FOCUSING ON PROTECTION

Paul McDonald, Chief Executive Officer:

"2020 has been a year of both significant strategic evolution and strong organic execution for Avon Rubber. We have again delivered strong results ahead of expectations and continued to make significant steps transforming the business into a leading provider of life critical personal protection products.

We have consistently delivered on our strategy to invest in expanding our product portfolio to meet more of the protection needs of our customers. This has enabled us to build a broader and more visible long-term contract portfolio to position the business to deliver further growth in 2021 and beyond.

Throughout the unprecedented COVID-19 pandemic we have continued to prioritise the safety and wellbeing of our people. It is thanks to their dedication and resilience that we have been able to support our customers, maintain our operations and deliver these strategic milestones and strong results."

	30 Sept 2020	30 Sept 2019 (Restated)[2]	% Change	Organic Constant Currency % Change
Orders received	**£160.8m**	£129.8m	23.9%	4.5%
Closing order book	**£79.8m**	£36.7m	117.4%	19.3%
Revenue	**£168.0m**	£128.4m	30.8%	0.1%
Adjusted[1] operating profit	**£30.2m**	£22.6m	33.6%	8.9%
Adjusted[1] profit before tax	**£28.2m**	£22.2m	27.0%	8.8%
Adjusted[1] basic earnings per share	**76.5p**	67.2p	13.8%	(2.9%)
Dividend per share	**27.08p**	20.83p	30.0%	30.0%
Net cash	**£93.2m**	£35.4m		
Statutory results				
Operating profit	**£5.9m**	£9.9m		
Profit before tax	**£0.5m**	£8.7m		
Basic earnings per share	**447.4p**	46.2p		
Diluted basic earnings per share	**441.3p**	45.8p		

Strategic and operational highlights

- Transformation into a leading global provider of life critical personal protection systems:
  - Acquisition of 3M's ballistic helmets and armor business ("Helmets & Armor") completed on 2 January 2020, integration progressing as planned and remains on track to deliver $5m of targeted synergies
  - Divestment of milkrite | InterPuls on 25 September 2020 created a focused protection business and further strengthened the balance sheet providing capacity for future growth
  - Acquisition of Team Wendy creating a global leader in helmets, helmet liners and retention systems completed post year end on 2 November 2020
- The business has continued to operate with only minor disruption throughout the year, despite the unprecedented challenge of COVID-19, thanks to the dedication and resilience of our employees

- Organic revenue growth reflects strong First Responder performance with Law Enforcement growth more than offsetting our exit from the Fire Self-Contained Breathing Apparatus ("SCBA") market
- Continued contract momentum underpinning medium term revenue outlook:
    - Medium term contracts worth up to $177m secured to supply the U.S. Department of Defense ("DOD") with the M50 mask system, M61 filters, spare parts and accessories
    - 10-year NATO Support & Procurement Agency contract to supply FM50 mask systems, powered and supplied air systems, filters, spare parts and accessories
    - $93m next generation Integrated Head Protection System ("IHPS") ballistic helmet sole source contract secured with the U.S. DOD
    - Next generation The Vital Torso Protection X-Side Ballistic Insert ("VTP XSBI") body armor four-year $265m dual source contract secured with the U.S. DOD
    - Three-year legacy Enhanced Small Arms Protective Inserts ("ESAPI") body armor sole source contract with a value of up to $333m secured with the U.S. DOD

Financial highlights

- Strong financial delivery and position:
    - Revenue growth of 30.8%, comprising 0.1% organic constant currency growth, with a 31.7% contribution from the Helmets & Armor acquisition and a 1.0% currency headwind
    - Adjusted EBITDA margin of 22.9%, up 140bps on an organic constant currency basis, with a strong uplift in respiratory protection driven by improved product mix
    - Organic constant currency adjusted operating profit growth of 8.9%
    - Adjusted operating profit up 33.6% reflecting the benefits of strong organic trading performance and the Helmets & Armor acquisition and adjusted earnings per share up 13.8%
    - Reported operating profit and basic earnings per share includes £6.5m of amortisation of acquired intangibles and £17.8m of exceptional costs related to the acquisition of Helmets & Armor and Team Wendy
    - Reported basic earnings per share of 447.4p reflects the results of milkrite | InterPuls and gain arising from the divestment
- Strong cash conversion and balance sheet
    - Cash conversion of 84.9%, with organic cash conversion excluding Helmets & Armor of 123.3%
    - Net cash of £93.2m, following completion of the Helmets & Armor acquisition and divestment of milkrite | InterPuls, includes offsetting lease liabilities of £22.8m
    - New $200m medium term bank facility provides financing flexibility and capacity for further strategic investment
- Final dividend per share of 18.06p, up 30.0%, resulting in full year total dividend of 27.08p, also up 30.0%

Outlook

- Focused life critical personal protection business with leading positions in respiratory and ballistic protection
- Medium term outlook underpinned by multi-year Military contracts across the portfolio
- Strong opening order book of $101.7m (£79.8m) provides excellent visibility and confidence for 2021
- Strong pipeline of Rest of World opportunities with first orders and deliveries expected under the new 10-year NATO Support & Procurement Agency contract
- First Responder momentum expected to continue into 2021
- Team Wendy acquisition completed on 2 November 2020 to further accelerate growth
- Net cash position and strong balance sheet provide capacity to deliver our growth strategy and make further value enhancing acquisitions over the medium-term
- Mindful of continued risks presented by COVID-19. Excellent operational response in 2020 provides confidence that any challenges can be successfully navigated
- Group well positioned to deliver further success in 2021 and beyond

Notes:

[1] The Directors believe that adjusted measures provide a more useful comparison of business trends and performance. Adjusted results exclude exceptional items, costs associated with acquisitions, defined benefit pension scheme costs, the amortisation of acquired intangibles and discontinued operations. The term adjusted is not defined under IFRS and may not be comparable with similarly titled measures used by other companies.

[2] 2019 has been restated to reflect the continuing operations of the Group following the divestment of milkrite | InterPuls on 25 September 2020, to reflect the impact of adopting IFRS 16 Lease accounting which came into effect on 1 October 2019 and to reflect the impact of the Barber pension equalisation adjustment.

For further enquiries, please contact:

Avon Rubber p.l.c.

Paul McDonald, Chief Executive Officer	+44 1225 896 848
Nick Keveth, Chief Financial Officer	
Ryan Mahoney, Deputy Chief Financial Officer	

MHP Communications

Andrew Jaques	+44 7710 032 657
Charlie Barker	avonrubber@mhpc.com
Pete Lambie	
Ailsa Prestige	

Analyst and investor webcast

Paul McDonald, Chief Executive Officer and Nick Keveth, Chief Financial Officer, will host a webcast for analysts and investors at 9.00am this morning.

The webcast will be broadcast live at https://webcasting.brrmedia.co.uk/broadcast/5f8d6ca6c4d0076f2b940db5

Dial in: +44 330 336 9411

PIN: 2406278

A copy of the presentation for the webcast will be uploaded to www.avon-rubber.com at 8:30am this morning.

Legal Entity Identifier: 213800JM1AN62REBWA71

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation ("MAR") EU no.596/2014. Upon the publication of this announcement via Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

Note to editors:

Avon Rubber is listed on the London Stock Exchange (LSE: AVON) and is a constituent of the FTSE 250 Index.

Avon Rubber is an innovative technology group, which designs and produces life critical personal protection systems to maximise the performance and capabilities of its customers, with leading positions in the respiratory and ballistic protection markets for the world's militaries and first responders.

For further information, please visit our website: www.avon-rubber.com.

CHIEF EXECUTIVE OFFICER'S REVIEW

I am delighted to report another year of significant progress for Avon Rubber. The consistent execution of our strategy has transformed the group into a focused provider of life critical personal protection systems with leading positions in respiratory and ballistic protection for the world's militaries and first responders.

Our strategy has focused on sustainable growth through diversifying the revenue we generate by delivering more products to our existing customers, as well as broadening our global customer base.

Organically we have continued to focus on maximising sales from our current product portfolio and actively developing next generation technologies to enhance our products and systems to better protect our customers from life critical risks. During 2020 we have secured new multi-year sustainment contracts to supply the U.S. DOD with the M50 mask system, M61 filters and associated spares and accessories, and we further broadened our respiratory protection customer base through a 10-year contract with the NATO Support and Procurement Agency to supply FM50 mask systems, powered and supplied air systems, filters, spares and accessories. We have also delivered a strong year in First Responder following increased demand for respiratory protection related to COVID-19.

To complement our organic growth, we have continued to target carefully selected, value enhancing acquisitions. The acquisition of Helmets & Armor, which we completed in January, was a milestone acquisition for Avon Rubber and has significantly expanded our portfolio through the addition of ballistic helmets and armor. The business has made excellent progress since completion, securing multi-year contracts with the U.S. DOD for next generation ballistic helmets and body armor, as well as the ongoing supply of legacy body armor products. The integration of this business continues to progress well and is on track for completion by the end of 2020.

The divestment of milkrite | InterPuls at the end of the financial year was a natural but important step in our strategic development, focusing the group on our Avon Protection business and providing funding capacity for future M&A.

The acquisition of Team Wendy on 2 November 2020 represents another important strategic step for the group, creating a global leader in helmets. The combination of Team Wendy, a leading provider of helmets, helmet liners and retention systems for military and first responder markets, with Helmets & Armor provides increased growth opportunities from a broader product range and enhanced helmet customer base globally.

Throughout the unprecedented COVID-19 pandemic we have continued to prioritise the safety and wellbeing of our people. It is thanks to their dedication and resilience that we have been able to operate with only minor disruption throughout the year.

I am delighted with the significant strategic progress we have made this year, repositioning the business as a leading provider of life critical personal protection to military and first responder markets. Our strategic actions are delivering a broader range of opportunities and adding value for both our existing and new customers, as well as our people and our shareholders. All of which leaves us well positioned to deliver further growth in 2021 and beyond.

STRATEGY

Our strategy is based upon creating shareholder value through three key elements:

- Growing the core by maximising organic revenue growth from within the current product portfolio and improving our operational efficiency;
- Pursuing selective product development to maintain our innovative leadership position; and
- Targeting value enhancing acquisitions to complement our existing business and further accelerate growth.

GROWING THE CORE

Expanding our Military product portfolio and customer base

Strong Military order momentum in the year has been delivered through the strategic focus on our core Military markets with both the U.S. DOD and our Rest of World customers. Our ability to consistently deliver strong results reflects our innovation and technology leadership position. As a result, we continue to add to our contract pipeline by securing new long-term contracts with both the U.S. DOD and our Rest of World customers which provides us with significant visibility over revenues and earnings together with a diversified platform from which to deliver sustainable growth over the medium term.

The landmark $340m five-year contract awards in 2019 for the M69 aircrew mask and the M53A1 mask and powered air system confirmed our position as the sole source provider of General Purpose Masks, Tactical Masks, Powered Air Systems and Tactical SCBA across the entire U.S. DOD. We have followed the first orders and deliveries last year with receipt of the second order for $21.2m in February 2020 under the M69 contract and have good visibility of the next order under this contract which is expected in the first half of 2021.

The M53A1 contract is to supply all branches of the U.S. DOD and other national and federal agencies with the M53A1 tactical mask, the MP-PAPR powered air system, the ST54 self-contained breathing apparatus and other spares and accessories. As expected, during the year we have received multiple follow-on orders under this contract and the diversity of the customer order profile is demonstrating the reach of our portfolio across this broader and increasingly visible customer base.

We secured two multi-year sustainment contracts during 2020 worth up to $177m to continue supplying the U.S. DOD with the M50 mask system, M61 filter and related spares and accessories. These two awards highlight the benefit of the installed base of over two million M50 mask systems which continues to support strong sustainable revenues from original mask sales and the associated consumable products of filters, spares and accessories.

Alongside the diversified and growing order pipeline with the U.S. DOD, we have seen continued success with the broader respiratory portfolio in meeting a wider range of needs for our Rest of World customers. We continue to leverage our technology leadership position to attract growth from new and existing Rest of World customers and as a result continue to build a strong pipeline of customers for our respiratory protection products. We were delighted to announce a new 10-year framework contract with the NATO Support and Procurement Agency which provides a purchasing route for NATO and NATO affiliated nations to purchase from across our broad respiratory portfolio with the FM50 mask system, powered and supplied air systems and the full suite of spares and accessories included in the contract vehicle.

We have also successfully re-established our relationship with the U.K. Ministry of Defence ("U.K. MOD"). Following the success of our customer acceptance testing of the U.K. General Service Respirator ("U.K. GSR"), we moved into full production during the year. We are excited about the longer-term future of this relationship with the U.K. MOD and our demonstrable progress building our contract pipeline with our Rest of World customers.

Growing our First Responder business

The First Responder line of business has delivered an excellent year and has benefitted from the increased demand related to COVID-19, which offset our exit from the Fire SCBA market and increased margins. We have seen a strong increase in demand in the U.S. for both original mask equipment and for replacement filters, accessories and spares, across the second half of the year and into the new financial year.

Continuous focus on operational efficiency

Ensuring we deliver maximum operational efficiency alongside focusing on maintaining excellent customer service is an ongoing strategic focus across our global operations.

As we continue to expand our personal protection product portfolio and deliver ever more technical solutions for our Military and First Responder customers, we are focused on ensuring that we maintain high productivity and efficiency levels whilst being able to meet all of our customers' requirements. Maintaining our excellent product quality and reliability across our product range is critical to the success of our business given we operate in life critical personal protection products.

The acquisition of Helmets & Armor added three well invested manufacturing facilities to operate alongside our existing manufacturing footprint. In order to continue focusing on operational efficiency and to drive a common set of process across all locations we have brought all of our manufacturing and supply chain activities together into an integrated global operations team under the leadership of Keyana Hughes who has joined the Group's Executive Leadership team. Keyana joined the Group as part of the Helmets & Armor acquisition and brings extensive manufacturing experience which will support us in maximising the operational efficiency of our global operations.

SELECTIVE PRODUCT DEVELOPMENT

Continued investment to maintain our innovative technology leadership position

We have continued to invest in the year to maintain our innovative technology leadership position across our existing portfolio as well as focusing on developing the next generation of new products that will deliver future growth for the business. We continue to ensure our development pipeline is designed in partnership with our customers to ensure that their exacting performance requirements are met whilst ensuring we have a committed and commercial route to market to maximise our return on investment.

During the year we have made a significant investment in our respiratory protection portfolio through the next generation of supplied air products and the next generation hoods programme, continuing to develop our filter technology and ramping up production on the U.K. GSR and MCM100, following a full dive test with the U.S. Navy. In our ballistic protection portfolio development expenditure has been focused on continuing the investment in our next generation IHPS and VTP body armor programmes ahead of the expected first deliveries in 2021.

In 2020, we invested a total of £9.0m (2019: £7.3m), representing 5.4% of revenue (2019: 5.7%), in research and development. We expect to continue to invest at this level over the medium term, reflecting our confidence in our expanded research and development capability to innovate across our broader personal protection portfolio to meet more of the integrated future technical needs of our customers for the benefit of further revenue and profit growth.

VALUE ENHANCING ACQUISITIONS

Milestone acquisition of Helmets & Armor

The acquisition of Helmets & Armor in January 2020 was an important strategic step, enhancing the growth prospects for Avon Protection. The Helmets & Armor business is high-quality, with a strong management team, backed by leading proprietary technology, established contract platforms and well invested manufacturing operations.

Our initial focus in 2020 has been on the smooth transition to Avon Protection ownership and maintaining business continuity. This has included ongoing fulfilment of the Integrated Head Protection System ("IHPS") Low Rate Initial Production contract, completion of the Vital Torso Protection Low Rate Initial Production body armor contract and securing follow on contracts of these next generation helmets and body armor systems.

Since completion the business has secured three very significant long-term body armor and helmet contracts with the U.S. DOD.

- The Next Generation Integrated Head Protection System ("NG IHPS") ballistic helmet contract, part of the U.S. Army's Soldier Protection System, is a sole source contract with a maximum value of $93m. This new contract award will follow on from the existing low-rate initial production contract for the IHPS which is due to end in 2021.
- The Vital Torso Protection X-Side Ballistic Insert ("VTP XSBI") body armor framework contract, which is part of the U.S. Army's Soldier Protection System, is a dual source contract and has a maximum value of $265m, over a four-year duration. This adds to the multi-source four-year framework contract with a maximum value of $704m awarded in 2019 to supply Enhanced Small Arms Protective Insert ("VTP ESAPI") and X-Small Arms Protective Insert ("VTP XSAPI"). Deliveries under both contracts are expected to commence in the second half of our new financial year following completion of first article testing.
- The Enhanced Small Arms Protective Inserts ("ESAPI") body armor framework contract is an award to supply the Defense Logistics Agency ("DLA") with legacy body armor inserts to support existing operational requirements during the transition to the next generation VTP body armor. The ESAPI contract was a competitively tendered award which has a maximum value of $333m over a maximum three-and-a-half-year duration. The first order, worth $20m, was received in March 2020, with deliveries expected to commence in our 2021 financial year following completion of first article testing.

Having secured a smooth transition to Avon Protection ownership and maintained business continuity, we have continued to make significant progress integrating Helmets & Armor into Avon Protection. Our first priority was on the back office support functions across IT, Finance and HR to ensure business continuity. We established a project plan to align the IT systems and system architecture with Avon Protection and have also embedded support into Helmets & Armor across Finance and HR functions. This project is on track to complete in December ahead of the expiry of the transitional service arrangements with 3M at the end of the calendar year.

As reported at the half year, we migrated our existing Helmets & Armor First Responder customers to Avon Protection in the Spring to provide those customers with a single point of contact. In July we officially launched our helmet product range to all our North American First Responder customers. We are pleased with the initial progress achieved and the pipeline of opportunities secured following this launch.

In the second half we combined the manufacturing and supply chain operations of the business across our global footprint under the leadership of a single integrated global operations team. Our global operations will drive standard ways of working, processes and systems across the footprint to drive operational efficiency, product quality and customer service.

In the first quarter of the new financial year we have completed the operational integration of Helmets & Armor into Avon Protection by combining responsibility for the Helmets & Armor Military customers into our Military line of business.

Following completion of the integration with Avon Protection, from the start of our 2021 financial year we will no longer report Helmets & Armor as a separate line of business, we will instead include the results of the business within our Military and First Responder lines of business.

As a result of the progress we have made in integrating Helmets & Armor, we are on track to deliver in 2021 the $5m of annualised cost synergies identified at the time of the acquisition and see the potential for further operational efficiencies and revenue synergies to be realised over the long-term.

Divestment of milkrite | InterPuls supporting strategic focus on Avon Protection

On the 25 September 2020 we completed the divestment of milkrite | InterPuls for a cash consideration of £178.5m after customary closing adjustments. This transaction represents an important step in the strategic development of Avon Rubber. milkrite | InterPuls had been an important part of the growth of the Group over many years but having achieved our valuation expectations for the business we believed that it was the right time to divest the business and use the proceeds to provide additional capacity for investment in the Avon Protection business.

Acquisition of Team Wendy creating a global leader in helmets

We completed the acquisition of Team Wendy on 2 November 2020, marking another important strategic step in the development of Avon Protection as a leading provider of life critical personal protection systems to Military and First Responder customers. Consistent with the wider Avon Protection model, Team Wendy is a high-quality business, backed by leading proprietary technology, an existing diversified customer base and with strong R&D development capabilities which will enhance the pipeline of opportunities and accelerate the growth of the Group.

Team Wendy is a leading supplier of helmets and helmet liner and retention systems for Military and First Responder markets. Combining Team Wendy with our existing Helmets & Armor business will create a global leader in Military and First Responder helmets with a broader product portfolio and stronger capabilities and routes to market.

Team Wendy adds leading helmet liner and retention systems used by the U.S. DOD and established positions in Rest of World military and first responder helmet markets to our existing Helmet & Armor business which is focused in next generation ballistic helmets and body armor for the U.S. DOD. The enlarged helmet business will be better positioned for investment in next generation products and establishes a broader platform into which other technologies can be incorporated. The enlarged helmet business will also have better scale and an enhanced route to market, with Team Wendy's complementary customer base and well-established global footprint expected to provide significant business development opportunities over the medium term.

Given the complementary nature of Team Wendy to our existing helmets business, Team Wendy will continue to operate from its Cleveland, Ohio base on a stand-alone basis. Team Wendy will continue to be led by Jose Rizo-Patron alongside his existing strong management team. Following completion Jose has joined the Group's Executive Leadership team.

Well positioned to pursue further acquisitions

The successful integration of Helmets & Armor and the recent acquisition of Team Wendy illustrate the potential for the Group to leverage its leading market position, deeply embedded customer relationships and innovation capability across a broadening range of life critical protective equipment. The Group's customers are faced with evolving threats and operational challenges that increasingly require integrated and technology enabled solutions and Avon Protection, as the market leader in respiratory and ballistic protection, is ideally placed to act as both a technology innovator and integrator. As such, there remains significant scope to extend our capability into adjacent product areas and we believe that further value enhancing acquisition opportunities will be actionable to supplement our continued organic growth over the medium-term. Following the acquisition of Team Wendy we will retain a strong balance sheet, with a small net cash position. The Group recently entered a medium-term bank facility of $200m, which means we are well positioned to pursue other potential acquisitions that meet our criteria over the medium-term.

OUTLOOK

The consistent execution of our strategy has transformed the group into a focused provider of life critical personal protection systems with leading positions in respiratory and ballistic protection for the world's militaries and first responders.

Our medium-term outlook is underpinned by multi-year military contracts across the product portfolio. Together with a strong opening order book of $101.7m (£79.8m) and continuing strong demand from First Responder customers, these contracts provide excellent visibility as we enter the new financial year. We are well positioned to deliver further organic growth in 2021 and beyond.

The 2021 financial year will also benefit from a full year contribution from Helmets & Armor, versus the 9 months contribution in 2020. We expect revenues from helmet and armor products to continue at the current level in the first half of the year, with growth in the second half driven by deliveries under the new U.S. DOD body armor contracts following completion of first article testing.

Following the acquisition of Team Wendy, our 2021 financial year will benefit from 11 months of contribution. We expect Team Wendy to grow revenue in line with our investor proposition of 3%+ per annum in 2021.

We will continue to monitor the impact of COVID-19 on our business and to prioritise the safety and wellbeing of our employees and their families. Whilst the operating environment of COVID-19 remains challenging, customer demand for our products remains robust and we have continued to operate with only minor disruption to date. We will continue to closely manage our supplier base to ensure the continued delivery of our customers' ongoing requirements.

We have transformed the business over the last three years and positioned it for future growth through our consistent focus on delivering against our strategic priorities of growing the core, selective product development and value enhancing acquisitions. This leaves us well positioned to deliver further progress in 2021 and beyond.

FINANCIAL REVIEW

We have delivered a strong financial performance during the year benefitting from both organic growth and the acquisition of Helmets & Armor. Revenue and adjusted operating profit grew by 30.8% and 33.6% respectively; an increase of 0.1% and 8.9% on an organic continuing operations basis.

	2020	2019 (Restated)[1]	% Change	**% Change at organic constant currency**
Orders received	**£160.8m**	£129.8m	23.9%	**4.5%**
Closing order book	**£79.8m**	£36.7m	117.4%	**19.3%**
Revenue	**£168.0m**	£128.4m	30.8%	**0.1%**
Adjusted EBITDA	**£38.4m**	£28.4m	35.2%	**6.8%**
Adjusted EBITDA margin	**22.9%**	22.1%	0.8%	**1.4%**
Adjusted operating profit	**£30.2m**	£22.6m	33.6%	**8.9%**
Operating profit	**£5.9m**	£9.9m	-	**-**
Adjusted profit after tax	**£23.4m**	£20.5m	14.1%	**(2.8%)**
Profit after tax	**£1.6m**	£10.2m	-	**-**
Adjusted basic earnings per share	**76.5p**	67.2p	13.8%	**(2.9%)**
Basic earnings per share	**447.4p**	46.2p	-	**-**

[1]2019 has been restated to reflect the continuing operations of the Group following the divestment of milkrite | InterPuls on 25 September 2020 and to reflect the impact of adopting IFRS 16 Lease accounting which came into effect on 1 October 2019.

Orders received of £160.8m (2019: £129.8m) supported an increase in revenue to £168.0m (2019: £128.4m) reflecting the benefit of the inclusion of 9 months of performance from Helmets & Armor. On an organic constant currency basis, revenue grew by 0.1% with Military revenue reducing by 3.6% given the strong comparator in 2019, offset by First Responder which grew strongly by 7.7% notwithstanding our exit from the Fire SCBA market.

Our adjusted EBITDA margin of 22.9% (2019: 22.1%), increased by 1.4% on an organic constant currency basis excluding the impact of Helmets & Armor. This primarily reflected the benefits of the commercial pricing of the new M50 and M53A1 DOD contracts and the strong performance from higher margin First Responder revenues. Adjusted EBITDA was £38.4m (2019: £28.4m); eliminating the effect of the Helmets & Armor acquisition and currency movements organic adjusted EBITDA grew by 6.8%.

Adjusted operating profit grew very strongly to £30.2m (2019: £22.6m). Eliminating the small benefit of currency movements and the Helmets & Armor acquisition, adjusted operating profit grew by 8.9% on a constant currency basis.

Reported operating profit of £5.9m (2019: £9.9m) reflects £6.5m (2019: £0.9m) of amortisation of acquired intangibles, an increase of £5.6m following the acquisition of Helmets & Armor, and exceptional costs of £17.8m (2019: £11.8m). In 2020, the exceptional costs related to the acquisition of Helmets & Armor and Team Wendy including acquisition costs of £9.6m, transition costs of £2.3m and acquisition accounting adjustments of £5.9m to account for acquired inventory at our underlying cost. In 2019, the exceptional costs included acquisition costs of £2.9m, a charge to equalise the pension benefits for men and women and past service costs of £3.5m and the one-off costs of £5.4m relating to our exit from the Fire SCBA market.

After an adjusted tax charge of £4.8m (2019: £1.7m), the Group recorded an adjusted profit for the period after tax of £23.4m (2019: £20.5m). The strong growth in adjusted operating profit more than offset the increased adjusted tax rate of 17% (2019: 8%), which has increased following the Helmets & Armor acquisition due to the greater proportion of U.S. profits and the prior period benefiting from the resolution of a number of uncertain tax provisions. Adjusted basic earnings per share increased by 13.8% to 76.5p (2019: 67.2p).

On a reported basis, the profit before tax was £0.5m (2019: £8.7m) and, after a tax credit of £1.1m (2019: £1.5m), profit for the period was £1.6m (2019: £10.2m). Basic earnings per share from continuing operations were 5.2p (2019: 33.4p), with basic earnings per share including discontinued operations of 447.4p (2019: 46.2p), benefiting from the proceeds from the divestment of milkrite | InterPuls.

Cash from continuing operations was £32.6m (2019: £18.4m) benefiting from the receipt of cash relating to the 2019 $16.6m Rest of World Military mask system contract which offset a Helmets & Armor working capital out flow due to the timing of receipts from 3M under the terms of the transitional service agreement. Operating cash conversion from adjusted EBITDA increased to 84.9% (2019: 64.8%) and excluding Helmets & Armor cash conversion was 123.3%.

REVENUE

	2020 £m	2019 £m
Military	**82.8**	87.2
Helmets & Armor	**40.8**	-
First Responder	**44.4**	41.2
Total	**168.0**	128.4

Military

Military revenue of £82.8m (2019: £87.2m) was down 3.6% at constant currency given the strong comparator in 2019. Order in-take of £88.5m (2019: £83.9m) was up 5.5% on a constant currency basis, contributing to a strong closing order book of £36.8m (2019: £29.4m) which gives us excellent visibility as we enter 2021.

U.S. DOD revenue totalled £58.9m versus £54.8m in 2019, reflecting the diversification of the respiratory protection portfolio with the benefit of a full year of deliveries of the M69 aircrew masks and M53A1 mask and powered air system products. This was offset, as expected, by lower volumes of the M50 mask system with first deliveries under the new sustainment contract. Volumes of M50 mask system spares and accessories grew in the year, highlighting the importance of the installed base of 2 million M50 mask systems in generating sustainable revenues. As a result, U.S. DOD spares and development costs revenue increased to £24.8m (2019: £12.2m).

Rest of World Military revenues of £23.9m (2019: £32.4m) declined as a result of the inclusion in 2019 of the $16.6m Rest of World mask system contract. During the year we have made excellent progress in delivering a more sustainable Rest of World Military business with a more visible contract pipeline. We delivered the first orders under the five-year UK General Service Respirator contract and secured a 10-year framework contract with the NATO Support and Procurement Agency to supply our FM50 mask system, together with filters, spares and accessories with the first deliveries under this contract expected in our 2021 financial year.

Helmets & Armor

We completed the acquisition of Helmets & Armor on 2 January 2020, so the performance this year includes the first nine months of our ownership. Over the period we have benefitted from revenue of £40.8m, being £38.4m from Military customers and £2.4m from First Responder. Military revenues comprise ongoing deliveries to the U.S. DOD of the IHPS helmet, completion of the low rate production volumes for VTP ESAPI body armor, as well as sales of flat armor to original equipment manufacturers of rotary wing aircraft.

Helmets & Armor delivered an EBITDA margin of 17.9% reflecting the initial cost synergy delivery. This resulted in an adjusted operating profit contribution of £5.1m.

We have made good progress integrating the Helmets & Armor business into Avon Protection and we remain on track to deliver the full targeted synergies of $5m in our 2021 financial year. The one-off costs expected to be incurred to complete the integration of $12.7m, are ahead of our initial estimates of $10m due to additional resources and costs required to deliver the back office integration during the COVID-19 pandemic. Going forward, we see the potential for further operational efficiencies and revenue synergies to be realised over the long-term.

First Responder

The First Responder business had an exceptional year with revenues increasing by 7.8% on a constant currency basis to £44.4m (2019: £41.2m), with increased demand related to COVID-19 having more than offset the prior year Fire SCBA revenues. Excluding the impact of our exit from the Fire SCBA market, underlying revenue increased by 23.0% on a constant currency basis.

We have seen a strong increase in demand from first responders for both original mask equipment and for replacement filters, accessories and spares, across the second half of the year, as a result of the COVID-19 pandemic. This momentum has resulted in a strong opening order book of £5.5m which gives us a confident outlook into the next financial year. We have continued to see strong demand in the new financial year from First Responders for both original equipment and importantly for spares and accessories.

RESEARCH AND DEVELOPMENT EXPENDITURE

We continue to invest for the future and our total investment in research and development (capitalised and expensed) amounted to £9.0m (2019: £7.3m) as shown below. Total research and development as a percentage of revenue was 5.4% (2019: 5.7%).

	2020 **£m**	2019[1] £m
Total expenditure	**9.0**	7.3
Less customer funded	**(2.2)**	(2.5)
Group expenditure	**6.8**	4.8
Capitalised	**(5.1)**	(3.2)
Income statement impact of current year expenditure	**1.7**	1.6
Amortisation	**2.8**	3.0
Total income statement impact before exceptionals	**4.5**	4.6
Revenue	**168.0**	128.4
R&D spend as % of revenue	**5.4%**	5.7%

[1]2019 has been restated to reflect the continuing operations of the Group following the divestment of milkrite | InterPuls on 25 September 2020.

In the respiratory protection product portfolio, the most significant investments have been in the development of our next generation of supplied air and escape hoods products, further development of our filter technology, ramping up production on the U.K. GSR programme and ongoing improvements in the capabilities of the MCM100 underwater rebreather following a full dive test programme with the U.S. Navy.

In Helmets & Armor, investment expenditure has been focussed on continuing the development of the next generation IHPS helmet and VTP body armor programmes ahead of first deliveries expected in the 2021 financial year.

PROFIT FOR THE YEAR

	2020			2019		
	Adjusted £m	**Adjustments £m**	**Total £m**	Adjusted (Restated)[5] £m	Adjustments (Restated)[5] £m	Total (Restated)[5] £m
Continuing operations Operating profit	**30.2**	**(24.3)**	**5.9**	22.6	(12.7)	9.9
Operating profit Before depreciation, amortisation and impairment	**38.4**	**(17.8)**	**20.6**	28.4	(8.0)	20.4
Impairment	**-**	**-**	**-**	-	(3.8)	(3.8)
Depreciation and amortisation	**(8.2)**	**(6.5)**	**(14.7)**	(5.8)	(0.9)	(6.7)
Operating profit	**30.2**	**(24.3)[1]**	**5.9**	22.6	(12.7)[1]	9.9
Net finance costs	**(2.0)**	**(3.4)[2]**	**(5.4)**	(0.4)	(0.8)[2]	(1.2)
Profit before taxation	**28.2**	**(27.7)**	**0.5**	22.2	(13.5)	8.7
Taxation	**(4.8)**	**5.9[3]**	**1.1**	(1.7)	3.2[3]	1.5
Profit for the year from continuing operations	**23.4**	**(21.8)**	**1.6**	20.5	(10.3)	10.2
Discontinued operations – gain on disposal	**-**	**129.8[4]**	**129.8**	-	-[4]	-
Discontinued operations – profit from discontinued operations	**-**	**5.4[4]**	**5.4**	-	3.9[4]	3.9
Profit for the year	**23.4**	**113.4**	**136.8**	20.5	(6.4)	14.1
Basic earnings per share	**76.5p**	**370.9p**	**447.4p**	67.2p	(21.0p)	46.2p
Diluted basic earnings per share	**75.5p**	**365.8p**	**441.3p**	66.6p	(20.8p)	45.8p

[1] Adjustments

Adjustments of £24.3m (2019: £12.7m) excluded from adjusted operating profit comprise amortisation of acquired intangible assets of £6.5m (2019: £0.9m) and exceptional costs of £17.8m (2019: £11.8m). In 2020, the exceptional costs related to the acquisition of Helmets & Armor and Team Wendy including acquisition costs of £9.6m, transition costs of £2.3m and acquisition accounting adjustments of £5.9m to account for acquired inventory at our underlying cost. In 2019, the exceptional costs included acquisition costs of £2.9m, a charge to equalise the pension benefits for men and women and past service costs of £3.5m and the one-off costs of £5.4m relating to our exit from the Fire SCBA market.

[2] Net finance costs

Net finance costs were £5.4m (2019: £1.2m) comprising £1.0m of bank interest due to drawing on the Group bank facility to partially fund the acquisition of Helmets & Armor in January (2019: £0.4m of finance income), £0.9m (2019: £0.7m) of interest in respect of leases, and other finance expenses of £3.5m (2019: £0.9m) which primarily represents the unwind of the discount on the net pension liability and contingent consideration of £3.1m and £0.3m of finance fees written off following the bank refinancing during the year. Other finance expenses have been excluded from adjusted profit for the year.

[3] Taxation

Taxation was a credit of £1.1m (2019: £1.5m credit) comprising an adjusted tax charge of £4.8m (2019: £1.7m), at an adjusted effective rate of 17% (2019: 8%), offset by the tax effects of the impact of the acquisition costs, amortisation of acquired intangibles and the defined benefit pension scheme of £5.9m (2019: £3.2m). Included within this is a £1.2m credit in respect of previous periods which includes a £0.8m credit in connection with the release of provisions following the successful resolution of a number of prior year uncertain tax positions.

[4] Profit from Discontinued Operations

The profit from discontinued operations of £135.2m in the year comprised the profit after tax of milkrite | InterPuls up to the date of disposal on 25 September 2020 of £5.4m and the post tax gain on disposal of £129.8m.

[5] Restatement

The previously reported prior year comparatives for the adjusted measures have been restated for the following items: to reflect the impact of the new lease standard, to present milkrite | InterPuls as a discontinued operation following the disposal in September 2020 and to include the pension administration costs within the adjusted performance measures as these were previously excluded.

The table below shows the reconciliation of the previously reported key measures to the restated prior year comparatives:

	As reported 30 Sep 2019 £m	**Change in accounting policy £m**	**Discontinued operations £m**	**Pension adjustments £m**	**Restated 30 Sep 2019 £m**
Adjusted Earnings	28.0	**(0.1)**	**(7.0)**	**(0.4)**	**20.5**
Adjusted Earnings per share (pence)	91.7p	**(0.3p)**	**(22.9p)**	**(1.3p)**	**67.2p**
Adjusted operating profit	31.3	**0.4**	**(8.6)**	**(0.5)**	**22.6**
Adjusted EBITDA	39.5	**1.0**	**(11.6)**	**(0.5)**	**28.4**

NET CASH AND CASH FLOW

Cash generated from continuing operations was £32.6m, compared to £18.4m in 2019 benefiting from the cash receipt relating to the 2019 $16.6m Rest of World Military mask system contract which offset a Helmets & Armor working capital out flow due to the timing of receipts from 3M under the terms of the transitional service agreement. Operating cash conversion from adjusted EBITDA increased to 84.9% (2019: 64.8%), and excluding Helmets & Armor was 123.3% on an organic continuing operations basis.

	2020 £m	2019[1] £m
Cash flows from continuing operations before the impact of exceptional items	**32.6**	18.4
Cash impact of exceptional items and discontinued operations	**(4.8)**	6.6
Cash flows from operations	**27.8**	25.0
Net interest	**(3.3)**	(0.9)
Payments to pension plan	**(21.8)**	(1.5)
Tax	**(2.7)**	(6.1)
Purchase of property, plant and equipment	**(6.1)**	(2.2)
Capitalised development costs and purchased software	**(9.5)**	(3.5)
Acquisitions	**(71.8)**	-
Divestments	**167.7**	-
Investing and financing activities used in divestments	**(4.8)**	(2.9)
Purchase of own shares	**-**	(1.3)
Dividends to shareholders	**(7.0)**	(5.4)
Net proceeds from loan drawdowns	**29.3**	-
Foreign exchange and other items	**0.8**	0.6
Increase in net cash	**98.6**	1.8

[1]2019 has been restated to reflect the continuing operations of the Group following the divestment of milkrite | InterPuls on 25 September 2020.

At the year-end, the Group had net cash of £93.2m (2019: £35.4m), being cash of £147.0m less bank debt of £31.0m and lease liabilities of £22.8m (2019: £12.9m). The increase in lease liabilities is due to £8.8m acquired as part of the Helmets & Armor acquisition, £6.4m as a result of new leases entered into during the year, offset by £3.3m divested with milkrite | InterPuls and £2.0m of rent payments.

During the year we entered into a new U.S. Dollar denominated bank facility of $200.0m (£157.0m) (2019: $85.0m (£66.7m)), which is committed to 8 September 2023, with a further two 1 year extension options.

Our net cash position and strong balance sheet provided us with the capacity to complete the acquisition of Team Wendy in November as well as providing capacity to deliver our growth strategy and make further value enhancing acquisitions. Our policy is to maintain a strong financial position and keep the ratio of net debt to adjusted EBITDA under two times.

ACQUISITION AND INTEGRATION OF HELMETS & ARMOR

We completed the acquisition of the Helmets & Armor business for a total cash consideration in the year of $90.6m, made up of $87.2m of initial consideration after adjusting for the level of working capital at completion and contingent consideration of $3.4m. Further total potential contingent consideration of up to $21.7m (£15.2m) is payable depending on the value of orders received under the DLA ESAPI contract. We incurred cash acquisition costs in the year of £2.9m, bringing total acquisition costs to £5.7m.

DIVESTMENT OF MILKRITE | INTERPULS

We completed the divestment of the milkrite | InterPuls business for a total consideration of £178.5m after customary closing adjustments. As part of the proceeds from the divestment the Group agreed with the trustees of its U.K. pension scheme to make a one-time contribution of £20.0m to strengthen the scheme's funding position. We incurred associated transaction costs in the year of £8.8m.

ACCOUNTING STANDARDS CHANGES

From the start of the financial year the way that leases are accounted for changed for the Group with the underlying principle being that all leases are now reported on the balance sheet. As a result of these changes, the Group has recognised a right of use asset for all the current operating leases above 12 months in length and excluding those of low value and a lease liability representing the present value of the lease payments to the end of the lease life.

The impact of the changes on the financial statements are that from the start of the year £9.2m of leasehold assets and £12.9m of leasehold liabilities, together with £1.7m to reflect the unwind of rent free periods and deferred tax movements, have been added to the balance sheet with the £2.0m net balancing figure reflected as an opening reserves adjustment. Following the completion of the acquisition of Helmets & Armor an additional £8.8m of leasehold assets and £8.8m of leasehold liabilities were added to the balance sheet and subsequent to the divestment of milkrite | InterPuls £2.3m of leasehold assets and £3.3m of leasehold liabilities have been removed from the balance sheet. £6.4m of new lease liabilities have been entered into during the year.

The changes have also impacted the presentation of the income statement as the lease payments are now included within finance costs. As a result of these changes the results from the 2019 financial year have been restated to reflect the impact of IFRS 16 and to allow comparison to the current financial year performance. There are no changes to the cash flow metrics as these are all non-cash presentational changes.

FINANCIAL RISK MANAGEMENT

The Group has clearly defined policies for the management of foreign exchange risk. Exposures resulting from sales and purchases in foreign currency are matched where possible and net exposure may be hedged by the use of forward exchange contracts.

The initial consideration of $91m for the agreement to acquire Helmets & Armor exposed the Group to foreign exchange risk on the US dollar equivalent of the Sterling net cash held on the balance sheet and to match this risk the Group entered into a deal contingent forward contract to hedge £35m of cash held at the start of the year which was settled on completion of the acquisition at the beginning of January.

Given the change in reporting currency for our 2021 financial year, the agreement to divest milkrite | InterPuls for £178.5m created an exposure from 1 October 2020 to foreign exchange risk on the U.S. dollar equivalent of the Sterling cash proceeds. To manage this risk the Group entered into a second deal contingent forward contract to hedge £140m of the cash proceeds, which were not matched against Sterling costs, which was settled at the point of completion of the acquisition on 25 September. The Group does not undertake foreign exchange transactions for which there is no underlying exposure.

Credit and counterparty risk are managed through the use of credit evaluations and credit limits. Cash deposits are made at prevailing interest rates which are not generally fixed for more than 1 or 2 months. Borrowings and overdrafts are at floating interest rates. The Group does not carry out any interest rate hedging.

CURRENCY EFFECT AND CHANGE OF REPORTING CURRENCY

The Group has translational exposure arising on the consolidation of overseas company results into Sterling. Based on the current mix of currency denominated profit, a one cent appreciation of the U.S. dollar increases revenue by approximately £0.9m and operating profit by approximately £0.2m.

Subsequent to the acquisition of Team Wendy, and following the completion of the divestment of milkrite | InterPuls, the Group's activities will be predominantly conducted in U.S. dollars, with approximately 90% of revenues and the majority of Group's net cash and net assets denominated in U.S. dollars. As such, from 1 October 2020 the Group will change its reporting currency to U.S. dollars for our 2021 financial year. Following the change in reporting currency, dividends for the 2021 financial year and beyond will be set in U.S. dollars and converted into pounds sterling for payment at the prevailing exchange rate immediately prior to payment.

DIVIDENDS

The Board is recommending a final dividend of 18.06p per share (2019: 13.89p) which together with the 9.02p per share interim dividend gives a total dividend of 27.08p (2019: 20.83p), up 30% on last year. The final dividend will be paid on 12 March 2021 to shareholders on the register at 12 February 2021 with an ex-dividend date of 11 February 2021.

Our policy is to maintain a progressive dividend policy balancing dividend increases with the rates of adjusted earnings per share growth achieved, taking into account potential acquisition spend and the Group's financing position. Over recent years, we have grown the dividend per share by 30% per annum and we expect to continue to grow dividends ahead of earnings over the medium-term. Our policy is to maintain dividend cover (the ratio of dividend per share to adjusted earnings per share) above two times. This year dividend cover was 2.8 times (2019: 4.4 times). Once dividend cover approaches two times we intend to increase dividends in line with the growth in adjusted earnings per share.

Consolidated Statement of Comprehensive Income for the year ended 30 September 2020

	Note	**2020 £m**	2019 Restated £m
Continuing operations			
Revenue	2	**168.0**	128.4
Cost of sales		**(100.2)**	(78.6)
Gross profit		**67.8**	49.8
Selling and distribution costs		**(13.7)**	(11.1)
General and administrative expenses		**(48.2)**	(28.8)
Operating profit		**5.9**	9.9
Finance income		**-**	0.4
Finance costs		**(1.9)**	(0.7)
Other finance expense		**(3.5)**	(0.9)
Net finance costs		**(5.4)**	(1.2)
Profit before taxation		**0.5**	8.7
Taxation	5	**1.1**	1.5
Profit for the year from continuing operations		**1.6**	10.2
Discontinued operations – gain on divestment	3	**129.8**	-
Discontinued operations – profit from discontinued operations	3	**5.4**	3.9
Profit for the year		**136.8**	14.1

Consolidated Statement of Comprehensive Income for the year ended 30 September 2020 (Continued)

	Note	2020 £m	2019 Restated £m
Other comprehensive income/(expense)			
Items that are not subsequently reclassified to the income statement			
Remeasurement (loss) recognised on retirement benefit scheme		**(28.7)**	(10.3)
Deferred tax relating to retirement benefit scheme	5	**5.4**	1.6
Deferred tax relating to change in tax rates	5	**1.1**	-
Items that may be subsequently reclassified to the income statement			
Net exchange differences offset in reserves		**(0.8)**	0.4
Tax relating to exchange differences offset in reserves		**(0.1)**	(0.5)
Cash flow hedges		**1.3**	(0.9)
Deferred tax relating to cash flow hedges		**(0.2)**	0.2
Other comprehensive income/(expense) for the year, net of taxation from continuing operations		**(22.0)**	(9.5)
Items that may be subsequently reclassified to the income statement			
Translation reserve recycled on divestment		**(4.2)**	-
Tax relating to exchange differences offset in reserves		**(0.1)**	-
Net exchange differences offset in reserves		**(1.5)**	1.9
Other comprehensive income/(expense) for the year, net of taxation from discontinued operations		**(5.8)**	1.9
Total comprehensive income for the year		**109.0**	6.5
Earnings per share	4		
Basic		**447.4p**	46.2p
Diluted		**441.3p**	45.8p
Earnings per share from continuing operations	4		
Basic		**5.2p**	33.4p
Diluted		**5.2p**	33.1p

Consolidated Balance Sheet

	Note	2020 £m	2019 Restated £m	2018 Restated £m
Assets				
Non-current assets				
Intangible assets		**70.2**	35.3	41.5
Property, plant and equipment		**51.7**	30.6	31.1
Deferred tax assets	5	**23.3**	14.9	10.5
		145.2	80.8	83.1
Current assets				
Inventories		**28.5**	20.7	23.0
Trade and other receivables		**36.1**	35.4	24.2
Cash and cash equivalents	7	**147.0**	48.4	46.6
		211.6	104.5	93.8
Liabilities				
Current liabilities				
Borrowings		**33.5**	1.4	1.2
Trade and other payables		**31.0**	29.9	33.1
Derivative financial instruments		**-**	1.3	0.4
Provisions for liabilities and charges	10	**7.6**	-	0.3
Current tax liabilities		**7.5**	4.1	6.1
		79.6	36.7	41.1
Net current assets		**132.0**	67.8	52.7
Non-current liabilities				
Borrowings		**20.3**	11.6	11.1
Deferred tax liabilities	5	**4.4**	5.4	6.9
Retirement benefit obligations		**62.5**	54.1	40.5
Provisions for liabilities and charges	10	**9.9**	2.3	2.5
		97.1	73.4	61.0
Net assets		**180.1**	75.2	74.8
Shareholders' equity				
Ordinary shares	8	**31.0**	31.0	31.0
Share premium account	8	**34.7**	34.7	34.7
Other reserves		**3.1**	9.8	8.0
Retained earnings		**111.3**	(0.3)	1.1
Total equity		**180.1**	75.2	74.8

Consolidated Cash Flow Statement

	Note	2020 £m	2019 Restated £m
Cash flows from operating activities			
Cash flows from continuing operations	6	**22.8**	16.3
Cash flows from discontinued operations		**5.0**	8.7
Cash flows from operations	6	**27.8**	25.0
Interest income received		**-**	0.4
Retirement benefit deficit recovery contributions		**(21.8)**	(1.5)
Tax paid		**(2.7)**	(6.1)
Net cash flows from operating activities		**3.3**	17.8
Cash flows used in investing activities			
Proceeds from disposal of discontinued operations	11	**172.9**	-
Costs of divestment		**(7.9)**	-
Purchase of property, plant and equipment		**(6.1)**	(2.2)
Capitalised development costs and purchased software		**(9.5)**	(3.5)
Acquisition of business	11	**(71.8)**	-
Investing cash flows from discontinued operations	11	**(1.4)**	(2.2)
Net cash used in investing activities		**76.2**	(7.9)
Cash flows used in financing activities			
Proceeds from loan drawdowns		**50.5**	-
Loan repayments		**(21.2)**	-
Finance costs paid in respect of bank loans and overdrafts		**(0.9)**	(0.2)
Finance costs paid in respect of leases		**(0.9)**	(0.5)
Repayment of lease liability		**(1.5)**	(0.6)
Dividends paid to shareholders	9	**(7.0)**	(5.4)
Purchase of own shares		**-**	(1.3)
Financing cashflows from discontinued operations	8	**(0.7)**	(0.7)
Net cash used in financing activities		**18.3**	(8.7)
Net increase in cash, cash equivalents and bank overdrafts		**97.8**	1.2
Cash, cash equivalents, and bank overdrafts at beginning of the year		**48.4**	46.6
Effects of exchange rate changes		**0.8**	0.6
Cash, cash equivalents and bank overdrafts at end of the year	7	**147.0**	48.4

Consolidated Statement in Changes in Equity

	Note	Share capital £m	Share premium £m	Other reserves £m	Retained earnings £m	Total equity £m
At 30 September 2018 (previously stated)		31.0	34.7	8.0	11.1	84.8
Change in accounting policy		-	-	-	(1.8)	(1.8)
Prior year adjustment		-	-	-	(8.2)	(8.2)
At 30 September 2018 (restated)		31.0	34.7	8.0	1.1	74.8
Profit for the year		-	-	-	14.1	14.1
Net exchange differences offset in reserves		-	-	2.3	-	2.3
Tax relating to exchange differences offset in reserves		-	-	(0.5)	-	(0.5)
Cash flow hedges		-	-	-	(0.9)	(0.9)
Deferred tax relating to cash flow hedges					0.2	0.2
Remeasurement loss recognised on retirement benefit scheme		-	-	-	(10.3)	(10.3)
Deferred tax relating to retirement benefit scheme		-	-	-	1.6	1.6
Total comprehensive income for the year		-	-	1.8	4.7	6.5
Dividends paid		-	-	-	(5.4)	(5.4)
Own shares acquired		-	-	-	(1.3)	(1.3)
Fair value of share based payments		-	-	-	0.4	0.4
Deferred tax relating to employee share schemes		-	-	-	0.2	0.2
At 30 September 2019 (restated)		31.0	34.7	9.8	(0.3)	75.2
Profit for the year		**-**	**-**	**-**	**136.8**	**136.8**
Net exchange differences offset in reserves		**-**	**-**	**(2.3)**	**-**	**(2.3)**
Tax relating to exchange differences offset in reserves		**-**	**-**	**(0.2)**	**-**	**(0.2)**
Translation reserve recycled to P&L on divestment		**-**	**-**	**(4.2)**	**-**	**(4.2)**
Cash flow hedges		**-**	**-**	**-**	**1.3**	**1.3**
Deferred tax relating to cash flow hedges		**-**	**-**	**-**	**(0.2)**	**(0.2)**
Remeasurement loss recognised on retirement benefit scheme				**-**	**(28.7)**	**(28.7)**
Deferred tax relating to retirement benefit scheme	5	**-**	**-**	**-**	**6.5**	**6.5**
Total comprehensive income for the year		**-**	**-**	**(6.7)**	**115.7**	**109.0**
Dividends paid	9	**-**	**-**	**-**	**(7.0)**	**(7.0)**
Own shares acquired		**-**	**-**	**-**	**-**	**-**
Fair value of share based payments		**-**	**-**	**-**	**1.8**	**1.8**
Deferred tax relating to employee share schemes	5	**-**	**-**	**-**	**1.1**	**1.1**
At 30 September 2020		**31.0**	**34.7**	**3.1**	**111.3**	**180.1**

Other reserves consist of the capital redemption reserve of £0.5m (2019: £0.5m) and the translation reserve of £2.6m (2019: £9.3m).

All movements in other reserves relate to the translation reserve.

NOTES TO THE FINANCIAL STATEMENTS

1. General Information and Basis of Preparation

Basis of preparation

The financial information set out in this document does not constitute the Group's statutory accounts for the year ended 30 September 2020 or 30 September 2019. Statutory accounts for the year ended 30 September 2019 were approved by the Board of Directors on 13 November 2019 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006. Statutory accounts for the year ended 30 September 2020 have not yet been delivered to the Registrar nor have the auditors yet reported on them. The expectation is that the report of the auditors on these accounts will be unqualified.

This financial information has been prepared in accordance with International Financial Reporting Standards as adopted by the EU (Adopted IFRS) and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Certain statements in this announcement constitute forward-looking statements. Any statement in this announcement that is not a statement of historical fact including, without limitation, those regarding the Company's future expectations, operations, financial performance, financial condition and business is a forward-looking statement. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement and the Company undertakes no obligation to update its view of such risks and uncertainties or to update the forward-looking statements contained herein. Nothing in this announcement should be constructed as a profit forecast.

Recent accounting developments
IFRS 16 Leases and IFRIC 23 Accounting for uncertain tax positions both became applicable for the Group from 1 October 2019.

- IFRS 16 Leases

IFRS 16 represents a significant change to lessee accounting by introducing the principle that all leased assets should be reported on the balance sheet of the lessee, recognising an asset for the right to use the leased item and a liability for the present value of its future lease payments.

The change in treatment became applicable for the Group from 1 October 2019 and impacts the balance sheet, the income statement and related performance measures.

The Group has applied IFRS 16 using the full retrospective approach. As a result the date of the initial application for the Group is 1 October 2018 and comparative information has been restated.

Applying IFRS 16 the Group now recognises right of use assets and lease liabilities in the consolidated balance sheet in relation to property leases previously treated as operating leases.

- IFRIC 23 Accounting for uncertain tax positions

IFRC 23 is a new interpretation applying to both current and deferred taxes.

Under the new regulation accounting for uncertain tax positions is only permitted where the likelihood of a tax treatment being challenged is greater than 50%, with new guidance around how a value should be assigned to the uncertainty.

The application of this interpretation has not had a significant impact on the level of provisions held in relation to uncertain tax positions.

2. Revenue by geographic region

Revenue analysed by geographic origin

Year ended 30 September 2020

	Europe	**U.S.**	**Total**
	£m	**£m**	**£m**
Revenue	**15.1**	**152.9**	**168.0**

Year ended 30 September 2019

	Europe Restated	U.S. Restated	Total Restated
	£m	£m	£m
Revenue	16.1	112.3	128.4

3. Discontinued operations

Discontinued operations

In September 2020 the Group disposed of the entire milkrite | InterPuls business. As a result of the divestment the milkrite | InterPuls business has been classified as discontinued and prior periods have been restated to reflect this. The results of discontinued operations are as follows:

	2020	2019
	£m	£m
Revenue	53.8	50.9
Cost of sales	(28.0)	(28.2)
Gross profit	25.8	22.7
Selling and distribution costs	(9.4)	(9.3)
General and administration expenses	(10.1)	(8.5)
Operating profit	6.3	4.9
Finance costs	(0.1)	-
Profit before taxation	6.2	4.9
Taxation	(0.8)	(1.0)
Profit for the period	5.4	3.9
Gain on divestment	139.0	-
Tax on gain on divestment	(9.2)	-
Gain on divestment after tax	129.8	-
Profit from discontinued operations	135.2	3.9
Basic earnings per share	444.2p	12.8p
Diluted earnings per share	436.1p	12.7p

Cash flows from discontinued operations included in the cash flow statement are as follows:

	2020	2019
	£m	£m
Net cash flows from operating activities	5.0	8.7
Net cash flows from investing activities	163.6	(2.2)
Net cash flows from financing activities	(0.7)	(0.7)
Net cash flows from discontinued operations	167.9	5.8

4. Earnings per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year, excluding those held in the employee share ownership trust. The company has dilutive potential ordinary shares in respect of the Performance Share Plan. Adjusted earnings per share removes the effect of the amortisation of acquired intangible assets, exceptional items, acquisition costs and defined benefit pension scheme costs, reflecting the basis on which the business is managed and measured on a day to day basis.

Reconciliations of the earnings and weighted average number of shares used in the calculations are set out below.

Weighted average number of shares

	2020	2019
Weighted average number of ordinary shares in issue used in basic calculations (thousands)	**30,576**	30,516
Potentially dilutive shares (weighted average) (thousands)	**423**	260
Fully diluted number of ordinary shares (weighted average) (thousands)	**30,999**	30,776

Earnings

	2020	2019
Basic	**136.8**	14.1
Basic – continuing operations	**1.6**	10.2

Earnings per share (pence)

	2020	2019 Restated
Basic	**447.4**	46.2
Basic – continuing operations	**5.2**	33.4
Basic – discontinued operations	**442.2**	12.8
Diluted	**441.3**	45.8
Diluted – continuing operations	**5.2**	33.1
Diluted – discontinued operations	**436.1**	12.7

5. Taxation

	2020 £m	2019 Restated £m
U.K. current tax	**(0.4)**	0.1
U.K. adjustment in respect of previous periods	**-**	0.1
Overseas current tax	**(1.4)**	4.5
Overseas adjustment in respect of previous periods	**(1.2)**	(3.1)
Total current tax charge	**(3.0)**	1.6
Deferred tax - current year	**2.2**	(3.0)
Deferred tax - adjustment in respect of previous periods	**(0.3)**	(0.1)
Total deferred tax credit	**1.9**	(3.1)
Total tax (credit)/charge	**(1.1)**	(1.5)

The overseas adjustment in respect of the prior period of £1.2m (2019: £3.1m) includes a £0.8m (2019: £2.9m) credit in connection with the resolution of a number of prior year uncertain tax provisions.

In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current 19% and not reduce to 17% from 1 April 2020. The impact of this re-measurement is reflected in these financial statements for all UK deferred tax assets.

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the standard U.K. tax rate applicable to profits of the consolidated entities as follows:

	2020 £m	2019 Restated £m
Profit before taxation	**0.5**	8.7
Profit before taxation at the average standard rate of 19.0% (2019: 19.0%)	**0.1**	1.7
Tax allowances (U.K. and U.S.)	**(0.6)**	(0.4)
Non deductible expenses	**0.2**	0.1
Differences in overseas tax rates	**0.7**	0.2
Adjustment in respect of previous periods	**(1.5)**	(3.1)
Tax (credit)/charge	**(1.1)**	(1.5)

The income tax charged directly to Other Comprehensive Income during the year was £nil (2019: £0.3m).

The deferred tax credited directly to Other Comprehensive Income during the year was £6.1m (2019: £1.4m charge).

The deferred tax credited directly to equity during the year was £1.1m (2019: £0.2).

Deferred tax liabilities

	Accelerated capital allowances £m	Other temporary differences £m	Total £m
At 1 October 2018	1.3	5.6	6.9
Charged/(credited) to profit for the year	0.1	(1.8)	(1.7)
Charged to Other Comprehensive Income	-	0.2	0.2
At 30 September 2019	1.4	4.0	5.4
Charged/(credited) to profit for the year	**3.0**	**(1.2)**	**1.8**
Charged to Other Comprehensive Income	**-**	**0.1**	**0.1**
Removed on divestment	**-**	**(2.9)**	**(2.9)**
At 30 September 2020	**4.4**	**-**	**4.4**

Deferred tax assets have been recognised in respect of temporary differences giving rise to deferred tax assets where it is probable that these assets will be recovered.

Deferred tax assets

	Retirement benefit obligation £m	Share options £m	Accelerated capital allowances £m	Other temporary differences £m	Total £m
At 30 September 2018 (as previously reported)	5.2	0.6	0.3	2.1	8.2
Change in accounting policy	-	-	-	0.5	0.5
Prior year adjustment	1.8	-	-	-	1.8
At 30 September 2018 restated	**7.0**	**0.6**	**0.3**	**2.6**	**10.5**
Credited/(charged) to profit for the year	0.6	0.1	(0.2)	1.9	2.4
Credited/(charged) to Other Comprehensive Income	1.6	-	-	0.2	1.8
Credited to equity	-	0.2	-	-	0.2
At 30 September 2019	**9.2**	**0.9**	**0.1**	**4.7**	**14.9**
Provided on acquisition	**-**	**-**	**-**	**0.3**	**0.3**
Credited/(charged) against profit for the year	**(3.8)**	**0.3**	**-**	**4.3**	**0.8**
Credited to Other Comprehensive Income	**5.4**	**-**	**-**	**(0.3)**	**5.1**
Impact of change in tax rates credited to Other Comprehensive Income	**1.1**	**-**	**-**	**-**	**1.1**
Credited to equity	**-**	**1.1**	**-**	**-**	**1.1**
At 30 September 2020	**11.9**	**2.3**	**0.1**	**9.0**	**23.3**

The standard rate of corporation tax in the U.K. is 19%. The Group has £2.6m (2019: £2.6m) of unrecognised deferred tax assets relating to capital losses where it is not considered that there will be sufficient available capital profits to utilise these losses.

6. Cash and cash equivalents

The Group generates cash from its operating activities as follows:

	2020 **£m**	2019 Restated £m
Continuing operations		
Profit for the year	**1.6**	10.2
Adjustments for:		
Taxation	**(1.1)**	(1.5)
Depreciation	**5.1**	2.5
Amortisation of intangible assets	**9.6**	4.2
Impairment of development costs	**-**	3.8
Defined benefit pension scheme cost	**0.7**	4.0
Finance income	**-**	(0.4)
Finance costs	**1.9**	0.7
Other finance expense	**3.5**	0.9
Fair value of share based payments	**1.4**	0.4
Impairment of inventory and receivables re: exit Fire SCBA market	**-**	1.6
(Increase)/decrease in inventories	**(0.1)**	0.1
(Increase)/decrease in receivables	**(5.6)**	(8.6)
(Decrease)/Increase in payables and provisions	**5.8**	(1.6)
Cash flows from continuing operations	**22.8**	16.3
Discontinued operations		
Profit for the year	**135.2**	3.9
Adjustments for:		
Taxation	**10.1**	1.1
Depreciation	**2.6**	2.8
Property impairment	**-**	1.1
Amortisation of intangible assets	**3.0**	3.2
Finance income	**0.1**	-
Finance costs	**-**	0.2
Gain on divestment	**(139.0)**	-
Fair value of share-based payments	**0.4**	-
(Increase)/decrease in inventories	**(0.2)**	0.7
(Increase)/decrease in receivables	**(6.5)**	(1.3)
(Decrease)/increase in payables and provisions	**(0.7)**	(3.0)
Cash flows from discontinued operations	**5.0**	8.7
Cash flows from operations	**27.8**	25.0

7. Analysis of net cash/(debt)

This note sets out the calculation of net cash/(debt), a measure considered important in explaining our financial position.

	At 1 October 2019 Restated £m	Cash flow £m	Non cash movements £m	Exchange movements £m	**At 30 September 2020 £m**
Cash at bank and in hand	48.4	97.8	-	0.8	**147.0**
Bank loans due in less than one year	(0.1)	(29.2)	(1.2)	(0.5)	**(31.0)**
Interest due on loans	-	0.9	(0.9)	-	**-**
Cash net of bank loans	48.3	69.5	(2.1)	0.3	**116.0**
Lease liabilities	(12.9)	3.1	(12.7)	(0.3)	**(22.8)**
Net (debt) / cash	35.4	72.6	(14.8)	-	**93.2**

	At 1 October 2018 Restated £m	Cash flow £m	Non cash movements £m	Exchange movements £m	**At 30 September 2019 Restated £m**
Cash at bank and in hand	46.6	1.2	-	0.6	**48.4**
Bank loans due in less than one year	(0.1)	-	-	-	**(0.1)**
Cash net of bank loans	46.5	1.2	-	0.6	**48.3**
Lease liabilities	(12.2)	1.9	(1.5)	(1.1)	**(12.9)**
Net (debt) / cash	(34.3)	3.1	(1.5)	(0.5)	**35.4**

8. Equity

Share capital

	No. of shares 2020	**Ordinary shares 2020 £m**	**Share premium 2020 £m**	No. of shares 2019	Ordinary shares 2019 £m	Share premium 2019 £m
Called up allotted and fully paid ordinary shares of £1 each						
At the beginning of the year	**31,023,292**	**31.0**	**34.7**	31,023,292	31.0	34.7
At the end of the year	**31,023,292**	**31.0**	**34.7**	31,023,292	31.0	34.7

Ordinary shareholders are entitled to receive dividends and to vote at meetings of the Company.

At 30 September 2020, 398,560 (2019: 506,274) ordinary shares were held by a trust in respect of obligations under the 2010 Performance Share Plan. Dividends on these shares have been waived. The market value of the shares held in the trust at 30 September 2020 was £16.9m (2019: £8.4m). These shares are held at cost as treasury shares and deducted from shareholders' equity.

No further shares were acquired by the trust during the period (2019: 100,000 at a cost of £1.3m).

107,714 (2019: 92,990) shares were used to satisfy awards following the vesting of shares relating to the 2010 Performance Share Plan.

1,753 (2019: 3,364) ordinary shares of £1 each were awarded in relation to the annual incentive plan.

9. Dividends

On 30 January 2020, the shareholders approved a final dividend of 13.89p per qualifying ordinary share in respect of the year ended 30 September 2019. This was paid on 13 March 2020 utilising £4.2m of shareholders' funds (2019: £3.3m).

The Board of Directors declared an interim dividend of 9.02p (2019: 6.94p) per qualifying ordinary share in respect of the year ended 30 September 2020. This was paid on 4 September 2020 utilising £2.8m (2019: £2.1m) of shareholders' funds.

After the balance sheet date the Board of Directors proposed a final dividend of 18.06p per qualifying ordinary share in respect of the year ended 30 September 2020, which will absorb an estimated £5.6m of shareholder's funds. Subject to shareholder approval the dividend will be paid on 12 March 2021 to shareholders on the register at the close of business on 12 February 2021. In accordance with accounting standards the dividend has not been provided for and there are no corporation tax consequences.

10. Provisions for liabilities and charges

	Property Obligations £m	Contingent consideration £m	Total £m
Balance at 30 September 2018	2.8	-	2.8
Provision reversed during the year	(0.4)	-	(0.4)
Payments in the year	(0.1)	-	(0.1)
Balance at 30 September 2019	2.3	-	2.3
Provision reversed during the year	(0.2)	-	(0.2)
Provision released during the year due to divestment	(0.6)	-	(0.6)
Provision created during the year	0.2	-	0.2
Property provision assumed on acquisition	0.6	-	0.6
Provision for contingent consideration created during the year	-	15.2	15.2
Unwind of discount on provisions	-	2.3	2.3
Payments in the year	-	(2.8)	(2.8)
Foreign exchange movements	(0.1)	0.6	0.5
Balance at 30 September 2020	2.2	15.3	17.5

Analysis of total provisions	**2020 £m**	2019 £m
Non-current	**7.6**	-
Current	**9.9**	2.3
	17.5	2.3

Property obligations relate to leased premises of the Group which are subject to dilapidation risks and are expected to be utilised within the next ten years. Movements in respect of dilapidations provisions during the year include release of provisions on exit of lease (£0.2m), provisions released as a result of the divestment of the milkrite | InterPuls business (£0.6m), and provisions created on the acquisition of the Helmets & Armor business (£0.6m), and in respect of other sites £0.2m. Property provisions are subject to uncertainty in respect of any final negotiated settlement of any dilapidation claims with landlords.

The purchase consideration in relation to the Helmets & Armor acquisition included contingent consideration up to a maximum of $25m depending on the outcome of certain tenders which were pending at the acquisition date and the level of sales which were generated on these contracts if secured. At acquisition the fair value of the contingent consideration was recognised as £15.2m ($20m) based on the expected value and timing of those payments after applying a discount rate of 12% to reflect the risk in the cashflows at that date.

The contract that triggered the contingent consideration was awarded shortly after the acquisition date and an initial order has subsequently been received resulting in the first payment of £2.8m ($3.4m) being made during the year. At the balance sheet date, taking account of the change in fair value in relation to the contingent consideration of £2.3m ($2.9m), the remaining contingent consideration is presented as a provision with a fair value of £15.3m ($18.7m) being the present value of the future expected cashflows relating to the contract. Current expectations are that the contingent consideration will be settled in full over the next three years as the level of sales which triggers full payment of the consideration ($240.5m) is considered to be very achievable and therefore highly probable. The range of possible outcomes is additional payments between nil and £17.0m ($21.6m), there has been no change in the range of expected outcomes during the period.

11. Acquisitions & Divestment

Acquisition – Helmet & Armor business

The acquisition of the Helmets & Armor business and the rights to the Ceradyne brand completed on 2 January 2020. The acquisition took the form of a trade and assets purchase.

The acquisition is considered a further step in line with the Board's stated strategy; widening Avon Protection's product range in the personal protection equipment segment, deepening our presence in the US and relationship with the US DoD. and enhancing the Group's research and development and manufacturing capability.

The total estimated acquisition consideration of $107.2m comprises initial consideration agreed of $91m less an initial closing adjustment of $1.6m, resulting in a payment on completion of $89.4m (£70.8m), a further post completion adjustment of $2.2m (£1.7m) resulting from the closing inventory being lower than the targeted level, plus fair value of contingent consideration of $20.0m (£15.2m).

Set out below is an analysis of the assigned fair values of the assets acquired and liabilities assumed relating to this acquisition:

	Fair value £m
Customer relationships	**19.8**
Brand	**1.8**
Other intangible assets	**7.7**
Property, plant and equipment	**29.2**
Inventories	**14.1**
Other assets	**0.5**
Lease liability	**(8.8)**
Accruals	**(1.1)**
Dilapidations provisions	**(0.6)**
Deferred tax	**0.3**
Net assets acquired	**62.9**
Goodwill	**21.4**
	84.3
Cash paid excluding acquisition expenses	**70.8**
Post completion delivery inventory true up due from 3M	**(1.7)**
Deferred contingent consideration payable*	**15.2**
Total consideration	**84.3**

* £2.8m of the deferred contingent consideration payable was paid during the period subsequent to the acquisition. See Note 10 for further details.

Goodwill of £21.4m is recognised on these acquisitions, representing the amount paid for future sales growth from both new customers and new products, operating cost synergies and employee know-how. The value of goodwill expected to be deductible for tax purposes is £17.0m. The value attributable to goodwill has changed from the value reported in the interim financial statements from £18.7m to £21.4m as a result of finalising the fair values attributed to certain other assets and liabilities.

A deferred tax asset of £0.3m was recognised on acquisition in relation to the accruals and dilapidations provisions assumed. Any further tax timing differences will be recognised in the period in which they arise.

No receivables or deferred revenue were acquired and no contingent liabilities were recognised on acquisition.

From the date of acquisition to 30 September 2020, the newly acquired business contributed £40.8m to revenue and reported an operating loss of £1.4m over the same period. As a trade and asset purchase it is not possible to assess what the impact of the acquisition would have been on revenues and profits on a full year basis.

The reported cost of sales for the year includes a £6.0m acquisition accounting adjustment to account for acquired inventory at our underlying cost. A further £2.9m of deal costs and £2.4m of transition costs were recognised in the year to 30 September 2020 and included within general and administrative expenses.

Acquisition – Team Wendy

The signing of an agreement to acquire Team Wendy, LLC was announced on 9 September 2020. The acquisition was subject to U.S. regulatory approvals and closed on 2 November 2020. The results of the Team Wendy business are not consolidated within the 2020 financial statements as control did not transfer to the Group until after the balance sheet date and at the time of signing the financial statements the full business combinations exercise had not yet been completed due to the fact the transaction completed very recently after the balance sheet.

The acquisition ultimately completed on 2 November 2020 and control transferred with the Group acquiring 100% of the equity for a total consideration of $130m. The net assets acquired had a value of $22.4m (£17.6m) before any fair value adjustments.

The acquisition has a limited impact on the 2020 financial statements, however the acquisition related costs are expensed in the periods in which the services are received, in line with recognised accounting practices. £6.7m of such costs, including legal, due diligence and tax advisory fees, have been recognised during the year

Divestment – milkrite | InterPuls

In September 2020, the Group disposed of milkrite | InterPuls to DeLaval Holding BV for a cash consideration of £178.5 million after customary closing adjustments.

	£m
Total consideration received	**178.5**
Net assets disposed	**(34.8)**
Costs of divestment	**(8.9)**
Translation reserve recycled to profit and loss on divestment	**4.2**
Gain on divestment	**139.0**
Tax or gain on divestment	**(9.2)**
Gain on divestment after tax	**129.8**

12. Post Balance Sheet Events

The acquisition of Team Wendy completed on 2 November with the Group acquiring 100% of the equity for total consideration of $130m.

On November 20, 2020, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes on GMP equalisation for historic transfers. The judgment confirmed the obligation on scheme trustees to top up historic cash equivalent payments calculated on unequalised individual transfers out of the scheme since May 1990. We are working with our actuarial advisers, to understand the extent to which the judgment crystallises any additional liabilities for the Group's UK defined benefit pension scheme. We are early in the evaluation process, but we estimate that the additional liability could be in the range of £0.1m to £2.3m, with the upper end of the range dependent on the legal interpretation of the judgement regarding the liability for historic bulk transfers out of the scheme. Subsequent to further assessment with our advisors, any necessary adjustment is expected to be recognised in the first half of our 2021 financial year.

13. Exchange rates

The following significant exchange rates applied during the year:

	Average rate 2020	**Closing rate 2020**	Average rate 2019	Closing rate 2019
U.S. Dollar	**1.275**	**1.274**	1.276	1.232

14. Annual Report & Accounts

Copies of the Directors' report and the audited financial statements for the year ended 30 September 2020 will be posted to shareholders who have elected to receive a copy and may also be obtained from the Company's registered office at Hampton Park West, Semington Road, Melksham, Wiltshire, SN12 6NB, - England. Full audited financial statements will be available on the Company's website at www.avon-rubber.com.