24 January 2023

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the Company's obligations under Article 17 of MAR.

Accrol Group Holdings plc
("Accrol, the "Group" or the "Company")

HALF YEAR RESULTS
Strong progress across all businesses and products

Accrol (AIM: ACRL), the UK's leading independent tissue converter, announces its unaudited results for the six months ended 31 October 2022 ("H1 23" or the "Period").

Gareth Jenkins, Chief Executive Officer of Accrol, said:

"The Board is pleased to report that the Group performed strongly in H1 FY23, delivering substantial growth in volume, revenue, and profit, as well as further strengthening its market position. The Group continues to demonstrate its resilience against the challenges of input cost inflation, and we successfully leveraged our supply position with customers to recover all additional costs incurred in the Period.

"The Group delivered a notable 14% volume growth in the Period, against an overall market which grew by just 1%. This was achieved by offering the consumer great value products which suit every budget. Our strengthened supply model and established relationships with the retailers will ensure that the Group is well positioned to deliver strong results in difficult market conditions.

"As announced in our trading update on 21 November, adjusted net debt at 31 October 2022 was lower than anticipated at c.£30.5m. This was achieved despite a significant increase in tissue stocks, as the Group continued to manage uncertainty in its supply chains and the effect of strikes at UK ports. This working capital position is unwinding, as we progress through H2 and trading conditions normalise. Adjusted net debt at the full year end remains on track with market forecasts, which were lowered at the time of the trading update to less than 1.5x EBITDA.

"The Group has performed well in H2 to date and is on track to achieve revenue and adjusted EBITDA growth for the year ending 30 April 2023 ("FY23") marginally ahead of expectations at £230m and £15.5m respectively."

Key Financials	***H1 23***	*H1 22*	***Change***
Revenue	**£121.1m**	£73.7m	**64.3%**
Gross margin	**18.0%**	24.7%	**(6.7%)**
Adjusted EBITDA[1]	**£7.1m**	£5.0m	**42.0%**
Adjusted profit before tax[2]	**£3.2m**	£0.5m	**£2.7m**
Loss before tax	**(£0.9m)**	(£3.5m)	**£2.6m**
Adjusted diluted earnings per share	**0.7p**	0.2p	**0.5p**
Diluted loss per share	**(0.2p)**	(0.8p)	**0.6p**
Adjusted net debt[3]	**£30.5m**	£21.6m	**(£8.9m)**

[1] Adjusted EBITDA is defined as profit before finance costs, tax, depreciation, amortisation, separately disclosed items and share based payments.
[2] Adjusted profit before tax is defined as profit before amortisation, separately disclosed items and share based payments.

[3] Adjusted net debt excludes operating type leases recognised on the balance sheet in accordance with IFRS 16.

H1 23 highlights:

- Accrol's market share by volume increased further to 21.5% (FY22: 19.5%), compared to a flat overall UK market
- Private label sector strengthened in the Period with Accrol's volumes continuing to outpace the sector - the Group's share of private label now totals 46% (FY22: 44%)
- Private label volumes ahead of pre-pandemic levels and growing at an unprecedented rate against those of the traditional brands (Q1 FY23: 54% vs Q1 FY22: 50%)
- Strong EBITDA performance of £7.1m, despite considerable inflation driven input cost rises and supply chain issues, which impacted margin in the short term as additional costs were recovered
- Significant price increases implemented in the Period through a supportive retail customer base
- Strong performance from John Dale with a 33% increase in biodegradable wet wipe sales – this business has grown sales from c.£1.5m at acquisition in 2021 to exit FY23 with anticipated sales of c.£6m
- Final investment in automation and capacity concluded in Q1 on time and in budget - major investment programme into the Group's tissue business now completed

People

- Richard Newman, Chief Financial Officer, to step down at the end of April but will stay with the Group until the full year results which are expected by September 2023. He will be succeeded by Chris Welsh, who joined the Group from Ineos Chemicals in October 2022

Current trading and outlook

- Strong volume performance in H2 to date, driven by continued strengthening of private label
- Gross margins expected to continue to improve in H2 and into FY24, as time lag impact on price increases works through - any further input cost increases will be mitigated in the main by new index linked contracts
- Group on track to deliver revenue growth of 50% to c.£230m and Adjusted EBITDA marginally ahead of market expectations in FY23, despite an annualised increase in costs of over £80m

Strategic Review update

The Group has today announced the outcomes of its strategic review, which defines the Group's medium-term ambitions:

- Continued focus on core toilet and kitchen towel business;
- To grow the facial and wet wipes business;
- To develop a licensed business model and grow direct to consumer Oceans brand;
- Build a sustainable paper mill;
- Acquire selectively to strengthen and extend Accrol's product offering; and
- Maximise medium term tangible shareholder returns through a combination of dividends and, potentially, share buybacks.

Dan Wright, Executive Chairman of Accrol, said:

"Over the last four years, Accrol has been transformed as an organisation to one that currently supplies c.21.5% of the UK market's tissue volumes and has considerable further capacity. Our state-of-the-art businesses are in an incredibly strong position to benefit in a private label market, which is growing rapidly and significantly. Our customer base is strong and varied and the ability to pass-on cost increases swiftly has been evidenced in the Group's Half Year Results, also announced today. We look forward with increased confidence, having clearly identified where we can grow the business."

The Strategic Review Outcomes announcement is available on the Company's website: https://www.accrol.co.uk/investors/regulatory-news/.

For further information, please contact:

Accrol Group Holdings plc
Dan Wright, Executive Chairman — Via Belvedere Communications
Gareth Jenkins, Chief Executive Officer
Richard Newman, Chief Financial Officer

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Overview of Accrol

Accrol Group Holdings plc is a leading tissue converter and supplier of toilet tissues, kitchen rolls, facial tissues, and wet wipes to many of the UK's leading discounters and grocery retailers across the UK. Following the recent acquisitions of LTC in Leicester and JD in Flint, North Wales, the Group now operates from six manufacturing sites, including four in Lancashire, which generate volumes totalling c.21.5% of the c£2.5bn UK retail tissue market.

For more information, please visit www.accrol.co.uk.

OPERATIONAL REVIEW

Summary of progress

The Group made strong progress in the Period, successfully navigating the ongoing well-reported macro challenges. Over the last four years, we have built a business with increased scale, operational efficiency, and product diversity, which has enabled sustainable growth in both volume and market share. We are well positioned to benefit from the significant further growth expected from private label and discount retailers, as consumers seek greater value given the ongoing cost-of-living pressures.

Group revenues increased by 64.3% in the Period, when compared to H1 FY22, due to a strengthening in volume demand of 14% and the successful recovery of input price increases from all customers. Our market share in volume terms also increased in the Period to 21.5% (FY22: 19%), in a market that showed an overall increase of 1%.

The success of Accrol's simplified range is demonstrated by this increase in market share and increase in customers, which has grown from c.6% to 21.5% since 2017. No one customer represents more than 20% of total revenue. The Group has also made progress on the development of higher margin, third party licensed brands, which are a part of the Group's mid to long-term growth ambitions for revenue growth in its core toilet and kitchen towel business.

Key performance improvements in the Period included:

- Production increased by 57 million rolls in H1 FY23 compared to H1 FY22;
- Wet wipes sales doubled in the Period and volumes have more than tripled since John Dale was acquired 24 months ago. Sales in FY23 expected to be c.£6m, compared to £1.5m on acquisition;
- Two new lines installed in the Blackburn facial tissue business, which was transferred from the John Dale site, reducing our cost base there and driving increased outputs in Blackburn;
- Automation programme completed with installation of one new line, which went operational in the New Year;
- New warehouse opened in Leyland to improve supply chain efficiency and further reduce inbound costs;
- Attained and retained our Living Wage employer accreditation;
- Relationships with all our key customers strengthened and Accrol's position as the UK's leading private-label supplier consolidated further;
- Successfully delivered major price increases recovering over £80 million in additional costs to the business; and
- Transitioned all toilet roll products to 38mm core, significantly increasing rolls per journey and taking 12% of the Group's lorries off the road.

The market

The Group's markets are covered in detail with a full update in the Strategic Review Outcomes announcement, published today.

People

Engaged, well-trained people are a key part of our business model and sustainability. We have an outstanding team and I would like to thank everyone for their continued hard work and commitment, which has enabled the Group to perform so well in these challenging economic conditions.

Richard Newman, the Group's Chief Financial Officer, has informed the Company of his intention to step down from the Board and his role as Chief Financial Officer ("CFO") at the end of April 2023. He will remain in the business until the FY23 audit process is completed and the FY23 Final Results are released, no later than September 2023.

Richard joined Accrol in early in 2021 with the remit to professionalise and transform the finance function of the Group and has established a finance infrastructure capable of serving a much larger business. Richard has strengthened the finance team through the recruitment of high-quality people and has helped to lead the business through a challenging period of significant cost inflation.

Chris Welsh, Group Financial Controller, who joined Accrol from Ineos Chemicals in October 2022 as part of the Board's succession planning, will step up into the role of Chief Financial Officer from the start of May 2023. Chris is a highly skilled and experienced financial executive, who has held several senior roles at Ineos in the last seven years, latterly as Head of Financial Reporting at its Enterprises Division. Chris is a Chartered Accountant, who qualified with PwC in 2015.

Environmental, Social and Governance ("ESG")

The business has delivered the following key improvements in the last 12 months:

- 15% reduction in tissue waste;
- 15% more rolls per journey, resulting is a 12% reduction in vehicles used;
- Zero waste to landfill;
- 7% less plastic packaging;
- 3% energy reduction;
- 8% reduction in carbon emissions, despite the business growing 14%;
- 22% females in leadership roles up from 6% in 2020;
- Sedex membership;
- All sites BRCGS accredited to A or AA;
- 89% of employees are "proud to work at Accrol"; and
- Living Wage Accredited Employer.

A full update on the Group's progress is available in our second ESG Report, which was published in November 2022. This is available to view on the Group's website: https://www.accrol.co.uk/esg/.

Current Trading and Outlook

The outcomes of the Strategic Review announced today showcase the Group's strengths and the market opportunity. Accrol's main markets, the discount retailers and private label products, continue to grow strongly, driven by the ongoing cost-of-living crisis. The latest industry data is demonstrating a continuation of the consumer shift away from the traditional tissue brands into best value, private label alternatives.

The Group's increasingly strong market position and customer relationships, combined with its plans for a paper mill, mean Accrol is very well positioned to capitalise on this forecast market growth. The business has delivered substantial increases in volumes in the Period, significantly ahead of the wider market, and the Board is increasingly confident that the growth trajectory of the business, as set out in the strategic review, is both attainable and sustainable. The volume growth seen in the first half is expected to continue, following a strong start to H2.

Whilst always mindful of the wider economic uncertainties, the Group's model is robust, and the Board is confident the Group to be on track to deliver results for FY23 marginally ahead of market expectations.

Gareth Jenkins
Chief Executive Officer

FINANCIAL REVIEW

Revenue

Revenue in the Period was £121.1m (H1 22: £73.7m), an increase of £47.4m (64.3%) compared to H1 22. This increase in revenue represents a growth in volume of 14% as demand in the private label market strengthened to above pre-pandemic levels. The Group also successfully delivered significant price increases to demonstrate resilience against the pressures of rising cost price inflation.

Gross profit

Gross profit for the Period was £21.7m (H1 22: £18.2m), an increase of £3.5m (19.2%) compared to H1 22. Gross profit as a percentage of revenue at 18.0% (H1 22: 24.7%) was lower than H1 22, as higher input costs were only partially mitigated by pricing increases in the Period, given the relative time lag of implementing pricing pass throughs with retail customers.

In line with the wider market, the Group continued to experience supply chain disruption around the world and specifically at shipping ports in the UK. The business continues to manage customer supply well; having invested into working capital and secured additional key raw material products to maintain consistent supply.

Adjusted EBITDA

Adjusted EBITDA increased to £7.1m (H1 22: £5.0m), an increase of £2.1m (42.0%), compared to H1 22; largely reflecting the robust gross margin performance. Operating costs remain a key focus of the Group and, despite general price inflationary pressures, have largely remained flat to maintain EBITDA profit margin.

Separately disclosed items

Separately disclosed items totalled £0.5m (H1 22: £0.7m), all of which related to exceptional incremental costs of supply chain disruption, particularly at ports.

Depreciation and amortisation

The total charge for the Period was £5.3m (H1 22: £6.1m), of which £3.1m (H1 22: £2.9m) related to the amortisation of intangible assets.

Share-based payments

The total charge for the Period under IFRS 2 "Share-based payments" was £0.6m (H1 22: £0.6m). This charge related to the awards made under the 2022 Long Term Incentive Plan, that was approved on 5 March 2021.

Operating profit and earnings per share

Net finance costs were £1.6m (H1 22: £1.1m), resulting in a loss before taxation of £0.9m (H1 22: £3.5m). Basic losses per share were 0.2 pence (H1 22: 0.8 pence). Adjusted diluted earnings per share were 0.7 pence (H1 22: 0.2 pence).

Dividends

The Group intends to resume dividend payments, as soon as is practicable, with a prudent and sustainable dividend cover of c.2.5x – 3.5x. In addition, the Group also intends to request from shareholders the authority to buy back its ordinary shares. The Board is mindful of liquidity constraints but sees significant value in the current Accrol equity valuation and seeks the flexibility to act accordingly.

Cashflow

The Group's adjusted net debt was £30.5m (H1 22: £21.6m). The net cash flow from operating activities was £6.1m (H1 22: £0.9m) with the increase reflecting improved operating margins offset by an investment into working capital of £1.0m (H1 22: £3.4m outflow). This net working capital outflow primarily represented an investment into building inventory, securing additional key raw material products to maintain consistent supply during supply chain disruptions at UK ports.

Capital expenditure in the Period was £5.8m (H1 22: £3.5m), which primarily related to the continued automation of production facilities. Lease payments of £3.0m (H1 22: £3.4m) include leases capitalised in accordance with IFRS 16.

Balance Sheet

The Group had net assets of £82.7m (H1 22: £82.7m), as at 31 October 2022. Property, plant and equipment increased reflecting the renewal of property related leases, capitalised in accordance with IFRS16. During the Period, the Group increased its multi-currency factoring facility, used to provide financing for general working capital requirements, from £27.0m to £35.0m to recognise the significant growth in revenue. The Group also maintains a £17.0m revolving credit facility and continues to operate within the associated covenants attached to this facility.

Investment

The final automation of the Leyland site was completed in the Period, notably on time and to budget which, alongside a final machine installation, completed all major investments into the Tissue businesses with only c.£3m investment required in existing machinery per year going forward for general maintenance capital. This now positions the Group well with four state-of-the-art fully automated factories in Blackburn (x2), Leyland and Leicester operating at significantly lower cost levels.

Outlook

The Group is well invested with adjusted net debt on track to be less than 1.5x EBITDA by the current year end (FY22: 3.0x). The Group's margins, which were impacted by the time-lag on price increases, are recovering in H2 FY23 and we are confident that this recovery to continue throughout FY24.

Richard Newman
Chief Financial Officer

Consolidated Interim Income Statement
For six months ended 31 October 2022

Continuing operations	**Note**	**Unaudited Six months ended 31 October 2022 £'000**	Unaudited Six months ended 31 October 2021 £'000	Audited Year ended 30 April 2022 £'000
Revenue	4	**121,072**	73,709	159,450
Cost of sales		**(99,332)**	(55,526)	(123,211)
Gross profit		**21,740**	18,183	36,239
Administration costs		**(13,429)**	(14,480)	(23,687)
Distribution costs		**(7,651)**	(6,083)	(12,778)
Group operating profit/(loss)		**660**	(2,380)	(226)
Finance costs	7	**(1,770)**	(1,198)	(2,522)
Finance income	7	**166**	111	216
Loss before taxation		**(944)**	(3,467)	(2,532)
Tax credit	8	**179**	795	835
Loss for the period attributable to equity shareholders		**(765)**	(2,672)	(1,697)
Loss per share (pence)				
Basic	6	**(0.2)**	(0.8)	(0.5)
Diluted	6	**(0.2)**	(0.8)	(0.5)
Group Operating (loss)/profit		**660**	(2,380)	(226)
Adjusted for:				
Depreciation & Amortisation		**5,348**	6,072	11,351
Share based payments		**565**	638	508
Separately disclosed items	5	**487**	675	(2,577)
Adjusted EBITDA		**7,060**	5,005	9,056

Consolidated Interim Statement of Comprehensive Income
For six months ended 31 October 2022

	Unaudited Six months ended 31 October 2022 £'000	Unaudited Six months ended 31 October 2021 £'000	Audited Year ended 30 April 2022 £'000
Loss for the period attributable to equity shareholders	**(765)**	(2,672)	(1,697)
Total comprehensive expense attributable to equity shareholders	**(765)**	(2,672)	(1,697)

Consolidated Interim Balance Sheet
As at 31 October 2022

	Note	**Unaudited As at 31 October 2022 £'000**	Unaudited As at 31 October 2021 £'000	Audited As at 30 April 2022 £'000
ASSETS				
Non-current assets				
Property, plant and equipment		**87,276**	65,207	77,803
Intangible assets		**56,782**	60,408	58,958
Lease receivables		**4,233**	4,680	4,325
Total non-current assets		**148,291**	130,295	141,086
Current assets				
Inventories		**36,767**	20,787	26,241
Trade and other receivables		**31,868**	24,487	31,592
Lease receivables		**888**	689	703
Derivative financial instruments		**-**	-	805
Cash and cash equivalents		**7,590**	3,074	243
Total current assets		**77,113**	49,037	59,584
Total assets		**225,404**	179,332	200,670
Current liabilities				
Borrowings	9	**(37,886)**	(17,488)	(26,482)
Trade and other payables		**(62,498)**	(39,593)	(52,367)
Financial instruments		**(154)**	(2)	-
Income taxes		**-**	-	(300)
Provisions	10	**-**	(7,327)	(33)
Total current liabilities		**(100,538)**	(64,410)	(79,182)
Total assets less current liabilities		**124,866**	114,922	121,488
Non-current liabilities				
Borrowings	9	**(39,274)**	(29,310)	(35,169)
Deferred tax liabilities		**(2,922)**	(2,886)	(3,100)
Provisions	10	**-**	-	(275)
Total non-current liabilities		**(42,196)**	(32,196)	(38,544)
Total liabilities		**(142,734)**	(96,606)	(117,726)
Net assets		**82,670**	82,726	82,944
Capital and reserves				
Share capital		**319**	319	319
Share premium		**108,782**	108,782	108,782
Capital redemption reserve		**27**	27	27
Retained earnings		**(26,458)**	(26,402)	(26,184)
Total equity shareholders' funds		**82,670**	82,726	82,944

Consolidated Interim Statement of Changes in Equity
For six months ended 31 October 2022

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Retained earnings/ (deficit) £'000	Total £'000
Balance at 30 April 2022 (audited)	**319**	**108,782**	**27**	**(26,184)**	**82,944**
Comprehensive income					
Loss for the period	-	-	-	(765)	(765)
Total comprehensive expense	-	-	-	(765)	(765)
Transactions with owners recognised directly in equity					
Share-based payment (inc. tax)	-	-	-	491	491
Total transactions recognised directly in equity	-	-	-	491	491
Balance at 31 October 2022 (unaudited)	**319**	**108,782**	**27**	**(26,458)**	**82,670**

Consolidated Interim Cash Flow Statement
For six months ended 31 October 2022

	Unaudited Six months ended 31 October 2022 £'000	Unaudited Six months ended 31 October 2021 £'000	Audited Year ended 30 April 2022 £'000
Cash flows from operating activities			
Operating profit/(loss)	**660**	(2,380)	(226)
Adjustment for:			
Depreciation	**2,248**	3,401	5,857
Impairment of property, plant and equipment	**-**	-	965
Amortisation of intangible assets	**3,100**	2,671	5,494
Loss on disposal of property, plant and equipment	**(10)**	-	(296)
Acquisition contingent consideration	**-**	-	(6,277)
Share based payments	**565**	638	508
Operating cash flows before movements in working capital	**6,563**	4,330	6,025
(Increase)/decrease in inventories	**(10,525)**	2,398	(3,056)
(Increase)/decrease in trade and other receivables	**(277)**	1,994	(5,112)
Increase/(decrease) in trade and other payables	**9,944**	(7,688)	5,422
(Decrease)/increase in provisions	**(608)**	6	(934)
Decrease/(increase) in derivatives	**958**	(118)	(925)
Cash generated from operations	**6,055**	922	1,420
Tax received	**-**	15	15
Net cash flows from operating activities	**6,055**	937	1,435
Cash flows from investing activities			
Purchase of property, plant and equipment	**(3,867)**	(2,300)	(4,987)
Proceeds from sale of property, plant and equipment	**10**	-	48
Purchase of intangible assets	**(1,938)**	(1,222)	(3,145)
Receipt of capital element of leases	**536**	334	674
Lease interest received	**166**	111	216
Net cash flows used in investing activities	**(5,093)**	(3,077)	(7,194)
Cash flows from financing activities			
Proceeds of issue of ordinary shares	**-**	8	8
Amounts received from factors	**145,251**	76,284	187,204
Amounts paid to factors	**(142,645)**	(74,391)	(172,436)
New finance leases	**1,691**	1,940	1,939
Repayment of capital element of leases	**(3,039)**	(3,404)	(5,463)
Advance/(repayment) of bank loans	**7,000**	-	(9,000)
Transaction costs of bank facility	**(98)**	-	(115)
Dividends paid	**-**	(1,594)	(1,594)
Interest paid	**(1,775)**	(1,233)	(1,354)
Net cash flows from/(used) in financing activities	**6,385**	(2,390)	**(1,602)**
Net increase/(decrease) in cash and cash equivalents	**7,347**	(4,530)	(7,361)
Cash and cash equivalents at beginning of the period	**243**	7,604	**7,604**
Cash and cash equivalents at period end	**7,590**	3,074	243

The notes below form part of these condensed interim financial statements.

Notes to the Interim Financial Statements
For six months ended 31 October 2022

1. General Information

Accrol Group Holdings plc (the "Company") and its subsidiaries (together "the Group") is incorporated in the United Kingdom with company number 09019496.

The registered address of the Company is the Delta Building, Roman Road, Blackburn, United Kingdom, BB1 2LD.

The Company's shares are quoted on the Alternative Investment Market.

The principal activity of the Company and its subsidiaries (together the 'Group') is soft paper tissue conversion.

The condensed consolidated interim financial information was approved and authorised for issue by a duly appointed and authorised committee of the Board of Directors on 20 January 2023.

This condensed interim financial information has not been audited or reviewed by the Company's auditor.

Forward looking statements

Certain statements in this results announcement are forward looking. The terms "expect", "anticipate", "should be", "will be" and similar expressions identify forward-looking statements. Although the Board of Directors believes that the expectations reflected in these forward-looking statements are reasonable, such statements are subject to a number of risks and uncertainties and events could differ materially from these expressed or implied by these forward-looking statements.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 31 October 2022 should be read in conjunction with the Group's Annual Report and Accounts for the year ended 30 April 2022, prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ('Adopted IFRSs'), IFRIC Interpretations and the Companies Act 2006.

The interim financial statements included in this report are not audited and do not constitute statutory accounts within the meaning of the Companies Act 2006. The Annual Report and accounts for the year ended 30 April 2022 have been filed with Companies House. The Group's auditor, BDO LLP have reported on those accounts and their report was unqualified.

The interim financial statements have been prepared on a going concern basis and on the historical cost convention modified for the revaluation of certain financial instruments.

In assessing the Group's ability to continue as a going concern, the Board has reviewed the Group's cash flow and profit forecasts. The impact of potential risks and related sensitivities to the forecasts were considered, whilst assessing the available mitigating actions.

The Group's performance is dependent on a number of market and macroeconomic factors particularly the sensitivity to the price of parent reels and the sterling/USD exchange rate which are inherently difficult to predict. The Group continues to monitor the impact of the COVID-19 pandemic on performance along with the ongoing disruption of the supply chain, particularly at ports, exacerbated by the national shortage of haulage drivers.

The Board has formed a judgement that there is reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the interim financial statements.

3. Accounting Policies

The accounting policies applied in preparing the unaudited interim financial statements are consistent with those used in preparing the statutory financial statements for the year ended 30 April 2022 as set out in the Group's Annual Report and Accounts.

4. Revenue

The Group has one type of revenue and class of business.

The analysis of geographical area of destination of the Group's revenue is set out below:

	Unaudited Six months ended 31 October 2022 £'000	Unaudited Six months ended 31 October 2021 £'000	Audited Year ended 30 April 2022 £'000
United Kingdom	**114,086**	71,855	149,914
Europe	**6,986**	1,854	9,536
Total	**121,072**	73,709	159,450

5. Separately disclosed items

	Unaudited Six months ended 31 October 2022 £'000	Unaudited Six months ended 31 October 2021 £'000	Audited Year ended 30 April 2022 £'000
Acquisition contingent consideration	**-**	-	(6,277)
Acquisition professional fees	**-**	-	766
Acquisition integration costs	**-**	-	85
Acquisition related items	**-**	-	(5,426)
COVID-19 costs	**-**	43	153
Impairment of property, plant and equipment	**-**	-	965
Accounting policy change	**-**	-	637
Supply chain disruption	**465**	430	696
Other	**22**	202	398
Other items	**487**	675	2,849
Total	**487**	675	(2,577)

Supply chain disruption - £465,000 (31 October 2021: £430,000)
The Group has incurred additional costs primarily in the form of demurrage due to ongoing disruption of the supply chain, particularly at UK ports.

6. Loss per share

The basic loss per share is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted loss per share is calculated by dividing the loss after tax by the weighted average number of shares in issue during the year, adjusted for potentially dilutive shares.

	Unaudited Six months ended 31 October 2022 £'000	Unaudited Six months ended 31 October 2021 £'000	Audited Year ended 30 April 2022 £'000
Loss for the period attributable to shareholders	**(765)**	(2,672)	(1,697)
	Number '000	Number '000	Number '000
Issued ordinary shares at beginning of period	**318,878**	311,355	311,355
Effect of shares issued in the period	**-**	4,088	5,792
Basic weighted average number of shares at end of period	**318,878**	315,443	317,147
Effect of conversion of Accrol Group Holdings plc share options	**-**	-	-
Diluted weighted average number of shares at end of period	**318,878**	315,443	317,147
Basic loss per share (pence)	**(0.2)**	(0.8)	(0.5)
Diluted loss per share (pence)	**(0.2)**	(0.8)	(0.5)

For the periods above, no adjustment has been made to the weighted average number of shares for the purpose of the diluted loss per share calculation as the effect would be anti-dilutive.

7. Finance costs

	Unaudited Six months ended 31 October 2022 £'000	Unaudited Six months ended 31 October 2021 £'000	Audited Year ended 30 April 2022 £'000
Bank loans and overdrafts	**852**	375	791
Lease interest	**820**	521	1,354
Amortisation of finance fees	**98**	106	179
Unwind of discount on provisions	**-**	196	198
Total finance costs	**1,770**	1,198	2,522
Lease interest income	**166**	111	216
Total finance income	**166**	111	216
Net finance costs	**1,604**	1,087	2,306

8. Taxation

The taxation credit recognised is based on management's best estimate of the weighted average annual tax rate expected for the full financial year.

The tax credit for the period has been calculated at an effective rate of 19% (half year ended 31 October 2021: 23%; year ended 30 April 2022: 19%).

9. Borrowings

	Unaudited As at 31 October 2022 £'000	Unaudited As at 31 October 2021 £'000	Audited As at 30 April 2022 £'000
Current			
Bank facility	**9,790**	1,854	2,692
Factoring facility	**21,348**	5,869	18,743
Leases	**6,748**	9,765	5,047
Total current	**37,886**	17,488	26,482
Non-current			
Bank facility	**-**	9,880	-
Leases	**39,274**	19,430	35,169
Total non-current	**39,274**	29,310	35,169
Total current & non-current	**77,160**	46,798	61,651

	Unaudited As at 31 October 2022	Unaudited As at 31 October 2021	Audited As at 30 April 2022
Total borrowings (excluding finance fees)	**77,371**	47,064	61,959
Less: lease receivables	**(5,121)**	(5,369)	(5,028)
Less: cash and cash equivalents	**(7,590)**	(3,074)	(243)
Net debt	**64,660**	38,621	56,688
Less: leases recognised on adoption of IFRS16	**(34,142)**	(17,008)	(29,142)
Adjusted net debt (excl leases recognised on adoption of IFRS16)	**30,518**	21,613	27,546

10. Provisions

	Unaudited Six months ended 31 October 2022 £'000	Unaudited Six months ended 31 October 2021 £'000	Audited Year ended 30 April 2022 £'000	Current £'000	Non-current £'000
Onerous contracts	**-**	172	33	-	-
Contingent consideration	**-**	6,800	-	-	-
Other	**-**	355	275	-	-
Total provisions	**-**	7,327	308	-	-

The contingent consideration relates to the acquisition of Leicester Tissue Company in 2021 which has subsequently been fully resolved.

11. Dividends

The Company did not pay a final dividend for the year ending 30 April 2022 nor does it propose an interim dividend for the period ending 31 October 2022.

12. Non-GAAP measures

Adjusted earnings per share

The adjusted earnings per share is calculated by dividing the adjusted earnings attributable to ordinary equity holder of the parent by the weighted average number of ordinary shares outstanding during the year. The following reflects the income and share data used in the adjusted earnings per share calculation.

	Unaudited Six months ended 31 October 2022 £'000	Unaudited Six months ended 31 October 2021 £'000	Audited Year ended 30 April 2022 £'000
Earnings attributable to shareholders	**(765)**	(2,672)	(1,697)
Adjusted for:			
Amortisation	**3,100**	2,671	5,494
Separately disclosed items	**487**	675	(2,577)
Share based payment	**565**	638	508
Discount unwind on contingent consideration	**-**	192	192
Tax effect of adjustments above	**(954)**	(961)	(832)
Adjusted earnings attributable to shareholders	**2,433**	543	1,088

	Number £'000	Number £'000	Number £'000
Basic weighted average number of shares	**318,878**	315,443	317,147
Dilutive share options	**11,119**	3,152	11,119
Diluted weighted average number of shares	**329,997**	318,595	328,266

	Pence	pence	Pence
Adjusted earnings per share	**0.8**	0.2	0.3
Diluted adjusted earnings per share	**0.7**	0.2	0.3

For the periods above, no adjustment has been made to the weighted average number of shares for the purpose of the diluted earnings per share calculation as the effect would be anti-dilutive.

13. Events after the balance sheet date

There have been no material events after the balance sheet date.