accruals.

Geographical analysis of revenue and non-current assets

2023	North America $m	UK $m	All other countries $m	Total $m
Total revenue by destination	**1,302.7**	**22.9**	**0.9**	**1,326.5**
Intangible assets	**1.5**	**–**	**–**	**1.5**
Property, plant and equipment	**33.9**	**0.8**	**–**	**34.7**
Right-of-use assets	**11.4**	**–**	**–**	**11.4**

2022	North America $m	UK $m	All other countries $m	Total $m
Total revenue by destination	1,120.7	18.9	0.7	1,140.3
Intangible assets	1.9	0.1	–	2.0
Property, plant and equipment	28.5	0.7	–	29.2
Right-of-use assets	13.1	–	–	13.1

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2 Operating expenses

Operating profit is stated after charging:

	Note	**2023 $m**	2022 $m
Purchase of goods for resale and consumables		**834.5**	744.9
Changes in inventories		**4.5**	2.5
Impairment loss on trade receivables	14	**2.5**	4.8
Staff costs	4	**104.1**	86.8
Marketing expenditure (excluding staff costs)		**151.7**	121.2
Depreciation of property, plant and equipment	11	**4.3**	3.6
Amortisation of intangible assets	10	**0.4**	0.4
Depreciation of right-of-use assets	12	**1.7**	1.5
Short-term and low value operating lease payments	12	**0.3**	0.2
Defined benefit pension plan administration costs	6	**0.7**	0.5
Net exchange losses		**0.2**	0.3
Other operating expenses*		**85.4**	70.7
		1,190.3	1,037.4

* Other operating expenses include credit card charges, medical insurance and facility costs.

During the period the Group obtained the following services from its auditor at costs as detailed below:

	2023 $m	2022 $m
Fees payable to the Company's auditor for the audit of the Parent Company and audit of the consolidated financial statements	**0.6**	0.6

3 Net finance income

	Note	**2023 $m**	2022 $m
Finance income/(cost)			
Bank and other interest receivable		**4.7**	1.1
Pension finance income	6	**0.2**	0.1
Lease interest charge	12	**(0.4)**	(0.4)
Net finance income		**4.5**	0.8

4 Employees

Staff costs	Note	2023 $m	2022 $m
Wages and salaries		**92.7**	77.8
Social security costs		**7.2**	5.7
Pension costs – defined contribution plans	6	**3.1**	2.5
Share option charges	5	**1.1**	0.8
		104.1	86.8

Average monthly number of people (including Executive Directors) employed	2023 Number	2022 Number
Distribution and production	**666**	545
Sales and marketing	**640**	538
Administration	**262**	227
	1,568	1,310

Key management compensation	2023 $m	2022 $m
Salaries, fees and short-term employee benefits	**2.3**	2.2
Social security costs	**0.1**	0.1
Share option charges	**0.2**	0.1
	2.6	2.4

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

Directors' remuneration	2023 $m	2022 $m
Aggregate emoluments	**2.3**	2.2

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

5 Share-based payments

The Group operates share-based payment schemes which are the US Employee Stock Purchase Plan (ESPP), UK Save As You Earn (SAYE), and the Deferred Bonus Plan (formerly the 2015 Incentive Plan).

ESPP/SAYE schemes

ESPP and SAYE schemes are offered to all US and UK employees. The exercise price for ESPP and SAYE options is equal to the market rate, less 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 at the grant date using the assumptions below:

	US ESPP scheme	US ESPP scheme	UK SAYE scheme	UK SAYE scheme
Grant date	04/10/23	17/05/21	21/04/23	25/09/19
Share price at grant date	£49.50	£23.00	£44.65*	£29.90
Exercise price	$51.08	$27.61	£39.90	£22.70
Number of employees	812	–	42	–
Shares under option	78,705	–	10,956	–
Vesting period (years)	2.2	2.2	3.0	3.0
Expected volatility	30%	30%	30%	30%
Option life (years)	2.2	2.2	3.5	3.5
Expected life (years)	2.2	2.2	3.0	3.0
Risk-free rate	4.75%	0.09%	3.83%	0.36%
Expected dividends expressed as a dividend yield	2%	2%	2%	2%
Possibility of ceasing employment before vesting	3%	2%	3%	5%
Expectations of meeting performance criteria	100%	100%	100%	100%
Fair value per option	£13.07	£5.03	£10.93	£8.09

*Adjusted to reflect the special dividend declared shortly before the date of grant.

Expected volatility is based on the standard deviation of expected share price returns based on historical statistical analysis of daily share prices and adjusted for any periods of extraordinary volatility. The risk-free rate is based on zero coupon government bond yields.

Deferred Bonus Plan (formerly the 2015 Incentive Plan)

Under the DBP, 50% of the annual bonus of the Chief Executive Officer, Chief Financial Officer and certain senior managers is deferred into shares as awards of $nil cost options or conditional shares, based on the share price at 31 December of the relevant year. The awards will be made in a 42-day period following the announcement of the Group's full-year results and the options will normally not be exercisable until at least three years from the date of the award, conditional upon the person still being in the employment of a Group company. The awards to Executive Directors will not be exercisable until five years from the date of the award. It is expected that 26,057 options or conditional shares, with a total fair value of $1.5m will be awarded in 2024 in respect of the 2023 bonus.

The fair value of the awards of options or conditional shares made in 2019, 2020 and 2023 are based on the share price at 31 December 2018, 31 December 2019 and 31 December 2022, respectively. The option life is between 4.25 and 6.25 years from the start of the financial year to which the awards relate. The fair value of the expected awards to be made in 2024 is based on the share price at 31 December 2023.

The expense recognised during the period from share-based payment transactions is shown in the following table:

	2023 $m	2022 $m
Charge resulting from spreading the fair value of options	**1.1**	0.8

5 Share-based payments continued

The following options and conditional shares, analysed by scheme, have been granted and were outstanding:

Scheme	Date of grant	**Number of ordinary shares 2023**	**Number of option holders 2023**	Number of ordinary shares 2022	Subscription price	Date exercisable From	Date exercisable To
US ESPP	17/05/21	**–**	**–**	89,388	$27.61	Jul 2023	Jul 2023
US ESPP	04/10/23	**78,705**	**812**	–	$51.08	Dec 2025	Dec 2025
UK SAYE	25/09/19	**–**	**–**	2,059	£22.70	Nov 2022	Nov 2023
UK SAYE	21/04/23	**10,956**	**42**	–	£39.90	Jun 2026	Dec 2026
2015 Incentive Plan	28/03/19	**16,993**	**2**	16,993	$nil	Mar 2022	Mar 2029
2015 Incentive Plan	30/03/20	**–**	**–**	12,640	$nil	Mar 2023	Mar 2030
Deferred Bonus Plan	28/03/23	**25,638**	**13**	–	$nil	Mar 2026	Mar 2033
Total		**132,292**		121,080			

A reconciliation of option and conditional share movements over the period is shown below:

	2023 Number of shares	**2023 Weighted average exercise price (£)**	2022 Number of shares	2022 Weighted average exercise price (£)
Outstanding at start of period	**121,080**	**17.31**	163,429	14.16
Granted	**116,484**	**31.67**	–	–
Forfeited/cancelled	**(2,104)**	**26.20**	(7,721)	22.33
Exercised	**(103,168)**	**19.33**	(34,628)	8.08
Outstanding at end of period	**132,292**	**27.14**	121,080	17.31
Exercisable at end of period	**–**	**–**	–	–

The weighted average share price on the dates of exercise of options and conditional shares during the year was £45.25 (2022: £31.83) and the weighted average fair value of options and conditional shares granted in the year was £19.36 (2022: no options or conditional shares granted).

The range of exercise prices for options and conditional shares outstanding is shown below:

	2023				2022			
Range of exercise prices	**Weighted average exercise price**	**Number of shares**	**Weighted average remaining life (years) Expected**	**Weighted average remaining life (years) Contractual**	Weighted average exercise price	Number of shares	Weighted average remaining life (years) Expected	Weighted average remaining life (years) Contractual
Nil	**$0.00**	**42,631**	**1.83**	**2.04**	$0.00	29,633	0.82	0.82 to 0.88
£20 – 21	**–**	**–**	**–**	**–**	$27.61	89,388	0.56	0.56
£22 – 23	**–**	**–**	**–**	**–**	£22.70	2,059	0.33	0.83
£39 – 40	**£39.90**	**10,956**	**2.42**	**2.92**	–	–	–	–
£40 – 41	**$51.08**	**78,705**	**1.95**	**1.95**	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 Pensions

Defined contribution plans

The Group operates defined contribution plans for 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:

	2023 $m	2022 $m
Defined contribution plans – employers' contributions (note 4)	**3.1**	2.5

Defined benefit plan

The Group also sponsors a UK defined benefit pension plan (the "Plan") which is closed to new members and future accrual.

The Plan entered a £20.7m buy-in transaction on 27 June 2023 with Legal and General Assurance Society Limited to insure substantially all remaining pension benefits of the Plan through the purchase of a bulk annuity policy. The premium of £20.7m was settled by the transfer of the Plan's existing investment portfolio valued at £17.5m and a cash amount of £3.2m ($4.1m) paid by the Group in July 2023. The difference between the cost of the insurance policy and the IAS 19 accounting value of the liabilities secured was £3.7m ($4.6m) and has been recorded within other comprehensive income.

The assets of the Plan are administered by a corporate Trustee to meet pension liabilities for 319 former employees of the Group. The Trustee is required to act in the best interests of the Plan's beneficiaries. The appointment of trustees is determined by the Plan's trust documentation. The level of retirement benefit is principally based on salary earned in the best three consecutive tax years in the ten years prior to leaving active service and is linked to changes in inflation both pre- and post-retirement.

The Trustee investment objectives and the processes undertaken to measure and manage the risks inherent in the investment strategy are documented in the Plan's Statement of Investment Principles, which can be found on the Company's website at https://investors.4imprint.com/governance/4imprint-2016-pension-plan.

The Plan is subject to the funding legislation outlined in the Pensions Act 2004. 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.

An actuarial valuation of the Plan was undertaken as at 30 September 2022 in accordance with the funding requirements of the Pensions Act 2004. The actuarial valuation showed a deficit of £2.6m. A recovery plan was agreed with the Trustee under which the Company made deficit contributions over the period between valuation date to July 2023 which fully eliminated the deficit on the technical provisions' basis. Under the Schedule of Contributions, a further Company contribution of £0.2m is due in September 2025 should it be required. However, given that the buy-in contract covers substantially all of the Plan liabilities, the funding position is expected to be stable over the period to the next valuation. The Company also agreed to pay the expenses of running the Plan from 1 July 2023.

For the purposes of IAS 19, numbers from the actuarial valuation as at 30 September 2022, which was carried out by a qualified independent actuary, have been updated on an approximate basis to 30 December 2023. There have been no changes in the valuation methodology adopted for this period's disclosures compared to the previous period's disclosures. Under IAS 19, the fair value of the bulk annuity policy matches the liabilities being insured, thus eliminating inflation, interest rate and longevity risks.

The amounts recognised in the income statement are as follows:

	2023 $m	2022 $m
Administration costs paid by the Plan	**0.5**	0.5
Administration costs paid by the Company	**0.2**	–
Pension finance income (note 3)	**(0.2)**	(0.1)
Total defined benefit pension charge	**0.5**	0.4

The amount recognised in the balance sheet comprises:

	2023 $m	2022 $m
Present value of funded obligations	**(23.3)**	(20.3)
Fair value of the Plan's assets	**23.3**	21.5
Net retirement benefit asset	**–**	1.2

6 Pensions continued

Changes in the present value of the net retirement benefit asset are as follows:

	Present value of obligations $m	Fair value of Plan assets $m	Net asset $m
Balance at 2 January 2022	(37.8)	39.8	2.0
Administration costs paid by the Plan	(0.5)	–	(0.5)
Interest (expense)/income	(0.6)	0.7	0.1
Return on Plan assets (excluding interest income)	–	(16.4)	(16.4)
Remeasurement losses due to changes in experience	(1.3)	–	(1.3)
Remeasurement gains due to changes in financial assumptions	13.2	–	13.2
Contributions by employer	–	4.3	4.3
Benefits paid	3.0	(3.0)	–
Exchange gain/(loss)	3.7	(3.9)	(0.2)
Balance at 31 December 2022	(20.3)	21.5	1.2
Administration costs paid by the Plan	**(0.5)**	**–**	**(0.5)**
Interest (expense)/income	**(1.0)**	**1.2**	**0.2**
Return on Plan assets (excluding interest income and impact of buy-in policy)	**–**	**(1.1)**	**(1.1)**
Remeasurement loss on buy-in policy	**–**	**(4.6)**	**(4.6)**
Remeasurement losses due to changes in experience	**(1.8)**	**–**	**(1.8)**
Remeasurement gains due to changes in demographic assumptions	**0.5**	**–**	**0.5**
Remeasurement losses due to changes in financial assumptions	**(0.5)**	**–**	**(0.5)**
Contributions by employer	**–**	**6.5**	**6.5**
Benefits paid	**1.4**	**(1.4)**	**–**
Exchange (loss)/gain	**(1.1)**	**1.2**	**0.1**
Balance at 30 December 2023	**(23.3)**	**23.3**	**–**

The major categories of the Plan's assets as a percentage of total assets are as follows:

	2023		2022	
	$m	**%**	$m	%
Sterling liquidity fund	**–**	**–**	9.9	46.2
Gilt funds	**–**	**–**	3.9	18.0
Index-linked gilt funds	**–**	**–**	1.8	8.2
Leveraged gilt funds	**–**	**–**	4.2	19.7
Leveraged index-linked gilt funds	**–**	**–**	1.4	6.4
Buy-in policy	**22.8**	**97.9**	–	–
Cash	**0.5**	**2.1**	0.3	1.5
	23.3	**100.0**	21.5	100.0

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

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

6 Pensions continued

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

	2023 %	2022 %
Rate of increase in pensions in payment	**2.97**	3.08
Rate of increase in deferred pensions	**2.37**	2.66
Discount rate	**4.57**	4.82
Inflation assumption – RPI	**3.07**	3.16
– CPI	**2.37**	2.66

The mortality assumptions reflect the most recent version of the tables used in the September 2022 triennial valuation. The assumptions imply the following life expectancies at age 65:

	2023 Years	2022 Years
Male currently aged 45	**21.9**	22.3
Female currently aged 45	**24.0**	24.2
Male currently aged 65	**20.7**	21.3
Female currently aged 65	**22.5**	23.1

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 1.0%	+12.8%
Rate of inflation	Increase of 1.0%	+4.9%
Rate of mortality	Increase in life expectancy of one year	+3.1%

The sensitivities shown above are approximate. Each sensitivity considers each change in isolation and is 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.

The weighted average duration of the defined benefit obligation at 30 December 2023 is 15 years (2022: 15 years).

7 Taxation

Taxation recognised in the income statement is as follows:

	2023 $m	2022 $m
Current tax		
UK tax – current	**2.0**	1.2
Overseas tax – current	**32.1**	24.0
Total current tax	**34.1**	25.2
Deferred tax		
Origination and reversal of temporary differences	**0.4**	(1.5)
Adjustment in respect of prior periods	**–**	(0.1)
Total deferred tax	**0.4**	(1.6)
Taxation	**34.5**	23.6

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:

	2023 $m	2022 $m
Profit before tax	**140.7**	103.7
Profit before tax for each country of operation multiplied by rate of corporation tax applicable in the respective countries	**34.6**	25.5
Effects of:		
Adjustments in respect of prior periods	**–**	(0.1)
Expenses not deductible for tax and non-taxable income	**(0.1)**	–
Other differences	**(0.5)**	(0.4)
UK tax losses generated/(utilised) in the period	**0.9**	(0.2)
UK losses recognised for deferred tax	**(0.4)**	(1.2)
Taxation	**34.5**	23.6

'Other differences' includes adjustments in respect of share options, US leases, and pensions.

'UK losses recognised for deferred tax' relates to changes to the deferred tax asset in respect of brought forward UK tax losses which are forecast to be utilised against UK taxable profits over the next three years.

Management does not consider that there are any material uncertain tax positions.

On 20 June 2023 the UK Finance Bill was substantively enacted in the UK, including legislation to implement the OECD Pillar Two income taxes for periods beginning on or after 31 December 2023. The legislation includes an income inclusion rule and a domestic minimum tax, which together are designed to ensure a minimum effective tax rate of 15% in each country in which the Group operates. Similar legislation is being enacted by other governments around the world. The Group has applied the mandatory temporary exception in the Amendments to IAS 12 issued in May 2023 and endorsed in July 2023, and has neither recognised nor disclosed information about deferred tax assets or liabilities relating to Pillar Two income taxes and there is no current tax impact on the financial statements for 2023. Based on an assessment of historic data and forecasts for the period ending 28 December 2024, the Group does not expect a material exposure to Pillar Two income taxes for 2024.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

7 Taxation continued

Income tax credited/(debited) to other comprehensive income is as follows:

	2023 $m	2022 $m
Current tax relating to post-employment obligations	**2.0**	1.2
Deferred tax relating to post-employment obligations	**(0.7)**	(0.3)
Deferred tax relating to UK tax losses	**1.0**	0.9
	2.3	1.8

Income tax credited to equity is as follows:

	2023 $m	2022 $m
Deferred tax relating to UK tax losses	**0.2**	0.1
Deferred tax relating to share options	**–**	0.1
	0.2	0.2

Movement in deferred tax assets and liabilities

	Depreciation/ capital allowances $m	Pension $m	UK tax losses $m	Other $m	Net tax assets/ (liabilities) $m
At 2 January 2022	(2.6)	0.6	–	1.7	(0.3)
(Charge)/credit to income statement	(0.4)	–	1.2	0.8	1.6
(Charge)/credit to other comprehensive income	–	(0.3)	0.9	–	0.6
Credit to equity	–	–	0.1	0.1	0.2
Exchange difference	–	(0.1)	–	–	(0.1)
At 31 December 2022	(3.0)	0.2	2.2	2.6	2.0
(Charge)/credit to income statement	**(0.6)**	**0.4**	**0.4**	**(0.6)**	**(0.4)**
(Charge)/credit to other comprehensive income	**–**	**(0.7)**	**1.0**	**–**	**0.3**
Credit to equity	**–**	**–**	**0.2**	**–**	**0.2**
Exchange difference	**–**	**0.1**	**–**	**–**	**0.1**
At 30 December 2023	**(3.6)**	**–**	**3.8**	**2.0**	**2.2**

Analysed in the balance sheet as:

	2023 $m	2022 $m
Deferred tax assets	**3.8**	2.4
Deferred tax liabilities	**(1.6)**	(0.4)
	2.2	2.0

7 Taxation continued

Deferred tax at 30 December 2023 has been calculated at a tax rate of 25%. At 31 December 2022, UK deferred tax was calculated at a tax rate of 19% for items expected to reverse before 1 April 2023 and 25% in respect of items expected to reverse from 1 April 2023, and US deferred tax was calculated at a tax rate of 25%.

No deferred tax asset has been recognised for UK losses carried forward of $19.5m (2022: $20.8m) which are not forecast to be utilised in the next three years. These losses have no expiry date and may be available for offset against future profits.

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.

None of the net deferred tax assets and liabilities is expected to reverse within the next twelve months (2022: $0.2m).

8 Earnings per share

Basic earnings per share is calculated by dividing the profit for the financial period by the weighted average number of shares in issue during the period excluding shares held by the 4imprint Group plc Employee Benefit Trust (EBT). The effect of excluding shares held by the EBT is to reduce the average number by 18,008 (2022: 21,632).

Diluted earnings per share is calculated by adjusting the weighted average number of shares to assume the conversion of all potentially dilutive ordinary shares. The share-based payment schemes which are likely to vest at the balance sheet date at a price below the average price of the Company's ordinary shares are potentially dilutive.

	2023 Number '000	2022 Number '000
Weighted average number of shares	**28,105**	28,064
Dilutive effect of share-based payments	**66**	61
Diluted weighted average number of shares	**28,171**	28,125
Basic earnings per share	**377.9c**	285.6c
Diluted earnings per share	**377.0c**	285.0c

9 Dividends

Equity dividends – ordinary shares	**2023 $m**	2022 $m
Interim paid: 65.0c (2022: 40.0c)	**17.8**	10.6
Final paid: 120.0c (2022: 30.0c)	**34.9**	8.1
Special paid: 200.0c (2022: nil)	**58.1**	–
	110.8	18.7

The Directors are proposing a final regular dividend in respect of the period ended 30 December 2023 of 150.0c per share, an estimated payment amount of $42.2m. Subject to Shareholder approval at the AGM, this dividend is payable on 3 June 2024 to Shareholders registered on 3 May 2024. These financial statements do not reflect this proposed dividend.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

10 Intangible assets

	Goodwill $m	Computer software $m	Total $m
Cost			
At 2 January 2022	–	2.5	2.5
Additions	–	0.3	0.3
Acquisition of a business	1.0	–	1.0
Disposals	–	(0.3)	(0.3)
At 31 December 2022	1.0	2.5	3.5
Disposals	**–**	**(0.6)**	**(0.6)**
At 30 December 2023	**1.0**	**1.9**	**2.9**
Amortisation			
At 2 January 2022	–	1.5	1.5
Charge for the period	–	0.4	0.4
Disposals	–	(0.3)	(0.3)
Exchange differences	–	(0.1)	(0.1)
At 31 December 2022	–	1.5	1.5
Charge for the period	**–**	**0.4**	**0.4**
Disposals	**–**	**(0.6)**	**(0.6)**
Exchange differences	**–**	**0.1**	**0.1**
At 30 December 2023	**–**	**1.4**	**1.4**
Net book value			
At 30 December 2023	**1.0**	**0.5**	**1.5**
At 31 December 2022	1.0	1.0	2.0

The average remaining life of computer software assets is 1.3 years (2022: 2.3 years). See note 11 for details of the impairment review undertaken for the Group's non-current assets excluding goodwill.

Goodwill relates to the acquisition on 25 April 2022 of the business of Fox Graphics Ltd, a private company based in Oshkosh, Wisconsin, that specialises in screen-printing services. No measurement period adjustments have been made to the acquisition accounting in the current period.

As required by IAS 36 'Impairment of Assets', goodwill is required to be tested for impairment annually. The screen-printing operations contribute to the cash flows of the US CGU and therefore the goodwill arising on acquisition has been allocated to that CGU. The recoverable amount of the US CGU exceeds the carrying amount of the assets and thus no impairment of the goodwill balance is required.

11 Property, plant and equipment

	Land and buildings $m	Plant, machinery, fixtures & fittings $m	Computer hardware $m	Total $m
Cost				
At 2 January 2022	19.0	21.2	2.9	43.1
Additions	2.7	4.5	0.5	7.7
Acquisition of a business	–	0.7	–	0.7
Disposals	–	(0.2)	(0.4)	(0.6)
Exchange differences	(0.1)	(0.1)	–	(0.2)
At 31 December 2022	21.6	26.1	3.0	50.7
Additions	**3.9**	**5.3**	**0.8**	**10.0**
Disposals	**–**	**(1.4)**	**(0.2)**	**(1.6)**
Reclassification	**(0.6)**	**0.6**	**–**	**–**
At 30 December 2023	**24.9**	**30.6**	**3.6**	**59.1**
Depreciation				
At 2 January 2022	3.7	13.2	1.5	18.4
Charge for the period	0.6	2.3	0.7	3.6
Disposals	–	(0.1)	(0.4)	(0.5)
At 31 December 2022	4.3	15.4	1.8	21.5
Charge for the period	**0.7**	**2.8**	**0.8**	**4.3**
Disposals	**–**	**(1.1)**	**(0.2)**	**(1.3)**
Exchange differences	**–**	**–**	**(0.1)**	**(0.1)**
At 30 December 2023	**5.0**	**17.1**	**2.3**	**24.4**
Net book value				
At 30 December 2023	**19.9**	**13.5**	**1.3**	**34.7**
At 31 December 2022	17.3	10.7	1.2	29.2

Freehold land with a value of $1.3m (2022: $1.0m) has not been depreciated. The carrying amount of land and buildings includes assets under construction of $3.8m (2022: $nil).

Impairment review

IAS 36 'Impairment of Assets' requires an assessment at each reporting date of whether there is any indication that an asset may be impaired (see note 10 for details on the impairment testing of goodwill). For the purposes of impairment testing, the Group is considered to have two cash-generating units (CGUs), being the US and UK businesses.

An assessment of both the US and UK CGUs did not identify any indications of impairment and accordingly, no indicator-based impairment testing has been undertaken. The US CGU has experienced strong demand levels and resulting financial performance for 2023. Since the full impairment testing undertaken in 2020 and 2021, the UK CGU has continued its recovery in demand, exceeding pre-pandemic revenue levels and reporting an operating profit for 2023.

The external environment continues to remain uncertain, manifesting in high interest rates and inflation, and low economic growth. Despite these factors being present, both the US and UK businesses have shown the resilient nature of their operations and managed to grow significantly against 2021 and 2022. These external factors are therefore not considered to represent impairment indicators of themselves.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

12 Leases

The Group leases premises in Oshkosh and Appleton, Wisconsin. The lease for office premises in Oshkosh, which was renewed in 2020, has a five-year term with a five-year extension option. A lease term of ten years was reflected in calculating the lease liability and right-of-use asset upon renewal in 2020. There has been no significant event or significant change in circumstances since the initial assessment that would require the lease extension option to be reassessed. If the five-year extension option was not exercised, the lease liability and right-of-use asset would reduce by $6.5m as at 30 December 2023.

In addition, there are various items of leasehold land and buildings (mainly office facilities in London) and machinery on short-term leases, and some office equipment with low value. The Group applies the IFRS 16 exemptions for short-term and low-value leases. No leases contain variable payment terms.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Leasehold land and buildings $m
At 2 January 2022	11.7
Additions	2.8
Acquisition of a business	0.1
Depreciation charge for the period	(1.5)
At 31 December 2022	13.1
Depreciation charge for the period	**(1.7)**
At 30 December 2023	**11.4**

See note 11 for details of the impairment review undertaken for the Group's non-current assets.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2023 $m	2022 $m
At start of period	**13.7**	12.0
Additions	**–**	2.9
Interest charge	**0.4**	0.4
Payments	**(1.8)**	(1.6)
At end of period	**12.3**	13.7
Current	**1.4**	1.4
Non-current	**10.9**	12.3

The maturity analysis of lease commitments is disclosed in note 18.

Set out below are the total cash outflows for leases:

	2023 $m	2022 $m
Included in cash flows from operating activities		
Expense relating to short-term leases	**0.2**	0.2
Expense relating to leases of low-value assets, excluding short-term leases of low-value assets	**0.1**	–
Lease interest	**0.4**	0.4
Included in cash flows from financing activities		
Capital element of lease payments	**1.4**	1.2
	2.1	1.8

13 Inventories

	2023 $m	2022 $m
Finished goods and goods for resale	**13.6**	18.1

$8.6m (2022: $13.0m) of the inventories balance relates to goods in transit to customers at the balance sheet date. Provisions held against inventory total $0.1m (2022: $0.1m). The nominal provisions reflect the minimal levels of inventory held under the 'drop-ship' business model, the generic nature of items held and consistently high levels of inventory turnover.

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

14 Trade and other receivables

	2023 $m	2022 $m
Trade receivables – gross	**46.0**	66.2
Provision for credits	**(2.2)**	(2.4)
Provision for impairment of trade receivables	**(2.6)**	(4.8)
Trade receivables – net	**41.2**	59.0
Other receivables	**18.1**	21.3
Prepayments	**9.1**	7.2
	68.4	87.5

The provisions for credits and impairment have decreased in line with gross trade receivables and reflect the significant improvement to supply chain conditions in the period.

Trade terms are a maximum of 30 days credit. Due to their short-term nature, the fair value of trade and other receivables does not differ from the book value.

Trade and other receivables are only written off when the Group has exhausted all options to recover the amounts due and provided for in full when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of the debtor to engage in a repayment plan with the Group or a subsequent failure to make agreed payments. An expected credit loss provision is then calculated on the remaining trade and other receivables.

Management has assessed the expected credit losses for trade receivables, which includes invoiced receivables and unbilled accrued revenue, taking into account the uncertainty arising from the current challenging macroeconomic and geopolitical environment and the related risks to general economic conditions and growth. In addition, certain individual customers (where there is objective evidence of credit impairment) have been provided for on a specific basis. This has resulted in an impairment charge to the income statement of $2.5m (2022: $4.8m). The resultant provision for impairment of trade receivables continues to represent a small percentage of the trade receivables balance, reflecting the high volume and low value nature of customer transactions.

Other receivables include rebates receivable of $16.2m (2022: $18.7m). Management has reviewed other receivables and concluded that there is no impairment required of any receivables other than trade receivables. Interim receipts of rebates receivable are received through the year, thus reducing the Group's credit exposures.

The ageing of past due trade receivables which are not impaired, based on the customer's creditworthiness and payment history, is as follows:

Time past due date	2023 $m	2022 $m
Up to 3 months	**10.2**	15.8
3 to 6 months	**3.1**	7.3
Over 6 months	**1.2**	1.9
	14.5	25.0

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

14 Trade and other receivables continued

The ageing of impaired trade receivables is as follows:

Time past due date	2023 $m	2022 $m
Current	**0.6**	0.5
Up to 3 months	**0.6**	0.7
3 to 6 months	**0.6**	1.5
Over 6 months	**0.8**	2.1
	2.6	4.8

The trade receivables impairment provision is calculated using the simplified approach to the expected credit loss model. The provision is based on the following percentages which have been determined in reference to historical experience and current economic conditions:

	2023		2022	
Age of trade receivable	Amount $m	Provision %	Amount $m	Provision %
Current	**27.3**	**2.2**	34.5	1.4
31 – 60 days	**7.4**	**4.1**	10.8	2.9
61 – 90 days	**3.4**	**8.8**	5.7	7.0
91 – 180 days	**3.7**	**16.2**	8.8	17.3
181 – 365 days	**1.9**	**36.8**	3.9	50.1
Over 365 days	**0.1**	**100.0**	0.1	100.0

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

	2023 $m	2022 $m
Sterling	**3.2**	2.6
US dollars	**61.7**	80.4
Euros	**–**	0.1
Canadian dollars	**3.5**	4.4
	68.4	87.5

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

	2023 $m	2022 $m
At start of period	**4.8**	1.7
Utilised	**(4.7)**	(1.7)
Provided	**2.5**	4.8
At end of period	**2.6**	4.8

15 Other financial assets and cash and cash equivalents

	2023 $m	2022 $m
Other financial assets – bank deposits	**14.0**	35.0

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

	2023 $m	2022 $m
Cash at bank and in hand	**90.5**	51.8

16 Trade and other payables – current

	2023 $m	2022 $m
Trade payables	**65.3**	59.7
Other tax and social security payable	**5.0**	5.6
Other payables	**0.3**	0.3
Contract liabilities	**6.9**	8.6
Accruals	**12.4**	10.6
	89.9	84.8

All trade payables have a maturity of 30 days or less from the balance sheet date. Due to their short-term nature, the fair value of trade and other payables does not differ from the book value.

Contract liabilities represents the Group's obligation to transfer goods to customers for which payment has been received in advance. The closing balance has reduced to $6.9m from $8.6m in 2022 reflecting the improvement in supply chain conditions through the period. The opening contract liabilities balance of $8.6m has been recognised as revenue in 2023 (2022: $10.4m).

The Group expects to complete its remaining performance obligations in respect of the closing contract liabilities balance of $6.9m and recognise the full amount as revenue in 2024.

17 Borrowings

The Group had the following committed floating rate borrowing facilities available:

Borrowing facilities	2023 $m	2022 $m
Expiring in more than one year	**20.0**	20.0

Committed facilities comprise an unsecured $20.0m line of credit for 4imprint, Inc., which expires on 31 May 2025. The Company also has an unsecured UK overdraft facility of £1.0m that is repayable on demand, which expires on 31 December 2024. These facilities were undrawn at the year-end (2022: undrawn).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

18 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. The Group does not hedge the currency exposure of profits and assets of its overseas subsidiaries or other financial transactions.

At 30 December 2023, the Group had no forward currency contracts outstanding (2022: none).

The movement in the exchange rates compared to the prior period had no impact on profit after tax and increased net assets by $1.3m. The average rate used to translate profits was US$1.24 (2022: US$1.24) and the closing rate was US$1.27 (2022: US$1.20).

A strengthening in the Sterling exchange rate by 5% (the approximate range of movement of the closing exchange rate over the period) would have reduced profit in the period by $0.2m and increased net assets at the period-end by $1.2m.

Credit risk

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

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

The Group holds cash balances on deposit with its principal US and UK banks.

Financial instruments

The table below sets out the Group's financial instruments by category:

Financial assets at amortised cost	2023 $m	2022 $m
Trade and other receivables (excluding prepayments) (note 14)	**59.3**	80.3
Other financial assets – bank deposits (note 15)	**14.0**	35.0
Cash and cash equivalents (note 15)	**90.5**	51.8
Financial liabilities at amortised cost		
Trade and other payables (excluding non-financial liabilities) (note 16)	**(83.0)**	(76.2)

All trade receivables and payables have contracted maturities of 30 days or less from the balance sheet dates. All other receivables and payables are due/payable within one year.

Trade receivables are amounts due from customers for goods sold in the ordinary course of business. Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are shown net of credits and expected credit losses. The expected credit losses on other receivables are $nil (2022: $nil).

The table below sets out the Group's contractual undiscounted lease commitments:

	2023 $m	2022 $m
Due within one year	**1.8**	1.9
Due in two to three years	**3.8**	3.7
Due in four to five years	**4.0**	4.0
Due over five years	**4.3**	6.2
	13.9	15.8

18 Financial risk management continued

Cash and bank deposits were held with the following banks at the year-end:

	2023 Rating	2023 Deposit $m	2022 Rating	2022 Deposit $m
Lloyds Bank plc	**Aa3**	**20.3**	Aa3	40.3
JPMorgan Chase Bank, N.A.	**Aa1**	**84.2**	Aa1	46.5
		104.5		86.8

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

Management of 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 Chief Financial Officer 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 current borrowing arrangements are with the Group's principal US and UK banks. Terms are agreed which are considered appropriate for the funding requirements 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 17 and lease liabilities in note 12.

At 30 December 2023, the total other financial assets – bank deposits and cash and cash equivalents position (note 15) of the Group was $104.5m (2022: $86.8m).

Capital risk

The objective for managing cash, 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.

The policy for capital allocation is shown on page 41.

In 2023 the Company has provided returns to Shareholders in the form of dividends, details of which are included in note 9. Shares were purchased by an EBT to cover certain options maturing during the period and future maturities of the 2015 Incentive Plan and Deferred Bonus Plan. Ordinary shares were issued during the period to cover the maturity of the 2021 US Employee Stock Purchase Plan; it is expected that future maturities of the employee savings-related share schemes will be met through the issuance of ordinary shares.

19 Contingent liabilities

The Group has a contingent liability of $0.4m (2022: $0.5m) in respect of potential payments for future services relating to the acquisition of a screen-printing business in 2022.

20 Capital commitments

The Group had capital commitments contracted for but not provided for in the financial statements at 30 December 2023 for property, plant and equipment of $16.3m (2022: $2.7m).

21 Share capital

	2023 $m	2022 $m
Issued and fully paid		
28,172,530 (2022: 28,085,530) ordinary shares of 38 $^{6}/_{13}$p each	**18.9**	18.8

All shares have the same rights.

The Company issued 87,000 ordinary shares in the period for consideration of £1.8m ($2.4m) to satisfy option exercises under the 2021 US Employee Stock Purchase Plan (2022: no shares issued).

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

22 Other reserves

	Capital redemption reserve $m	Cumulative translation differences $m	Total $m
Balance at 2 January 2022	0.4	5.6	6.0
Currency translation differences	–	(1.6)	(1.6)
Balance at 31 December 2022	0.4	4.0	4.4
Currency translation differences	**–**	**1.4**	**1.4**
Balance at 30 December 2023	**0.4**	**5.4**	**5.8**

The capital redemption reserve arose on the redemption of preference shares in 2000. The currency translation difference represents the accumulated exchange movements on non-US dollar functional currency subsidiaries from 29 December 2003 (transition date to IFRS) to the balance sheet date.

23 Cash generated from operations

	2023 $m	2022 $m
Profit before tax	**140.7**	103.7
Adjustments for:		
Depreciation of property, plant and equipment	**4.3**	3.6
Amortisation of intangible assets	**0.4**	0.4
Depreciation of right-of-use assets	**1.7**	1.5
Loss on disposal of property, plant and equipment	**–**	0.1
Share option charges	**1.1**	0.8
Net finance income	**(4.5)**	(0.8)
Defined benefit pension administration costs paid by the Plan	**0.5**	0.5
Contributions to defined benefit pension plan	**(6.5)**	(4.3)
Changes in working capital:		
Decrease in inventories	**4.5**	2.5
Decrease/(increase) in trade and other receivables	**20.0**	(24.2)
Increase in trade and other payables	**4.7**	13.2
Cash generated from operations	**166.9**	97.0

24 Related party transactions

Transactions and balances between the Company and its subsidiaries have been eliminated on consolidation. The Group did not participate in any related party transactions with parties outside of the Group.

Key management compensation is disclosed in note 4.

COMPANY BALANCE SHEET

at 30 December 2023

	Note	2023 £m	2022 £m
Non-current assets			
Investments	C	**105.0**	105.2
Deferred tax assets	D	**2.3**	1.3
Retirement benefit asset	B	**–**	1.0
Other receivables	E	**251.4**	258.8
		358.7	366.3
Current assets			
Other receivables	E	**0.8**	0.9
Other financial assets – bank deposits		**11.0**	29.0
Cash and cash equivalents		**4.7**	3.7
		16.5	33.6
Current liabilities			
Amounts due to subsidiary companies	F	**–**	(0.7)
Other payables	G	**(0.7)**	(0.8)
		(0.7)	(1.5)
Net current assets		**15.8**	32.1
Non-current liabilities			
Amounts due to subsidiary companies	F	**(125.5)**	(132.9)
Net assets		**249.0**	265.5
Shareholders' equity			
Share capital	I	**10.8**	10.8
Share premium reserve		**40.4**	38.6
Capital redemption reserve		**0.2**	0.2
Retained earnings		**197.6**	215.9
Total equity		**249.0**	265.5

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 paid for the period of £74.2m (2022: £41.5m) is included in the retained earnings of the Company.

The financial statements on pages 135 to 145 were approved by the Board of Directors on 12 March 2024 and were signed on its behalf by:

KEVIN LYONS-TARR
CHIEF EXECUTIVE OFFICER

DAVID SEEKINGS
CHIEF FINANCIAL OFFICER

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the 52 weeks ended 30 December 2023

	Share capital £m	Share premium reserve £m	Capital redemption reserve £m	Retained earnings: Own shares £m	Retained earnings: Profit and loss* £m	Total equity £m
Balance at 2 January 2022	10.8	38.6	0.2	(0.6)	192.8	241.8
Profit for the period					41.5	41.5
Other comprehensive income						
Remeasurement losses on post-employment obligations					(3.6)	(3.6)
Tax relating to components of other comprehensive income (note D)					1.4	1.4
Total comprehensive income					39.3	39.3
Proceeds from options exercised					0.3	0.3
Own shares utilised				0.9	(0.9)	–
Own shares purchased				(1.0)		(1.0)
Share-based payment charge					0.1	0.1
Capital instrument granted to subsidiary					0.6	0.6
Deferred tax relating to components of equity (note D)					0.1	0.1
Dividends					(15.7)	(15.7)
Balance at 31 December 2022	10.8	38.6	0.2	(0.7)	216.6	265.5
Profit for the period					**74.2**	**74.2**
Other comprehensive income						
Remeasurement losses on post-employment obligations					**(6.0)**	**(6.0)**
Tax relating to components of other comprehensive income (note D)					**1.8**	**1.8**
Total comprehensive income					**70.0**	**70.0**
Shares issued (note I)		**1.8**				**1.8**
Proceeds from options exercised					**0.1**	**0.1**
Own shares utilised				**0.5**	**(0.5)**	**–**
Own shares purchased				**(0.8)**		**(0.8)**
Share-based payment charge					**0.1**	**0.1**
Capital instrument granted to subsidiary					**0.7**	**0.7**
Deferred tax relating to components of equity (note D)					**0.1**	**0.1**
Dividends					**(88.5)**	**(88.5)**
Balance at 30 December 2023	**10.8**	**40.4**	**0.2**	**(1.0)**	**198.6**	**249.0**

* See note J.

COMPANY CASH FLOW STATEMENT

for the 52 weeks ended 30 December 2023

	Note	2023 £m	2022 £m
Cash flows from operating activities			
Cash used in operations	K	**(8.8)**	(5.3)
Finance income received		**12.1**	17.6
Finance costs paid		**(6.5)**	(9.1)
Net cash (used in)/generated from operating activities		**(3.2)**	3.2
Cash flows from investing activities			
Dividends received		**72.7**	36.4
Return of capital contributions		**0.9**	0.4
Decrease/(increase) in current asset investments – bank deposits		**18.0**	(29.0)
Net cash from investing activities		**91.6**	7.8
Cash flows from financing activities			
Proceeds from issue of ordinary shares		**1.8**	–
Proceeds from share options exercised		**0.1**	0.3
Purchases of own shares		**(0.8)**	(1.0)
Dividends paid to Shareholders		**(88.5)**	(15.7)
Net cash used in financing activities		**(87.4)**	(16.4)
Net movement in cash and cash equivalents		**1.0**	(5.4)
Cash and cash equivalents at beginning of the period		**3.7**	9.1
Cash and cash equivalents at end of the period		**4.7**	3.7

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

General information

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 25 Southampton Buildings, London WC2A 1AL.

The Company's financial statements are presented in Sterling and rounded to £0.1m. Numbers in the financial statements were previously rounded to £'000, however, given the growth of the Group, it is now considered appropriate to round numbers to £0.1m.

Basis of preparation

The financial statements have been prepared on a going concern basis (see going concern in the basis of preparation section of the Group financial statements for further information), under the historical cost convention in accordance with UK-adopted International Accounting Standards.

New accounting standards, amendments or revisions to existing standards or interpretations applicable for the first time in this reporting period have not had a material impact on the Company's results or balance sheet. Please see note 7 of the Group financial statements for information on the impact of Pillar Two income tax legislation in accordance with Amendments to IAS 12 (International Tax Reform – Pillar Two Model Rules).

Environmental risks

In preparing the financial statements, management has considered the impact of environmental risks. Whilst the impact of environmental risks is still developing and therefore all possible future outcomes are uncertain, risks known to the Company have been considered in forming judgments, estimates and assumptions and in assessing going concern and viability. These considerations did not have a material impact on the financial statements.

Estimates and judgments

The preparation of the financial statements requires management to make judgments and estimates that affect the application of accounting policies, the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Critical accounting judgments are those judgments, apart from those involving estimations, that have been made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements. Key assumptions and sources of estimation uncertainty are those that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year.

Management considers the following to be the critical accounting judgments and key assumptions and sources of estimation uncertainty:

Critical accounting judgments

Purchase of a bulk annuity policy

During the period, the Trustee of the 4imprint 2016 Pension Plan (the "Plan") exchanged the existing investment portfolio, including a further cash lump sum contribution from the Company, for a bulk purchase annuity policy. This policy funds substantially all the Plan's defined benefit obligations (a buy-in policy). This was an investment decision made in line with the stated objective of further de-risking the Plan's obligations. The Plan retains the legal and constructive obligation to pay the benefits and the Trustee continues to administer the Plan.

Based upon the above, management's judgment was that the purchase of the policy did not constitute a settlement, as defined by IAS 19, and the excess of the cost of the annuity over the IAS 19 valuation of the obligations covered has been recorded in other comprehensive income.

Material accounting policy information

The material accounting policies adopted in the preparation of these financial statements are the same as those adopted in the Group financial statements, except for the investments and amounts due from subsidiary companies policies noted below. These policies have been consistently applied to all the periods presented.

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'.

Amounts due from subsidiary companies

Amounts due from subsidiary companies are assessed for expected credit losses on a general basis under IFRS 9 'Financial Instruments'. Where required, the Company recognises a provision on this basis reflecting either the lifetime or twelve-month expected credit loss dependent on the change in credit risk since initial recognition of the financial asset. The amount of the provision, and any changes, are recognised in the income statement. Amounts due from subsidiary companies are discounted when the time value of money is considered material.

A. Employees

	2023 £m	2022 £m
Wages and salaries	**1.1**	1.0
Social security costs	**0.2**	0.2
Share option charges	**0.1**	0.1
	1.4	1.3

The average number of people employed by the Company during the period was five (2022: four).

B. Pensions

Full details of the Group's employee pension plans are contained in note 6 of the Group financial statements. The amount recognised in the balance sheet represents the net asset in respect of the closed defined benefit pension plan (the "Plan").

The amount recognised in the balance sheet comprises:

	2023 £m	2022 £m
Present value of funded obligations	**(18.4)**	(16.9)
Fair value of the Plan's assets	**18.4**	17.9
Net retirement benefit asset	**–**	1.0

Changes in the present value of the net retirement benefit asset are as follows:

	Present value of obligations £m	Fair value of Plan assets £m	Net asset £m
Balance at 2 January 2022	(28.1)	29.5	1.4
Administration costs paid by the Plan	(0.4)	–	(0.4)
Interest (expense)/income	(0.5)	0.6	0.1
Return on Plan assets (excluding interest income)	–	(13.2)	(13.2)
Remeasurement losses due to changes in experience	(1.0)	–	(1.0)
Remeasurement gains due to changes in financial assumptions	10.6	–	10.6
Contributions by employer	–	3.5	3.5
Benefits paid	2.5	(2.5)	–
Balance at 31 December 2022	(16.9)	17.9	1.0
Administration costs paid by the Plan	**(0.4)**	**–**	**(0.4)**
Interest (expense)/income	**(0.8)**	**1.0**	**0.2**
Return on Plan assets (excluding interest income and impact of buy-in policy)	**–**	**(0.9)**	**(0.9)**
Remeasurement loss on buy-in policy	**–**	**(3.7)**	**(3.7)**
Remeasurement losses due to changes in experience	**(1.5)**	**–**	**(1.5)**
Remeasurement gains due to changes in demographic assumptions	**0.4**	**–**	**0.4**
Remeasurement losses due to changes in financial assumptions	**(0.3)**	**–**	**(0.3)**
Contributions by employer	**–**	**5.2**	**5.2**
Benefits paid	**1.1**	**(1.1)**	**–**
Balance at 30 December 2023	**(18.4)**	**18.4**	**–**

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS CONTINUED

C. Investments

Shares in subsidiary undertakings	2023 £m	2022 £m
At start of period	**105.2**	105.0
Capital contribution repaid by subsidiary undertaking	**(0.9)**	(0.4)
Capital contribution to subsidiary undertaking	**0.7**	0.6
At end of period	**105.0**	105.2

The capital contribution represents IFRS 2 'Share-based Payments' charges in respect of subsidiaries which will not be recharged until the options vest.

Subsidiary undertakings

The subsidiaries at 30 December 2023 are set out below. All subsidiaries are wholly owned and have ordinary share capital only, apart from 4imprint USA Limited which also has preference shares.

Company	Country of incorporation and operation	Business
4imprint, Inc.	USA	Promotional products
4imprint Direct Limited	England	Promotional products
4imprint UK Holdings Limited	England	Holding company
4imprint USA Limited	England	Holding company
4imprint North America Limited	England	Dormant
4imprint US Group Inc.	USA	Holding company
4imprint Limited	England	Dormant
Cavendish Place Newco No.1 Limited	England	Dormant

The dormant companies are exempt from statutory audit. There is no requirement in the USA for statutory audits of the US subsidiaries.

The registered address of all subsidiaries registered in England is 25 Southampton Buildings, London WC2A 1AL, UK. The registered address of 4imprint, Inc. is 101 Commerce Street, Oshkosh, WI 54901, USA and of 4imprint US Group Inc. is 103 Foulk Road, Suite 202, Wilmington, DE 19803, USA.

Impairment review

IAS 36 'Impairment of Assets' requires an assessment at each reporting date of whether there is any indication that an asset may be impaired. The Company's investments in subsidiary undertakings are supported by the cash flows of the US and UK trading entities, being 4imprint, Inc. and 4imprint Direct Limited, respectively.

An assessment of both the US and UK trading entities did not identify any indications of impairment and accordingly, no indicator-based impairment testing has been undertaken. The US trading entity has experienced strong demand levels and resulting financial performance for 2023. Since the full impairment testing undertaken in 2021, the UK trading entity has continued its recovery in demand, exceeding pre-pandemic revenue levels and reporting an operating profit for 2023.

The external environment continues to remain uncertain, manifesting in high interest rates and inflation, and low economic growth. Despite these factors being present, both the US and UK entities have shown the resilient nature of their operations and managed to grow significantly against 2021 and 2022. These external factors are therefore not considered to represent impairment indicators of themselves.

D. Taxation

Income tax credited to other comprehensive income is as follows:

	2023 £m	2022 £m
Current tax relating to post-employment obligations	**1.6**	1.0
Deferred tax relating to components of other comprehensive income	**0.2**	0.4
	1.8	1.4

Movement in deferred tax assets

	Pension £m	Losses £m	Total £m
At 2 January 2022	0.5	–	0.5
Credit to income statement	–	0.3	0.3
(Charge)/credit to other comprehensive income	(0.3)	0.7	0.4
Credit to equity	–	0.1	0.1
At 31 December 2022	0.2	1.1	1.3
Credit to income statement	**0.4**	**0.3**	**0.7**
(Charge)/credit to other comprehensive income	**(0.6)**	**0.8**	**0.2**
Credit to equity	**–**	**0.1**	**0.1**
At 30 December 2023	**–**	**2.3**	**2.3**

Deferred tax at 30 December 2023 has been calculated at a tax rate of 25%. At 31 December 2022, deferred tax was calculated at a tax rate of 19% for items expected to reverse before 1 April 2023 and 25% in respect of items expected to reverse from 1 April 2023.

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS CONTINUED

E. Other receivables

	2023 £m	2022 £m
Trading amounts due from subsidiary companies	**0.5**	0.5
Loans due from subsidiary companies	**251.4**	258.8
Total amount due from subsidiary companies	**251.9**	259.3
Other receivables	**0.1**	0.3
Prepayments and accrued income	**0.2**	0.1
Total other receivables	**252.2**	259.7
Current	**0.8**	0.9
Non-current	**251.4**	258.8

Trading amounts due from subsidiary companies are repayable on demand and are non-interest bearing.

The movements in the loans due from subsidiary companies are as follows:

	£m
At 2 January 2022	244.6
Exchange movement to 7 September 2022	20.8
New $160.0m and £125.9m loans	265.4
Repayment of $160.0m and £125.9m loans on 7 September 2022	(265.4)
Exchange movement between 7 September 2022 and 31 December 2022	(6.6)
At 31 December 2022	258.8
Exchange movement	**(7.4)**
At 30 December 2023	**251.4**

The Company's loans due from and due to subsidiary companies (see note F for details of loans due to subsidiary companies) were refinanced in 2022 on market terms and form part of the wider financing structure of the Group, the purpose of which was to maintain the gearing of the Group's US subgroup at an appropriate level, facilitate the repatriation of cash from the US to the UK, and manage cash flow volatility arising from the taxation of foreign exchange movements.

Loans due from subsidiary companies of £251.4m (2022: £258.8m) include a 5.0% US dollar denominated loan of $160.0m and a 4.0% GBP denominated loan of £125.9m, both of which are repayable on 7 September 2029.

Amounts due from subsidiary companies have been assessed for expected credit losses (ECL) using a common credit loss methodology that incorporates probability of default, loss given default, and exposure at default inputs. No ECL provision is considered necessary on the outstanding amounts (2022: £nil). This reflects either the low credit risk characteristics of the borrower, or the availability of sufficient liquid assets in the borrowing entities to enable them to settle their obligations at short notice.

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

	2023 £m	2022 £m
Sterling	**126.7**	126.8
US dollars	**125.5**	132.9
	252.2	259.7

F. Amounts due to subsidiary companies

	2023 £m	2022 £m
Trading amounts due to subsidiary companies	–	0.7
Loans due to subsidiary companies	**125.5**	132.9
Total amounts due to subsidiary companies	**125.5**	133.6
Current	–	0.7
Non-current	**125.5**	132.9

Trading amounts due to subsidiary companies are repayable on demand and are non-interest bearing.

The movements in the loans due to subsidiary companies are as follows:

	£m
At 2 January 2022	118.7
Exchange movement to 7 September 2022	20.8
New $160.0m loan	139.5
Repayment of $160.0m loans on 7 September 2022	(139.5)
Exchange movement between 7 September 2022 and 31 December 2022	(6.6)
At 31 December 2022	132.9
Exchange movement	**(7.4)**
At 30 December 2023	**125.5**

Loans due to subsidiary companies of £125.5m (2022: £132.9m) comprise a 5.0% US dollar denominated loan of $160.0m, repayable on 7 September 2029.

G. Other payables

	2023 £m	2022 £m
Other payables	**0.1**	0.2
Accruals	**0.6**	0.6
	0.7	0.8

H. Commitments and contingent liabilities

The Company has provided letters of support to its subsidiary companies, 4imprint Direct Limited, 4imprint UK Holdings Limited and 4imprint USA Limited.

The Company has also entered into a Pound Sterling Facility Agreement with one of its subsidiaries, 4imprint Direct Limited, enabling it to borrow up to £1,000,000 from the Company under a revolving credit facility until 10 December 2025. Interest is payable at the UK base rate for Sterling plus 2.0% on any loans drawn under the facility. This facility was undrawn at 30 December 2023.

The Company had no known contingent liabilities at 30 December 2023 (2022: none).

NOTES TO THE COMPANY'S FINANCIAL STATEMENTS CONTINUED

I. Share capital

	2023 £m	2022 £m
Allotted and fully paid		
28,172,530 (2022: 28,085,530) ordinary shares of $38^{6}/_{13}$p each	**10.8**	10.8

The Company issued 87,000 ordinary shares in the period for consideration of £1.8m to satisfy option exercises under the 2021 US Employee Stock Purchase Plan (2022: no shares issued).

Details of the Company's share option schemes, including the options that have been granted and were outstanding at the year-end, are given in note 5 of the Group financial statements.

Employees of the Company had interests in 1,803 SAYE options at 30 December 2023 (2022: nil).

J. Distributable reserves

The profit and loss reserve of £198.6m (2022: £216.6m) includes £129.1m (2022: £129.3m) which is non-distributable.

K. Cash used in operations

	2023 £m	2022 £m
Profit before tax	**75.1**	42.2
Adjustments for:		
Share option charges	**0.1**	0.1
Impairment of loan to subsidiary	**–**	(0.4)
Dividends received	**(72.7)**	(36.4)
Net finance income	**(5.8)**	(8.6)
Defined benefit pension administration costs paid by the Plan	**0.4**	0.4
Contributions to defined benefit pension plan (note B)	**(5.2)**	(3.5)
Changes in working capital:		
Decrease in trade and other receivables	**0.1**	–
(Decrease)/increase in trade and other payables	**(0.1)**	0.4
Movements in amounts due to/from subsidiary undertakings	**(0.7)**	0.5
Cash used in operations	**(8.8)**	(5.3)

L. Related party transactions

During the period the Company has been party to several transactions with fellow subsidiary companies:

	2023 £m	2022 £m
Income statement		
Finance income due from subsidiary companies	**11.4**	17.6
Finance costs due to subsidiary companies	**(6.4)**	(9.1)
Balance sheet		
Interest-bearing loans due from subsidiary companies at end of period	**251.4**	258.8
Interest-bearing loans due to subsidiary companies at end of period	**(125.5)**	(132.9)

Key management compensation, comprising remuneration of the Directors, was:

	2023 £m	2022 £m
Salaries, fees and short-term employee benefits	**1.8**	1.8
Social security costs	**0.1**	0.1
Share option charges	**0.2**	0.1
	2.1	2.0

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

ALTERNATIVE PERFORMANCE MEASURES

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

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

Definitions

Underlying operating profit is operating profit before exceptional items. Exceptional items are defined below. These items may be volatile in magnitude and distort the underlying performance measures of the ongoing business. A reconciliation of underlying operating profit to operating profit is shown in note 1 when applicable.

Underlying operating margin % is underlying operating profit divided by total revenue.

Exceptional items are income or costs that are both material and non-recurring.

Underlying profit before tax is defined as profit before tax excluding exceptional items. When applicable, a reconciliation of profit before tax to underlying profit before tax is shown in note 8.

Underlying profit after tax is defined as profit after tax before exceptional items, net of any related tax charges. When applicable, a reconciliation of profit before tax to underlying profit after tax is shown in note 8.

Underlying earnings per share is defined as underlying profit after tax divided by the weighted average number of shares in issue during the financial year. When applicable, the calculation of underlying EPS is shown in note 8.

Revenue per marketing dollar is the total revenue of the Group divided by the total marketing expense of the Group. This provides a measure of the productivity of the marketing expenditure, which is a cornerstone of the Group's organic revenue growth strategy.

Free cash flow is defined as the movement in cash and cash equivalents and other financial assets – bank deposits, before distributions to Shareholders but including exchange gains/(losses) on cash and cash equivalents. It is a measure of cash available for allocation in line with the Group's capital allocation policy (see page 41):

	2023 $m	2022 $m
Net movement in cash and cash equivalents	**37.5**	11.4
Add back: (Decrease)/increase in current asset investments – bank deposits	**(21.0)**	35.0
Add back: Dividends paid to Shareholders	**110.8**	18.7
Less: Exchange gains/(losses) on cash and cash equivalents	**1.2**	(1.2)
Free cash flow	**128.5**	63.9

Cash conversion is defined as the percentage of underlying operating cash flow to underlying operating profit and is provided as a measure of the efficiency of the Group's business model (pages 18 and 19) to generate cash.

Return on average capital employed is defined as underlying profit before tax divided by the simple average of opening and closing non-current assets, excluding deferred tax and retirement benefit assets, plus net current assets and non-current lease liabilities. This is given to show a relative measure of the Group's efficient use of its capital resources.

Capital expenditure is defined as purchases of property, plant and equipment and intangible assets, net of proceeds from the sale of property, plant and equipment. These numbers are extracted from the cash flows from investing activities shown in the Group cash flow statement.

	2023 $m	2022 $m
Purchase of property, plant and equipment	**(10.0)**	(7.7)
Purchases of intangible assets	**–**	(0.3)
Proceeds from sale of property, plant and equipment	**0.3**	–
Capital expenditure	**(9.7)**	(8.0)

Underlying operating cash flow is defined as cash generated from operations, before pension contributions, less capital expenditure. This reflects the cash flow directly from the ongoing business operations. This is reconciled to IFRS measures as follows:

	2023 $m	2022 $m
Cash generated from operations	**166.9**	97.0
Add back: Contributions to defined benefit pension plan	**6.5**	4.3
Less: Loss on disposal of property, plant and equipment	**–**	(0.1)
Less: Purchases of property, plant and equipment and intangible assets	**(10.0)**	(8.0)
Add: Proceeds from sale of property, plant and equipment	**0.3**	–
Underlying operating cash flow	**163.7**	93.2

Cash and bank deposits is defined as cash and cash equivalents and other financial assets – bank deposits. This measure is used by the Board to understand the true cash position of the Group when determining the potential uses of cash under the balance sheet funding and capital allocation policies. This is reconciled to IFRS measures as follows:

	2023 $m	2022 $m
Other financial assets – bank deposits	**14.0**	35.0
Cash and cash equivalents	**90.5**	51.8
Cash and bank deposits	**104.5**	86.8

FIVE YEAR FINANCIAL RECORD

Income statement

	2023 $m	2022 $m	2021 $m	2020 $m	2019 $m
Revenue	**1,326.5**	1,140.3	787.3	560.0	860.8
Operating profit	**136.2**	102.9	30.6	4.0	53.6
Finance income	**4.7**	1.1	–	0.1	0.8
Finance costs	**(0.4)**	(0.4)	(0.4)	(0.2)	–
Pension finance income/(charge)	**0.2**	0.1	–	(0.1)	(0.4)
Profit before tax	**140.7**	103.7	30.2	3.8	54.0
Taxation	**(34.5)**	(23.6)	(7.6)	(0.7)	(11.3)
Profit for the period	**106.2**	80.1	22.6	3.1	42.7

	Cents	Cents	Cents	Cents	Cents
Basic earnings per ordinary share	**377.9**	285.6	80.5	11.0	152.4
Dividend per share – paid and proposed	**215.0**	360.0	45.0	–	25.0

Balance sheet

	2023 $m	2022 $m	2021 $m	2020 $m	2019 $m
Non-current assets (excluding deferred tax and retirement benefit assets)	**47.6**	44.3	37.4	39.0	27.5
Deferred tax assets	**3.8**	2.4	0.6	4.3	4.3
Retirement benefit asset/(obligation)	**–**	1.2	2.0	(3.3)	(12.3)
Net current assets	**95.6**	105.0	54.8	38.7	44.8
Other liabilities (including lease liabilities)	**(12.5)**	(12.7)	(11.8)	(13.3)	(1.4)
Shareholders' equity	**134.5**	140.2	83.0	65.4	62.9
Cash and bank deposits	**104.5**	86.8	41.6	39.8	41.1

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Printed by a Carbon Neutral Operation (certified: CarbonQuota) under the PAS2060 standard.

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