

Creightons PLC Annual Report 2025

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Financial highlights

- Revenue increased by £0.9m (1.6%) to £54.1m (2024: £53.2m), driven by private label sales growth
 - Private label £29.2m (2024: £23.8m)
 - Branded products £18.2m (2024: £21.0m)
 - Contract manufacturing £6.7m (2024: £8.4m)
- Gross profit increased by £1.3m (5.8%) with gross profit margin up 180 bps to 44.7% (2024: 42.9%).
- EBITDA¹ increased by 57.9% to £5.1m (2024: £3.2m).
- Operating profit (before exceptional items) increased by £2.0m (129.6%) to £3.5m (2024: £1.5m).
- Profit after tax increased to £2.5m (2024: loss of £3.5m – includes impairment of £4.4m) driven by higher revenue, improved gross profit margins, in particular due to cost mitigation measures, labour shift rationalisation and manufacturing efficiencies, and also reduced distribution costs.
- Adjusted diluted earnings per share excluding exceptional items, was positive 3.29p (2024: 1.42p).
- Net cash on hand² is positive £3.0m (2024: positive £2.2m).
- Proposed final dividend of 0.50 pence per ordinary share for FY25 (2024: 0.45p).

¹Earnings before interest, tax, depreciation and amortisation, excludes impairment of £4.4m in 2024

²Cash and cash equivalents less short-term element of obligations under finance leases and borrowings

Please refer to the page 19 for statutory KPI calculation

Operational highlights

Creightons transitioned to AIM on 31 March 2025 primarily to reduce the costs of compliance and provide greater flexibility in regulatory requirements, enabling management faster decision-making and to focus more on growth opportunities.

During FY25, Creightons has successfully continued to implement remedial measures to restore profitability, reduce costs and generate positive cash flows, with actions including:

- Improved gross profit margin particularly through continuous price monitoring of suppliers, along with gains in labour and manufacturing efficiencies.
- Cost rationalisation to ensure administrative expenses remained comparable to prior year at £17.9m (2024: £17.8m).
- Increased efficiency and capacity in factories to maximise benefit of single shift work across sites.
- Warehousing, picking and packing and logistics relocated back to Peterborough, resulting in 20.8% decrease in distribution costs to £2.8m (2024: £3.5m).
- Maintaining inventory levels, against a prior year reduction of £2.0m
 - Inventory levels increased to £8.9m (2024: £8.2m) in line with revenue growth, supporting continued sales momentum and ensuring product availability to meet customer demand.
- Targeted capital expenditure, enhancing operational efficiencies and supporting scalable growth, including investment in upgrading operational infrastructure.

Group strategic report

This strategic report has been prepared solely to provide additional information to enable shareholders to assess the Group's strategies and the potential for those strategies to succeed.

The strategic report contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

In preparing this strategic report, the Directors have complied with s414C of the Companies Act 2006.

The strategic report has been prepared for the Group and therefore gives greater emphasis to those matters that are significant to Creightons PLC and its subsidiary undertakings when viewed as a whole.

The strategic report discusses the following areas:

- Chairman's statement
- Chief Executive's statement
- Finance report
- The business model
- A fair review of the Group's business
- Strategy, objectives and future developments
- Key performance indicators
- Principal risks and uncertainties
- Section 172 statement
- Corporate and social responsibility
- Climate related financial disclosures (CRFD) report
- Going concern

Group strategic report (continued)

Chairman's statement

I am pleased to present our Annual Report for the year to 31 March 2025. Significant progress has been made in repositioning the business and establishing a strong foundation to support sustained performance improvements and long-term value creation for our stakeholders.

Philippa Clark and her team have continued to implement the turnaround plan which has resulted in the material improvement in operating results for the year ended 31 March 2025. I am encouraged by improvements across all key metrics, with revenue, gross margins, operating profit, profit margins, and earnings per share all trending positively.

Revenue has grown despite a difficult market environment, where challenges faced by certain customers have had an adverse effect on overall revenue performance. In addition, a competitive market for high-quality sales and marketing personnel resulted in redirecting resources to capitalise on immediate opportunities with existing customers. This highlights the strength of our multi sales stream approach where resources were directed to maximise the opportunities arising in a fast-changing retail environment.

Results and performance

In the year ended 31 March 2025 (FY 2025) revenue increased by 1.6% to £54.1m. This growth came from our private label revenue stream which more than offset falls in our branded and contract revenue streams.

The focus;

- to improve margins, though a combination of price repositioning, cost reduction and labour productivity has proved successful with gross profit margins improving by 5.8% to £24.2m and gross profit margin percentage by 180 bps to 44.7% and,
- on cost control resulting in distribution costs reducing by £0.7m (20.8%) to £2.8m and administration costs remaining in line with last year.

The result is a £2.0m (129.6%) improvement in operating profit before exceptional items to £3.5m. The operating profit before exceptional costs as a percentage of revenue has improved by 360 bps to 6.5%.

The Group has continued to generate significant cash from operations, although the planned increased investment in inventories to optimise customer service levels utilised £0.6m of working capital. The positive cash generation allowed the Group to repay all of the outstanding long term loan of £0.5m and fund a £0.3m dividend payment. Net cash on hand (cash and cash equivalents less short-term borrowing and lease liabilities) improved by £0.8m to £3.0m.

Board of Directors and Corporate Governance

Creightons plc successfully transferred its listing from the main market to AIM on 31 March 2025 following the EGM on 31 March 2025 at which 99.85% of the shareholders voting, voted in favour of the move. The Board believe that this transfer will be in the long-term interest of all stakeholders. Following the move to AIM the Group has adopted the QCA Corporate Governance Code with effect from 01 April 2025. This Annual Report will be the last report under the UK Corporate Governance Code.

The Group appointed Zeus as its Nominated Advisor (NOMAD) and broker following the move to AIM. I would like to thank the team at Beaumont Cornish, our long-standing Sponsor on the Main Market, for their valuable partnership and the excellent support and guidance they have provided, particularly throughout the transition period.

The Board has evolved over the past year as we move towards one that is aligned with the requirements of the AIM market and the QCA Corporate Governance Code.

- Mr William McIlroy, who had served as a director of the Company since 1999 as well as Executive Chairman and Chief Executive Officer, resigned in order to devote more time to his family on 10 December 2024. I would like to re-iterate my sentiments made at the time and thank him for his steadfast support and contribution to the Company over the years.
- Mr Paul Watts was appointed as an Independent Non-Executive Director on 29 January 2025. I am positive that his experience and expertise as a senior capital and assurance partner at RSM and as a director of the Quoted Companies Alliance will be a great asset to the Board. Paul immediately joined our Audit and Risk Committee (as Chair) and Remuneration Committee.
- Mrs Jemima Bird was appointed as an Independent Non-Executive Director on 31 March 2025. Jemima's marketing experience and expertise in Independent NED roles will benefit the Board and the future development of the Company. Jemima immediately joined the Remuneration Committee (as Chair) and Audit and Risk Committee.
- Mr Qadeer Mohammed was appointed Chief Financial Officer on 1 May 2025. Qadeer has worked as the senior financial executive for two years developing a close working relationship with Philippa as Chief Executive Officer (CEO). He has proven he has the skills and attributes to contribute to the continued strategic and operational development of our business.

Group strategic report (continued)

In addition, One Advisory were appointed as our Company Secretary replacing Saxon Coast Consulting on 4 December 2024.

The move to AIM and the adoption of the QCA Corporate Governance Code was the catalyst for a wholesale review of our corporate governance practices. Principal amongst these changes were:

- Revised Statement of Matters Reserved for the Board.
- Updated terms of reference for the Audit and Risk Committee with the membership consisting of two Independent NED's and one non-independent NED.
- Updated terms of reference for the Remuneration Committee with the membership consisting of two Independent NED's and one non-independent NED.

These policies can be reviewed on our updated corporate website www.creightonsplc.com.

The Board will propose a resolution to amend the Articles of Association at the forthcoming Annual General Meeting. This amendment will the allow General Meetings, other than the Annual General Meeting, to be held following 14 days' notice and allow the Board of Directors to change the Company name, following the passing of a Board resolution where three quarters of the directors present vote in favour.

Strategic development

The Board has recently undertaken a review of strategy concentrating on how to build on the company's key strengths and accelerate revenue growth to deliver continued improvements in return for shareholders whilst protecting the interests of all stakeholders.

The key outcomes from this strategy are that the Group will:

- Concentrate resources on developing existing business and will only consider acquisition opportunities if the opportunity offers significant immediate benefit to stakeholders.
- Allocate additional resources to a team dedicated to developing the timely launch of 'fast follow' products and better capture market opportunities. This new multi-disciplinary team will develop and launch product at speed to meet fast-emerging market trends. The products could be sold under our own brands, as private label, or retailer specific brands. Existing revenue streams will remain fully resourced to ensure there is no negative impact on the remaining business.
- Invest resources in sourcing finished products on a global basis to increase our capability to supply complementary product that cannot be manufactured cost effectively in house.
- Increase targeted marketing investment and retailer support on its core brands to accelerate revenue growth by increasing repeatable sales volumes with existing customers and support new listings. This spend will be closely managed to ensure an ongoing acceptable return on the investment and will be modified to maximise profitable revenue growth.
- Continue to invest in the core manufacturing of liquid products (creams, lotions, gels and detergent based) and alcohol products (perfumes, edt's and colognes), to improve output and productivity.
- Refocus the digital transformation team following the successful implementation of a new warehouse management system, to a project to replace our aging main business platform with a modern alternative. The aim of the project will be to deliver operational improvements whilst securing the long-term development of a secure business system environment.

Dividend

Following the re-introduction of the dividend last year and in line with a policy of paying a progressive, sustainable dividend which is supported by profits and cash generation, the board has decided to recommend to shareholders a dividend to 0.50 pence per share (2024: 0.45p). This represents a 11.1% increase on last year.

The Company is pleased to confirm its provisional dividend timetable, subject to the successful passing of certain resolutions at its AGM:

- Ex-Dividend Date: 24 July 2025
- Record Date: 25 July 2025
- Payment Date: 11 September 2025

Group strategic report (continued)

Summary and Outlook

I am pleased with the results for the year with the Executive team delivering on the goals of returning the Group to pre-covid levels of profitability and to delivering revenue growth. This puts the Group in a very strong position to move forward.

The next year will not be without its challenges largely a result of factors outside the Group's control. The key factors being:

- Managing the impact of the increase in employers' national insurance and the national minimum wage, together with associated pay increases to maintain pay differentials will cost the Group £0.9m. Our customers are facing similar challenges therefore, it is proving difficult to raise sales prices in the current market environment to offset these rising employment costs. The project to improve performance to alleviate the impact is ongoing.
- Customer credit risks. The Group is prioritising trading with resilient customers in today's tough market, while approaching others more cautiously as their future potential is assessed. The Executive team is closely monitoring risk and return.
- The impact of increased US tariffs on our direct and indirect sales to US customers, which approximate to £0.4m of revenue, will not be material. The Group will carefully monitor the knock-on impact of the tariff situation, particularly regarding product diverted to the UK, and use our new Far East sourcing team to take advantage of opportunities to increase revenue and reduce costs.

Whilst there are significant challenges, the Group is in an excellent position to manage the downside risks and take advantages of any opportunities. The proposed investment in sales, marketing, product sourcing and development will ensure the Group can take advantage of more opportunities over the coming year. The Board will continue to work closely with the Executive team to deliver and revise the strategy to grow revenue and profits.

Finally, I would like to thank all our employees, customers and suppliers who have been instrumental in the continued success of the Group.

Paul Forster
Non-Executive Chair of the Board
15 July 2025

Group strategic report (continued)

Chief Executive's Statement

Driving Performance, Creating Value

I am pleased to report that the Group has achieved a strong operating performance in the year. Group revenue increased by 1.6% to £54.1m (2024: £53.2m), a gross margin of 44.7% (2024: 42.9%), resulting in £2.3m increase in adjusted profit before tax (adjusted for exceptional items) of 194.1% to £3.5m (2024: £1.2m).

The results represent the key objectives of continuing to focus on strong business fundamentals and returning the Group to growth. This is despite market conditions remaining challenging with ongoing dampened consumer confidence, increasing costs and the headwinds of external economic factors.

Key achievements have been made in margins, continued cost control, positive cash generation and notably revenue improvement. This demonstrates the ongoing efforts to ensure the Group continues to deliver a sustainable, performance focused business.

FY25 has been a year of disciplined performance, delivering increased value, improving operational efficiency, investing in our people, and refining the strategic plan and priorities to support long-term, sustainable growth. Ongoing investment in the areas that differentiate us; research and development, market and product expertise, and talent development continues to strengthen our core business, securing the foundation for future innovation and value creation across all stakeholder groups.

We have demonstrated the ability to deliver results in an increasingly fast-paced and competitive sector, where flexibility and adaptability are essential. The capacity to respond to market dynamics while maintaining high standards of execution remains a key strength. Our diversified yet complementary revenue streams continue to serve the business well in navigating the ongoing challenges of both UK and global retail environments. Looking ahead, the focus remains on broadening these streams further to reinforce and enhance the resilience of the business.

Revenue stream performance

Private Label

Private label sales delivered the strongest revenue growth across all channels, increasing by 22.9% to £29.2 million (2024: £23.7 million). Creightons remains a leading private label supplier in the UK, underpinned by deep category and market knowledge, end-to-end product development capabilities, manufacturing expertise, and consistent delivery of high-quality products.

Private label continues to be both margin-enhancing and brand-strengthening for retailers, while offering consumers a compelling value proposition. As a result, it remains a strategic priority for major UK retailers, particularly in the current economic climate where value, quality, and differentiation are paramount.

Beyond category expertise, formulation aesthetics, including texture innovation and on-trend packaging formats, have become increasingly important in winning new business and retaining customer loyalty. Creightons continues to lead by excelling across all these dimensions, supported by strong performance in inventory management, forecasting, service levels, cost control, product quality, and technical compliance.

This year's growth was further supported by the addition of two key UK retailers to our private label customer base. These new partnerships are already proving to be positive contributors in terms of both margin and volume.

Margin performance in the private label channel remains strong, driven by continuous product cost engineering and ongoing improvements in sourcing, procurement, and manufacturing efficiencies.

Group strategic report (continued)

Chief Executive's Statement (continued)

Brands

Overall Brands have seen a reduction of sales revenue 13.5% to £18.2m (2024: £21.0m).

The process of reducing and repositioning the branded portfolio by phasing out underperforming brands and products has continued into this year, primarily affecting the UK discount channel and select international markets. Although new pricing strategies, product launches, and new product development (NPD) have been introduced, the full benefits have yet to materialise due to the timing of retailer launch windows and the inherent lead times associated with bringing new products to market.

Additionally, a comprehensive review of trading partners across several international markets has been undertaken. This has necessitated a temporary reduction in sales as we strategically reposition our brands and concentrate on market opportunities with greater long-term growth potential.

Despite the overall sales reduction, there have been encouraging gains with our priority 'must-win' brands through targeted investments and partnerships:

- **Feather & Down** is benefiting from its strategic partnership with Boots in the UK, which will result in increased shelf space, expanded store presence, and the launch of a new product range in Summer 2025. The brand has also successfully entered its first international market, securing listings with several retailers in the UAE.
- **TZone** continues to expand its footprint in the UK, achieving additional store placements and listings, with plans already confirmed for its first international market entries in FY25.
- **The Curl Company** has gained significant traction across three priority international markets, with expanded product listings and extended store distribution.
- A comprehensive relaunch of **Creightons Haircare** in Q4 in the UK, aimed at improving margins and strengthening its retail market position.

The strategic refocus of the Emma Hardie brand over the past year has led to a modest revenue decline of £0.2m, totalling £3.0m for the period (2024: £3.2m). However, the brand has achieved a positive and profitable contribution to the Group for the first time since its acquisition. This milestone was reached despite the commencement of investment in the Chinese market during Q4, ahead of anticipated sales return in FY2026. Additionally, increased investment in digital sales during the period has begun to yield growth in this channel, with an increase of 7%. Continued emphasis on entering the travel retail sector and planned new product launches in Summer 2025 are expected to provide a platform for growth throughout FY2026 and beyond.

Contract Manufacturing

The 20.3% decline in revenue to £6.7m for the period (2024: £8.4m) reflects ongoing uncertainties surrounding the performance of several brands manufactured by the Group, including the discontinuation of one sizeable brand by its owner. This particular revenue stream is not currently a strategic priority for the business. As such, we will continue to review existing customer relationships to ensure they contribute positively to the Group's overall margin and profitability.

Digital and Social (Brands)

The digital channel remains a strategic priority for a number of brands in the beauty marketplace, and notably for Emma Hardie on its own .com. (www.emmahardie.com). Throughout the year, we have continued to strengthen our presence across digital and social platforms, resulting in an overall increase in digital channel sales of 7%.

This growth has been driven primarily by the Feather & Down and Emma Hardie brands, whose pricing strategies are well aligned with digital consumer expectations while also delivering commercially for the business. Digital sales now account for 60% and 66% of total brand sales for Feather & Down and Emma Hardie respectively, up from 48% and 52% in the prior fiscal year. This includes performance across Amazon, beauty-focused e-commerce platforms, traditional retail .com sites, and the brands' own direct-to-consumer websites.

The higher-margin profile of digital sales makes this a core area of focus for ongoing investment. We continue to allocate resources across the team, marketing spend, and social commerce agencies to further support brand building and commercial growth in this channel.

Group strategic report (continued)

Chief Executive's Statement (continued)

In line with our strategy, Amazon platforms in the UK and Germany, along with TikTok Shop, remain in the early stages of development. We are currently applying a test-and-learn approach to understand the unique dynamics and consumer behaviours within these channels and markets. The extension of product and brand listings on additional marketplaces moving forward are also a key objective into 2026.

Research and Development

At the core of Creightons' strategy is the unwavering commitment to R&D, which remains a fundamental driver of our growth, differentiation, and long-term relevance within the beauty industry. The ability to translate consumer needs into effective and innovative solutions is central to our value proposition and continues to earn recognition from both our retail partners and end consumers.

Our R&D and product teams have been instrumental in securing many of the business wins achieved this year with existing and new Private Label retail customers. This includes expanding our skincare expertise through the development of new textures and incorporation of trending performance ingredients, entering the private label haircare market with treatment and styling products, and continually refining our SPF formulation capabilities.

R&D has also played a pivotal role in some exciting new brand developments, including the launch of a new sub-range of Feather & Down products and Emma Hardie's first NPD launch since acquisition, both scheduled for the UK market in Summer 2025. Additionally, extensions to the Balance Active Formula and TZone skincare brands have introduced novel textures and product formats, helping us maintain a competitive edge in the fast-evolving mass skincare category.

Operationally, the R&D team undertakes several critical functions essential to the successful delivery of new products to market. These activities demand substantial laboratory time and resources and include:

- Addressing the challenges posed by rising raw material costs while maintaining product efficacy, a crucial factor in meeting the expectations of mass-market retail and consumer demands.
- Sourcing and validating new materials and ingredients to ensure quality and innovation.
- Coordinating and executing comprehensive testing protocols, including consumer trials, to guarantee product performance and safety.

Looking forward, we will maintain R&D at the heart of the business, leveraging insights, trends, and ideas to develop trusted products. The team remains focused on exploring new categories and technologies, with ongoing investments in SPF skincare, advancing skincare technologies, performance haircare (specifically styling and treatment), and fine fragrance.

Manufacturing and Operations

Manufacturing and operations functions remain fundamental pillars in delivering Creightons' core values of Quality, Innovation and Service to our customers and partners. In a highly competitive and rapidly evolving beauty industry, agility and reliability in manufacturing are critical to our continued success.

During this trading period, several key initiatives have driven progress:

- Launching a comprehensive digital transformation program to leverage technology and enhance daily operational efficiency – including automated document management, trialling a paperless management system on the production floor (full roll out to each production line on both sites planned Q2 FY2026), a new formulation management system.
- Implementing a Warehouse Management System (WMS). A timely and necessary investment designed to significantly improve supply chain efficiencies.
- Making targeted investments in manufacturing machinery to expand both our capabilities and production capacity, supporting future growth.
- Focusing on workforce development through enhanced training programs and progression incentives to build a skilled and motivated team.

The relentless focus of our teams on improving manufacturing efficiencies has enabled us to maintain production targets with a single shift, while adopting a flexible approach to scaling labour as needed. This adaptability ensures our operations remain agile and responsive to changing demands.

Cost efficiency remains at the heart of all manufacturing and operational activities. Maximising labour productivity at every stage of the process is essential to stay competitive amid rising labour costs.

Group strategic report (continued)

Chief Executive's Statement (continued)

Following the repatriation of the majority of our inventory in-house last year, the investment in the Warehouse Management System was critical to controlling overheads, improving speed and accuracy, maximising storage utilisation, and facilitating scalable growth. Thanks to the dedication of our team, we have accelerated the implementation timeline, with the system going live in June 2025. We anticipate realising operational benefits from the second half of the fiscal year onward.

Procurement savings continue to be a priority, with smart buying aligned to inventory holding objectives and a persistent focus on sourcing cost-effective raw materials and packaging. These ongoing efforts are vital given the fast-paced nature of the beauty sector.

Continuous improvement in manufacturing and broader operations is embedded in our business culture to ensure we remain competitive and relevant in an ever-changing market.

The Future and Our Strategy

The board has implemented an annual review process of current year strategic objectives and its three-year strategic pillars. The plan was reviewed in March 2025, driving key activities and objectives for the coming year and beyond to drive shareholder value through revenue growth, profit before tax (PBT) and diluted earnings per share.

A continual review of the market, our customers strategies, category and product opportunities coupled with our experience and knowledge is undertaken throughout the year in order to ensure that our key strategic objectives are relevant and achievable. These are reviewed and monitored with the main board and senior team to ensure consistency in approach. The goal is to deliver a consistent, stable business that delivers increasing value for all stakeholders.

Overall, the strategy of pursuing a multi-revenue stream, multi-channel approach to the market and with a broad multi-category product offering continues to serve us well, enabling the business to meet the varying demands of customers and consumers.

1. Build Brands

Focus on building 'must win' brands

- Expand UK distribution footprint – there are additional distribution gains to be had.
- Invest in additional sales resource to grow and expand international markets.
- Fill the 'white space' where possible, ensure propositions are clear and represent clear customer need states.
- Increase marketing spend on 'must win' brands with a focus on increasing brand awareness in all channels to fuel brand growth.

Expand with New Brands – Developed or Acquired

- Develop in-house where possible to add maximum stakeholder value.
- Acquire where the fit is right and adds to the Group's total Brand portfolio and delivers additional business value.

Create a Fast Follow Brand/Product Team

- Enable specific focus on delivering revenue generating opportunities on fast trend opportunities with key retailer partners.
- Invest in dedicated team within the brand team to deliver this revenue stream.

Product Diversification

- Invest in sourcing third party manufactured product to extend brand and private label offer to enhance range appeal and contribute to revenue growth.

Build on Digital Platform Brand Sales

- Ongoing development of Amazon Vendor and Amazon Seller including developing selected international markets.
- Investment into our own .com sites where the brand positioning will succeed.
- Grow relationships with key pure beauty players where the brand fit makes sense.

2. Grow Private Label Share

- Retain the dominant position in UK supply.
- Focus on margin positive products.
- Work with the best in class retailers.
- Ensure Research and Development (R&D) category development drives new sales opportunities.
- Drive new Category Expertise to extend and grow supply – short term SPF, more advanced skincare and fragrance categories.
- Product Diversification – benefit from third party investment in sourcing third party manufacturer product where retailer and market opportunity exists.

Group strategic report (continued)

Chief Executive's Statement (continued)

3. R&D Focused Business

- Essential for growing the Private Label business by entering new product types and related categories.
- Speed to Market focus.
- Meeting and anticipating consumer needs – for both Brand and Private Label divisions.
- Remain at the cutting edge of trend, ingredients, product textures and formats.
- Evaluation of materials with low carbon footprint for more sustainable products.

4. Maintain Core Stable Foundations

- Continual review of ensuring our cost footprint fits and sales and profit profiles
- A strong value proposition for our customers and consumers
- Customer-centric focus.
- Data driven decision making throughout all core functions.
- Ensuring adaptability and innovation are in the DNA of the business.

5. Well Invested Manufacturing and Capabilities

- Output, capacity and extended capabilities focused capital investment.
- Ensure the Group's costs and asset base match demand, environmental and safety requirements.
- Digital transformation utilising IT/AI/Digital technologies to enhance productivity, data and systems management.

6. Develop Teams and People

- Structured training programmes throughout the operational functions couple with grading system for improvement and advancement.
- Apprenticeship Programme – making best use of opportunities to skill up new and aspiring talent
- Graduate Training Programme – an ongoing and successful programme for nurturing new talent across all business functions.
- Individual mentoring and external coaching for key roles and individuals to develop future leaders.

7. Deliver for Shareholders

- By aligning our people, products, and purpose with evolving market needs and global trends, we aim to outperform expectations, increase returns, and build a resilient business that thrives over time. This aim to be achieved through sustained revenue growth, operational excellence, and market responsive R+D to deliver for our customers.

Over and above the core strategic pillars there is a continued commitment to meet environmental and sustainability targets

- The business has committed to SBTi validated emissions reduction targets by 31 December 2026 . Please see further detail outlined in the CRFD report per page 25 to 32.
- Scope 1 and 2 emissions will reduce by 42% and Scope 3 emissions by 25% by 2030.
- For FY24/25 we have seen a decrease in scope 1 and 2 emissions of 18.5% year on year and 30.8% from our base year.
- We have just completed the 11th year of holding the RSPO supply chain accreditation.
- Now sourcing 99.9% of our palm derivatives from RSPO sustainable sources.
- For FY24/25 the amount of recycled plastic in our packaging has increased to 255.8 tonnes, 23.2% of to the total amount of plastic bought, an increase of 3.7%.
- We completed the climate change module for the Carbon Disclosure Project (CDP) in FY24/25 and scored a B. Please see further detail outlined in the CRFD report per page 25 to 32.

Group strategic report (continued)

Chief Executive's Statement (continued)

Summary

Whilst trading conditions remain challenging amid macroeconomic uncertainties and shifting consumer trends, the business delivered a solid financial performance. Returning to growth whilst achieving improving margins, positive cash generation and keeping costs in line with revenue is a result of the team's continued disciplined focus and clear direction.

As we look ahead, manufacturing agility and innovation are more fundamental than ever as consumers continue to demand newness and performance, trend-led product. The strategy of pursuing a multi-channel approach to the market and a broad multi-category product offering continues to serve us well during both favourable and uncertain economic times.

Looking ahead, our innovation pipeline remains a key growth driver, coupled with extending our manufacturing and sourcing capabilities in product type and format within existing and new distribution channels. These are priorities shared across all teams and are vital in achieving our overall strategic goals of revenue growth, strong financials and positive returns for shareholders.

I would like to thank all of our very dedicated teams for their continued hard work and commitment along with the ongoing support of all of our stakeholders and the Board. I am confident that with our talented teams and unwavering commitment to deliver, we are well-positioned for continued success in the evolving retail and beauty product landscape.

Philippa B E Clark
Chief Executive Officer

Group strategic report (continued)

Financial Report

Overview of Financial performance

The Group’s ongoing execution of the strategic priorities has led to improved profitability, driven by revenue growth and margin expansion across both gross and operating levels. Revenue increased by £0.9m to £54.1m (2024: £53.2m), led by private label sales growth. Gross profit margin increased by 180 bps to 44.7% from 42.9%, whilst Operating profit margin (before exceptional items) increased by 360 bps to 6.5% (2024: 2.9%). The resulting impact led to an increase in adjusted profit before tax (adjusted for exceptional items in the previous year) of 194.7% to £3.5m (2024: £1.2m). The Group remains committed and focused on delivering profitable growth, supported by continued sales momentum and expansion, operational efficiency and cash generation.

The Group continues to maintain a disciplined focus on cost rationalisation to ensure operational efficiency in line with increased activity. This approach has enabled more effective management of direct and indirect labour costs, administrative expenses, and warehousing and distribution overheads. Ongoing manufacturing efficiencies have further contributed to the effective management of both cost of sales and fixed overheads, ensuring scalable and sustainable operations. As a result of this, the operating profit before exceptional items increased by £2.0m to £3.5m (2024: £1.5m).

Despite a significant improvement in underlying operating performance, with EBITDA (before exceptional items – impairment) increasing to £5.1m (2024: £3.2m), the cash generated from operating activities decreased to £3.9m (2024: £6.1m). This decline was primarily driven by a working capital outflow of £1.2m, compared to an inflow of £2.6m in the prior year. The outflow was attributable to increases in inventory (£0.7m) and trade receivables (£1.2m), partially offset by an increase in trade payables (£0.6m). In contrast, the prior year benefited from reductions in inventory and trade receivables of £2.0m and £2.2m respectively, although trade payables decreased by £1.6m. Additionally, a £1.0m tax outflow was incurred in the current year due to the Company falling within the Quarterly Instalment Payment (QIP) regime. In the previous year, no tax payment was made as the Company benefited from an overpayment in prior periods, resulting in a payment on account that covered the tax liability.

The Group has utilised the cash to reduce its debt exposure with net gearing to negative 1.7% (2024: positive 3.5%). Net cash on hand has increased by £0.8m to positive £3.0m (2024: £2.2m). Please refer to the section on Key Performance Indicators on page 18 where they are defined.

Revenue

Overall Group sales were £54.1m for the year ended March 2025 (2024: £53.2m) representing an increase of £0.9m.

The sales generated by each revenue stream are;

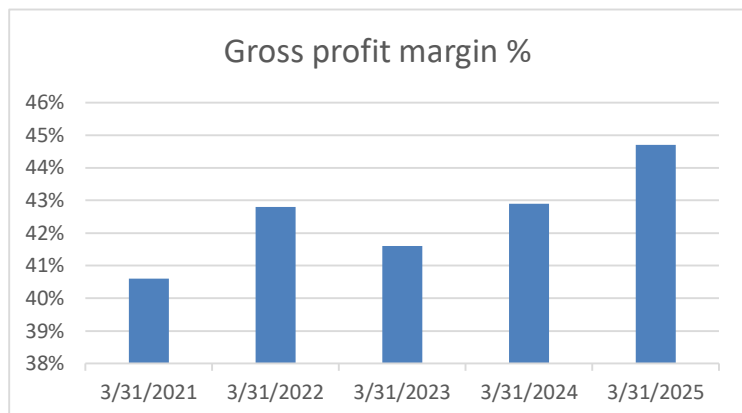
	2025	2024	Movement
	£000’s	£000’s	
Branded products	18,176	21,020	Decrease of 13.5%
Private label	29,154	23,727	Increase of 22.9%
Contract manufacturing	6,720	8,431	Decrease of 20.3%
Other	16	16	
Total	54,066	53,194	Increase of 1.6%

Please refer to the Chief Executive’s statement on Revenue movements.

Gross profit margin

The ongoing challenging macroeconomic environment has led to inflationary pressures across labour, raw material (components, and commodity prices) and transport (global and domestic) costs, eroding the Group’s gross profit margins. The Group implemented systems and processes to monitor Cost Price Increase (C.P.I) across all categories of supply. This proactive approach has enabled the Group to mitigate margin erosion through a combination of actions, including product re-engineering, reformulation, targeted price increases, and SKU rationalisation to streamline offerings and focus on higher-margin products.

Gross margin has seen an upward trend in recent years as a result of proactive measures taken by management in the areas of customer price increases, cost mitigation and product re-engineering and reduced labour costs due to shift rationalisation and efficiency improvements. Additionally, the business has reviewed its product portfolio and ensured SKU’s not achieving the desired level of contribution margin were exited.



Group strategic report (continued)

Financial Report (continued)

Distribution costs and Administrative expenses

Distribution costs have decreased by 20.8% to £2.8m (2024: £3.5m) despite an increase in revenue. This reflects the ongoing benefits of actions implemented in the prior year, including the decision to bring the picking and packing of finished goods in-house and exit third-party logistics arrangements where possible. Improved management of inventory levels has further supported these efficiencies, resulting in a £0.4m year-on-year reduction in underlying net costs associated with outsourced warehousing and third-party storage. This had a positive impact on both costs and the efficiencies of the business going forward. Additionally, a change in the sales mix has contributed to a reduction in outbound freight costs by £0.3m. A 2.8% decrease in international sales to £8.2m, has helped lower overall logistics expenses.

Administrative expenses rose by £0.1m to £17.9m (2024: £17.8m), despite revenue increasing by £0.9m. This growth in revenue was achieved without a material increase in overheads, demonstrating a lean and efficient cost structure. The cost reductions seen in previous years are directly attributable to cost rationalisation and manufacturing efficiencies implemented across the Group. The Group has achieved overhead savings across most cost categories through efficient utilisation of its manufacturing facilities. Production continues to be maintained on a single shift, with no impact on output or the ability to meet customer demand. Operating on a single shift also provides spare capacity, offering flexibility to scale output as required.

Exceptional items

There were no exceptional items for the year ended 31 March 2025.

In the previous year, redundancy costs incurred of £0.02m were in respect of the closure of the second shift at Peterborough.

As required by IAS 36, the Group reassesses its capitalised intangible assets for impairment on an annual basis. Following the difficult trading years of the Emma Hardie subsidiary in the prior year, management assessed that the brand value acquired on acquisition in relation to Emma Hardie was to be impaired by £4.4m in the year ended 31 March 2024. This was shown as a separate line item in the Consolidated profit and loss account as it is an expense that is not in line with the normal trading operations of the Group. The impact of this impairment was not cash impacting and is an entry that reduced the intangible assets (Brand value for Emma Hardie) on the balance sheet with a corresponding entry in the Consolidated income statement. The associated goodwill and deferred tax liability was derecognised from the balance sheet. Please refer to notes 3, 8, 13 and note 14.

Operating profit and EBITDA

Operating profit (before exceptional items) increased by £2.0m to £3.5m (2024: £1.5m). As a direct result of strong operating performance, the Group has generated EBITDA of £5.1m (2024: £3.2m). Please see page 19 for how EBITDA is calculated.

Tax

The Group's effective tax rate for the period exceeds the standard headline rate of 25% and shows an increase from the comparative period, where the rate was -7.6%. This is due to several factors but largely a result of legislative changes to the Research and Development tax relief.

The Group continues to benefit from available R&D tax incentives; however, due to recent changes, these no longer reduce the Group's effective tax rate, a trend seen across the industry and among similar businesses.

In addition, a sizable amount of long-term share incentives, which were previously expected to give rise to a future tax deduction, lapsed during the period. This one-off event has contributed to the increased effective tax rate for the Group during the period.

The Group continues to monitor the effective tax rate and overall tax strategy of the business and is exploring opportunities to improve the tax efficiency of the group's asset base by ensuring tax relief is maximised by the Group in respect of qualifying assets.

Profit after tax

The Group reported a profit after tax of £2.5m for the year ended 31 March 2025 (2024: Loss £3.5m).

Earnings per share

The diluted earnings per share increased to positive 3.29p (2024: negative 5.15p). Share options were excluded from the earnings per share calculation in the consolidated income statement for the prior year due to their anti-dilutive effect on the loss after tax attributable to equity holders. The EPS in the previous year had been adversely impacted by the reduction in profit after tax including the exceptional costs of £4.4m. The main exceptional item in the previous year pertaining to the brand impairment of Emma Hardie was a non-cash impacting item. Adjusted diluted earnings per share excluding exceptional items for the previous year was 1.42p.

Group strategic report (continued)

Financial Report (continued)

Research and development

The Group undertakes significant research and development (R&D) to identify new brands, proprietary products and improved formulations to existing products that address expected market trends to maximise the Group's market share and deliver new opportunities for growth. The spend in the year on research and development was £0.6m (2024: £0.8m).

The Group's principal focus in R&D is maintenance and development of brands and products in its existing markets and product ranges. As our brands evolve the Group now develops ranges which involve greater innovative development and claims substantiation which has changed the nature of our research and development over recent years. One impact of this development is improved claims for research and development tax relief.

Cash on hand and working capital

Net cash on hand (cash and cash equivalents less short-term element of obligations under finance leases and borrowings) is £3.0m (2024: £2.2m). The improvement in cash of £0.8m year on year is mainly attributable to continued improvements in profit from operations and reduction in borrowings.

Inventory

Inventory on hand increased by £0.7m to £8.9m (2024: £8.2m) during the year to March 2025. Average inventory holding has been maintained throughout the year with the closing balance of inventory reflecting a timing of manufacturing quantities held for customer product launches in the new year. Third-party storage and outsourced warehousing saw a £0.4m year-on-year reduction in underlying net costs as a result. Purchasing quantities and manufacturing batch sizes to reduce inventory holding on both raw materials and finished goods continue to be implemented.

Return on Capital Employed

The increase in operating profit before exceptional items coupled with the decrease in net equity and the reduction in borrowings has improved return on capital employed by 700 bps from 5.9% to 12.9% (see page 19). This is in line with the Group's objective to provide a stable base for growth. The Group continues to look for opportunities to invest in brands that will help drive faster growth in profits.

Net gearing

With the increase in cash generation and reduction in cash outflow the business was able to utilise the cash generated to improve its liquidity by reducing its reliance on short term borrowings. Additionally, the Group has reduced its gearing by making an overpayment in August 2024 to pay in full the term loan. This resulted in a negative Net gearing of 1.7% (2024: positive 3.5%) highlighting low leverage.

Dividend

The Director's propose a final dividend for the year ended 31 March 2025 of 0.50 pence per ordinary share (2024: 0.45 pence per share). The Group has exhibited strong operational performance and generated cash which in turn has improved the Group's liquidity and reduced its gearing. This is consistent with the Directors' objective to align future dividend payments to the future underlying earnings and cash requirements of the business. The total dividend paid in the year ended 31 March 2025 was £0.3m (2024: £nil).

Group strategic report (continued)

The business model

The principal activity of the Group is the development, marketing manufacture and supply of personal care, beauty and fragrance products, which includes the development of brands. A review of the operations of the Group during the year and current developments are referred to in the Chairman's statement on pages 4 - 6.

The subsidiary undertakings affecting the results of the Group in the year are detailed in note 17 to the financial statements.

A fair review of the Group's business

History

Creightons PLC was registered in 1975 to continue the business of manufacturing and marketing toiletries, first established in 1953. It created a number of proprietary brands, although it focused mainly on private label and contract manufacturing. The Company was quoted on the Unlisted Securities Market in 1986 and subsequently transferred to the Main Market of the London Stock Exchange in 1994. On the 31 March 2025 Creightons PLC delisted on the main market and transferred to AIM. The Group consolidated its manufacturing at the Potter and Moore Innovations plant in Peterborough following the acquisition of the Potter and Moore business in 2003 and disposal of the Storrington site in 2005. The Group acquired the business and assets of the Broad Oak Toiletries site in Tiverton in February 2016 further increasing the Group's sales reach in terms of product and premium customers and adding to manufacturing capability and capacity. In June 2019 the Group bought the Balance Active Formula brand. In the year ended March 2022 the Group completed the acquisition of the Emma Hardie and Brodie & Stone businesses.

Operating Environment

The beauty products sector principally encompasses products for haircare, skincare, bath & body, male grooming and fine fragrance. The market is relatively mature although it is constantly evolving as brands seek to differentiate their offering in order to generate sales opportunities. This has resulted in a fragmentation of different sectors, for example, with haircare products developed to treat different hair types and conditions. Whilst adding some complexity, this segmentation creates opportunities for our business.

Consumers purchase our products through a range of retail and digital outlets, from high quality department stores to value driven discounters, with the High Street supermarkets and drug stores in the middle. A significant amount of the Group's products are sold in the UK. Additionally, amounts are sold overseas, either direct to retailers or through distributors.

Producers and manufacturers providing products in this marketplace range from major multinational corporations to small businesses. Production is now world-wide, with many competitors sourcing a significant proportion of their products from outside the UK, either due to greater economies of scale or due to a lower cost base.

The Group purchases its raw materials and components from an extensive range of suppliers in the UK and internationally and has built up a significant contact network to keep up to date with prices and market developments. We have a skilled team of employees working throughout the supply chain, including procurement, technical, manufacturing and logistics.

All products the Group manufactures conform to EU regulation No. EU 1223:2009 and the equivalent UK regulations, which applies to toiletries and cosmetic products. The sites hold appropriate accreditations to conform to this regulation.

The Group's operations are broadly organised into three business streams:

- our own branded business which develops, markets, sells and distributes products we have developed and own the rights. These sales are increasingly made direct to consumers. All inventory is manufactured to forecast. Key brands include internally developed brands such as; Feather & Down, and The Curl Company. This is in addition to the acquired brands Balance Active Formula, Emma Hardie and TZone.
- private label business which focuses on high quality private label products for major high street retailers and supermarket chains, with the majority of inventory manufactured to forecast.
- contract manufacturing business, which develops and manufactures products on behalf of third-party brand owners and typically manufactured to order.

Each of these business streams is supported by commercial and marketing teams.

Each business stream uses central creative, planning, sourcing, finance and administration operations based in Peterborough with manufacturing, sales, research and development and logistics operations located at both Peterborough and Tiverton. Each business stream is pro-active in the development of new sales and product development opportunities for their respective customers.

In addition to developing the existing branded portfolio, the Group considers the acquisition, development and investment in new brands to be key in adding value to the business. We will dispose of brands which we have successfully grown but are no longer part of our core business.

Group strategic report (continued)

Position of Group business

It is the Directors' view that the financial position of the Group at the year-end is strong and that the Group has sufficient resources to meet its obligations in the normal course of business for the next 12 months.

Current operations

The Group operates through the three main business streams described above, utilising its extensive brand management, product development and manufacturing capabilities encompassing bath and body toiletries, skincare, hair care, fragrances, and male grooming. The Group has extended its research and development and sales expertise to maximise the opportunities afforded by these capabilities. Some of this work has been capitalised and is being amortised over the estimated life of the products in accordance with UK adopted international accounting standards.

The Group has continued its aggressive development programme of new ranges of branded bath and body toiletries, haircare and skincare products. Feather & Down illustrating the potential that can be derived from this investment. The Group continues to extend and develop those recently acquired, such as Emma Hardie, TZone and Balance Active, or developed internally and successfully launched such as Feather and Down and The Curl Company.

The Group invests significant resources in developing new products, ensuring the Group adheres to regulations in all of the markets it operates in and is forward looking to address future developments in what is a highly regulated market.

Strategy, objectives and future developments

Please refer to the Chairman statement on pages 4 to 6 and the Chief Executive statement on pages 7 to 12 for the Group's primary focus on strategy, objectives and future developments.

Group strategic report (continued)

Key performance indicators

Management and monitoring of performance

The Directors are mindful that although Creightons PLC is a UK Listing Authority “commercial Companies” listed Company up to the 31 March 2025 before transition to AIM on the 31 March 2025, given its size many of the ‘big business’ features common in main market Companies are inappropriate. Recent years’ profitable results have been achieved as a result of considerable hard work in focusing management and staff efforts on more productive product ranges, improving production and inventory holding efficiencies, ensuring high levels of customer service and eliminating overhead inefficiencies. This report has been prepared with that in mind and is commensurate with the size of the Group’s business.

As a consequence, the Group has limited personnel or other non-financial Key Performance Indicators (KPIs) or targets. Each position that becomes vacant is reviewed against our strategic objectives for necessity before authorisation is given for it to be filled through either recruitment or promotion.

The Group has committed to set a near term Science Based Targets initiative (SBTi) validated emissions reduction target. We commit to reduce Scope 1 and 2 emissions by 42% by 2030 from a 2022 base year. In addition, we commit to reduce Scope 3 emissions by 25% by 2030 from a 2022 base year.

The Board regularly monitors performance against several key financial indicators, including gross margin, overhead cost control, cash/borrowing and inventorying levels. Performance is monitored monthly against both budget and prior year.

Financial key performance indicators

These Key Performance Indicators are used to gauge and compare performance in terms of meeting our strategic and operational goals.

- Revenue shows the performance of the business.
- Gross margin % (revenue less cost of goods sold, over revenue) indicates production and purchasing efficiencies.
- Profit for the year shows the return to shareholders.
- Operating profit before exceptional items (gross profit less operating expenses) shows profit earned from the normal business operations.
- EBITDA (Earnings before Interest, Tax, Depreciation & Amortisation) provides a reflection of the operating profitability of the business.
- Return on capital employed (Operating profit/Employed Capital + Long & short term debt) ensures that the business generates sufficient returns to pay for its cost of capital.
- Net Gearing (Total net debt/Shareholders’ funds) shows the extent to which operations are funded by lenders versus shareholders. Indicating potential exposure to external interest rate fluctuations (financial risk) alongside shareholder investment in the business.
- Net cash on hand is defined as Cash and cash equivalents less current lease liabilities and borrowings. This shows the immediately available cash for use in operating activities or available for investments.
- Inventorying levels shows the working capital currently invested in inventory. High levels indicate lock up of working capital.

	2025	2024
	£000	£000
Sales	54,066	53,194
Gross Margin	44.7%	42.9%
Profit / (Loss) after tax for the year	2,452	(3,527)
Operating profit before exceptional items	3,531	1,538
Operating margin before exceptional items	6.5%	2.9%
EBITDA before exceptional item - impairment	5,115	3,239
Return on capital employed	12.9%	5.9%
Net gearing (including obligations under leases)	(1.7%)	3.5%
Net cash on hand	3,022	2,167
Inventorying levels	8,872	8,225

Group strategic report (continued)

Key performance indicators (continued)*

EBITDA is calculated by adjusting the operating profit for depreciation and amortised development costs as detailed below.

	2025	2024
	£000	£000
Operating Profit	3,531	(2,928)
Depreciation	1,401	1,360
Amortisation	183	358
Exceptional items – Impairment	-	4,449
EBITDA	5,115	3,239

Net Gearing is calculated by taking the total net borrowings over the total equity as detailed below.

	2025	2024
	£000	£000
Total Lease liabilities	1,152	984
Total Borrowings	2,100	2,935
Less cash on hand	3,659	3,138
Total net borrowings	(407)	781
Net equity attributable to the equity shareholders of the parent Company	24,223	22,055
Net gearing %	(1.7%)	3.5%

Return on Capital Employed is calculated by dividing operating profit by net equity plus lease liabilities and borrowings. See below.

	2025	2024
	£000	£000
Operating Profit before exceptional items	3,531	1,538
Net Equity	24,223	22,055
Total Lease liabilities	1,152	984
Total Borrowings	2,100	2,935
Return on Capital Employed	12.9%	5.9%

Adjusted Profit before tax (adjusted for exceptional items in the previous year) is calculated as below.

	2025	2024
	£000	£000
Profit before tax	3,497	(3,277)
Exceptional items – Impairment	-	4,449
Exceptional items - Redundancy costs	-	17
Adjusted Profit before tax	3,497	1,189

Adjusted diluted earnings per share excluding exceptional items has been calculated as per note 12 of the accounts.

Operating profit before exceptional items is calculated as per the below.

	2025	2024
	£000	£000
Operating Profit	3,531	(2,928)
Exceptional items – Impairment	-	(4,449)
Exceptional items - Redundancy costs	-	(17)
Operating Profit before exceptional items	3,531	1,538

*Refer to the page 2 for KPI highlights

Group strategic report (continued)

Health and Safety

This Non-financial key performance indicators is a metric that reflects the operational health and commitment to the well-being of employees. A culture of safety reduces workplace accidents and injuries which would ultimately impact the productivity of the business. There was 1 incident involving an employee which required reporting to the HSE. This did not result in adverse HSE reports or recommendations. In the previous year there was 1 reported incident. The individual involved has fully recovered and was able to return to work with no long-term effects after their incident. The Group continuously monitors and revises its operating, training and monitoring procedures as appropriate to ensure that the safety of employees and contractors is maintained to a high standard and ensures there is no deterioration in compliance with these standards.

Principal risks and uncertainties

The Board regularly monitors exposure to key risks, such as those related to production efficiencies, cash position and competitive position relating to sales. It has also taken account of the risks facing the business from the challenging economic environment including inflationary pressures, higher interest rates and their impact on consumer demand. Further details of mitigating measures taken by management are set out on page 2.

It also monitors risks not directly or specifically financial, but capable of having a major impact on the business's financial performance if there is any failure. The key risks and the measures taken to manage these risks are noted below.

Capital structure, cash flow and liquidity

The Group has a strong balance sheet. The business is funded using; retained earnings, a long term mortgage, term loan and sale and lease back arrangements to support investments in fixed assets, invoice financing and overdraft facilities for working capital. Further details are set out in notes 23 and 24.

At 31 March 2025 the invoicing financing is in a surplus position of £8,000 (2024: £6,100) as the facility is not being utilised. The operations have generated sufficient cash to improve its liquidity. At 31 March 2025 the Group has not utilised its overdraft facility (2024: £37,000). Further details are set out in note 21 in relation to cashflow and liquidity risk.

Competitive environment

The Group operates in a highly competitive environment in which demand for products can vary and customers have the opportunity to transfer business to other suppliers. The Group works to minimise this risk by developing close relationships with customers offering quality, service and innovation throughout the business. This risk is also further reduced through the development of its branded product portfolio and by the diversity of customers and products offered. All customers are credit insured or pay on proforma basis before supply.

Quality and Safety

The Group treats quality as its key requirement for all products and strives to deliver performance products for every price point. Failure to achieve the required quality and safety standards would have severe consequences for the Group, from financial penalties to the damage to customer relationships. The Group has a robust product development process to mitigate risk wherever possible and to ensure all products are safe and fit for purpose. The Group is subject to frequent internal and external safety, environmental, ethical and quality audits covering both accreditations held and a number of specific operating standards our customers require us to comply with.

Global economic environment

The cost-of-living crisis in the U.K. continues to abate consumer demand. The Group strategy of pursuing a multi-channel approach to the market and a broad multi-category product offering continues to serve us well during times when consumer demand is impacted by a cost-of-living crisis.

The BOE base interest rate has decreased by 0.75% to 4.50% (2024:5.25%) in response to inflationary pressures easing slightly. Inflation continued to have a negative impact on consumer demand and the viability of many businesses. The rate of increase in commodities has eased but core domestic inflation and the prospect of prolonged higher interest rates remains a cause for concern. The rate of domestic inflation has reduced as reflected by the reduction in the BOE base rate. Please see note 21 for impact of interest sensitivity on our current level of gearing.

The global supply chain continues to be impacted by the war in Ukraine and the Red Sea issues due to the ongoing conflict in the Middle East. The cost of importation of goods has increased as well as delivery lead times. These continue to be closely managed by working collaboratively with our supply base.

The recent disruption caused by higher U.S. tariffs has had no material impact on our business operations. This is primarily due to our minimal exposure to the U.S. market, with no significant customers or suppliers based in the region. As a result, our supply chains and revenue streams have remained stable, allowing us to continue operations without the challenges faced by businesses more directly connected to the U.S. economy.

Group strategic report (continued)

The Group monitors C.P.I's across all categories of supply. Mitigation measures included product re-engineering, re-formulating, and increasing customer selling prices where appropriate.

The Directors have taken account of these potential impacts in their going concern assessments and have concluded that the direct impact is not significant to the business, with the indirect impact of price increases being reviewed on a regular basis. In the face of these challenges the focus of the business will be on positive cash generation and restoration of profitability.

Credit risk

Our credit risk is that our customers are unable to pay, and we believe this risk is elevated currently due to the current global economic climate. We proactively manage the risks faced by our customers by working closely with them and by increasing debtor management and expanding our credit insurance. All customers' debtor balances, are within insured credit limits or they pay on a pro-forma basis. Credit control processes are in place to manage credit risk including setting appropriate credit limits and the enforcement of credit terms and ongoing dialogue with all customers. We minimise the risk from concentration of customers through implementation of these credit processes and this risk is mitigated through the diversity of our customer base both by channel and geography. We remain vigilant to the credit risks in light of the challenging economic environment.

Supplier sourcing and costs

Cost increases driven by inflation, along with global material supply pressures, remain our key supplier-related risks. While pressure on global supply chains has eased, uncertainty around future commodity pricing persists.

We continue to work closely with our suppliers and have leveraged improved sourcing capabilities to expand our supply base. This helps us meet demand from both existing and new customers while minimising the impact of cost increases.

We maintain an active dialogue with suppliers to stay informed of commodity price movements and keep open lines of communication with customers to anticipate changes in demand, thereby mitigating potential impacts on the business.

Environmental protection standards and sustainability

The Group's technical department continues to monitor all relevant environmental regulations that the Group must adhere to, to ensure continued compliance. We have successfully operated at both manufacturing sites without a cessation in production due to an environmental incident. The risk of cessation of production from an environmental breach is considered to be low but in such an event we would be able to move production to the other site or to outsource to third party manufacturers in the short term.

The Group's objective is to keep ahead of the move towards more sustainable products and processes. There is a risk that if we do not take action we will be left behind and unable to meet our customers' requirements. However, the Group sees the move towards sustainability as an opportunity for business growth.

Cyber security

Cyber Security remains a significant threat to all businesses. The Group is exposed to the risk of sophisticated cyber-attacks aimed at causing direct financial loss from theft of funds, ransom payments, and costs associated with system recovery and data restoration. Such attacks also lead to business interruption, causing lost productivity and revenue. There is also a heightened risk of theft and encryption of confidential data for financial gain and reputational damage.

The Group has continued to invest in new software and resources to minimise the risk of anyone accessing our systems and information. We have enhanced our ongoing training programme for employees to ensure that they are constantly aware of their role in protecting the business from all cyber security threats. The Group has an insurance policy in place to minimise its exposure to cybercrime.

Group strategic report (continued)

Section 172 statement

In accordance with the requirements of Section 172 of the Companies Act 2006 the Directors are aware of their duty to act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefits of its members in the long term and in doing so have regard to:

- the likely consequences of any decisions in the long term;
- the interests of the Group's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the reputation for a high standard of business conduct; and
- the need to act fairly between members of the Company.

Whilst the importance of giving due consideration to our stakeholders is not new, we are explaining in more detail how the Board engages with our stakeholders to comply with the Section 172 requirement to include a statement setting out how our Directors have discharged this duty.

The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by management and by direct engagement with stakeholders where appropriate. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision-making. Details of our principal stakeholders, how and why we engage with them is detailed below;

Shareholders

A key objective of the Board is to deliver long term sustainable growth for our shareholders and to maintain effective communication with our shareholders to explain business performance and strategy. The Group's principal means of communicating with shareholders is through the Annual Report and Financial Statements. The AGM also provides an opportunity for shareholders to ask questions of the Directors.

Customers

The Directors believe that good relationships with our customers are a key component in the long term success of the Group. These relationships are based on our commitment to provide our customers with quality, service and innovation. We engage with a diverse range of customers from high quality department stores to value-driven discounters and also brand owners within our contract division. Through the combined efforts of our specialist commercial and technical teams we aim to provide a product offering suited to the needs of our customers. We work closely with all of our customers to ensure fair trading agreements are in place and we strive to work closely to identify shared opportunities to increase sales to ensure mutual growth in sales and profits. Our customers include consumers who purchase through a variety of digital platforms and we recognise the increasing importance of effective communication with this expanding customer group.

Employees

The Directors recognise the crucial role of all our employees in the success of the Group and are committed to enhancing its methods of engagement with the workforce with thorough regular briefings, direct communications through text messages and regular meetings with employee representatives through works councils. The Group offers an open and inclusive culture where employees are offered the opportunity to progress within the business.

Suppliers

Raw material and component prices constitute the significant proportion of the Cost of Goods Sold (COGS) and supply chain issues in terms of pricing and delays have a major impact on business performance and continuity. We aim to work responsibly with our suppliers and seek to maintain mutually beneficial and strategic relationships over the long term. A due diligence exercise is carried out with new suppliers and ongoing suppliers' performance is monitored including adherence to our Modern Slavery and Human Trafficking Statement. We ensure all suppliers are treated fairly when negotiating trading terms, including prompt payment for goods and services. We work proactively with our suppliers to support our vegan and cruelty-free claims on our products and to ensure we are up to date with the latest technology and market trends.

Community

The Directors recognise the importance of having no detrimental effect on the local communities in which the business operates. To support the local community wherever possible, we engage local contractors and suppliers. We also contribute to local charities by supplying product free of charge. The Directors are aware of the challenges of climate change and have put in place mechanisms to ensure climate change considerations are incorporated into the strategic decisions of the business. These are fully more fully described in the CRFD report on pages 25 to 30.

Group strategic report (continued)

Section 172 statement (continued)

Key decisions made during the year, all of which have long-term implications for the ultimate success of the Group and the section 172 and stakeholder considerations are set out below.

Key Board Decision	Section 172 and Stakeholder Consideration
Changes to Board structure <ul style="list-style-type: none"> • Appointment of new independent non-Executive Directors 	<ul style="list-style-type: none"> • These appointments and amendments to the Board supplement the wide experience of the existing Directors, thereby enhancing the quality of decision making at board level, for the benefit of all stakeholders in the long-term.
Move to AIM from Main market	<ul style="list-style-type: none"> • As part of our ongoing commitment to long-term strategic growth and enhancing shareholder value, the Group made the decision to move from the Main Market to AIM. The Board carefully considered the interests of all stakeholders, including shareholders, employees, and customers, in determining that AIM provides a more appropriate regulatory environment for the size and nature of the business. The move is expected to offer greater flexibility, reduced costs, and a market better suited to support the Company's growth ambitions, while continuing to uphold high standards of governance and transparency.
Dividend policy	<ul style="list-style-type: none"> • Having faced the challenging and volatile economic conditions over the past couple of years the Directors now consider it appropriate to reward shareholders with a prudent final dividend payment for the year ended 31 March 2025. This is consistent with the Directors' objective to align future dividend payments to the future underlying earnings and cash requirements of the business and the need to be prudent about utilisation of cash resources.
Reducing Net Gearing	<ul style="list-style-type: none"> • Given the improved operating profit of the Group and its ability to generate positive cash, the Board deemed it appropriate to reduce the level of borrowing within the Group. Specifically, loans that attracted a high rate of interest. As a result, the Board decided to repay the remaining Term loan balance of £0.5m.
Renewal of Bank Facilities	<ul style="list-style-type: none"> • Bank facilities were renewed which provided adequate resources for the business to ensure the Group can continue to operate for the benefit of all stakeholders.
IT Investment and Digital Transformation	<ul style="list-style-type: none"> • As part of our commitment to long-term operational efficiency and stakeholder value, we made significant investments in IT infrastructure during the year. A key development was the creation of a new role, Director of Business Systems and Improvement. A dedicated team was established to drive the strategic use of technology, including AI, to enhance performance and strengthen our cyber security environment. This has led to the successful implementation of a new Warehouse Management System (WMS) and the launch of a comprehensive digital transformation programme. Key initiatives include the introduction of automated document management, the trial of a paperless system on the production floor (with a full rollout to all production lines across both sites planned for Q2 FY2026), and the deployment of a new formulation management system. These advancements reflect our ongoing commitment to continuous improvement, operational resilience, and delivering value to all stakeholders.

The Board ensures that items requiring Board approval highlight relevant stakeholder considerations to be reviewed when making decisions. As required, the Company Secretary will provide support to the Board to help ensure that sufficient consideration is given to stakeholder issues.

Group strategic report (continued)

Corporate and social responsibility

The Group is mindful of its wider responsibilities as a significant local employer in both its principal locations and of the contribution it makes to the local economy both where it and its suppliers are based. The Group adheres to Modern Slavery and Human Trafficking Policies and adheres to best practice with regard to employment practices.

The Group is committed to operating in an honest way and without the use of corrupt practices or acts of bribery to obtain an unfair advantage. The Group has an Anti-bribery policy which prohibits bribes, gifts, inappropriate entertainment and hospitality as well as the avoidance of conflict of interest through personal or other relationships.

We value and respect our employees and endeavour to engage their talent and ability fully. Whilst the Group does not operate a formal personal performance appraisal process, individual managers and supervisors undertake continuous performance monitoring and appraisal for their subordinates and routinely report the results of these to their own managers. Part of this monitoring and appraisal includes assessment of training required for personal development as well as succession planning within the Group, and all employees are encouraged to undertake appropriate training to develop their skills and enhance their career opportunities.

The Group has formally adopted an Environmental Policy, which requires management to work closely with local environmental protection authorities and agencies, and as a minimum, meet all environmental legislation. The Group uses significant amounts of plastics, cardboard packaging and chemicals in its products. It ensures it meets all regulations covering their use and has specific programmes covering;

- Sustainable palm oil; we are a member of Roundtable for Sustainable Palm Oil, holding their supply chain accreditation. 99.9% of palm oil derivatives purchased by the Group are sustainably sourced.
- Packaging waste; all plastic and cardboard waste generated by the Group is recycled.
- Post-Consumer Recycled materials; we have an active development programme to use 'post-consumer recycled' materials in the manufacture of our products where practicable.
- Progress on CRFD measures reporting was made during the year. We have continued to engage with consultants to assist in the formulation of a strategy and science-based targets.

The tables below show the number of employees by gender in the Group as at 31 March 2025 and 31 March 2024.

	Group 2025		Company 2025	
	Female	Male	Female	Male
Directors, including Non-Executive Directors	2	6	2	6
Senior Managers	3	4	-	-
Other employees	223	149	-	-

	Group 2024		Company 2024	
	Female	Male	Female	Male
Directors, including Non-Executive Directors	1	6	1	6
Senior Managers	2	5	-	-
Other employees	235	141	-	-

The Group has formal Staff Handbooks, which cover all major aspects of staff discipline and grievance procedure, Health and Safety regulations, and the Group's non-discrimination policy.

Disabled persons

The Group's policy is to fully consider all applications for employment from disabled persons in relation to the vacancy concerned. In the event of existing staff members becoming disabled, every effort would be made to enable them to maintain their present position or to provide appropriate training and find an alternative role within another department.

Group strategic report (continued)

Creightons plc – Climate related financial disclosure (CRFD) Year Ending 31st March 2025

Creightons plc is committed to ensuring that its business is contributing to society in an ethical, sustainable, and well governed manner for the benefit of all stakeholders. The group’s environmental and social responsibilities are important to its long-term success, and key environmental goals have been embedded within its on-going strategy, with the aim of continually improving all aspects of the group’s environmental performance, as far as is economically feasible.

Creightons plc’s Climate-related Financial Disclosures (CRFD) is a sustainability information statement: setting out risks and opportunities that Creightons plc is exposed to as a result of climate change. Pages 25 to 30 covers the work completed to ensure consistency with the CRFD recommendations and sets out the activities that have taken place at Creightons plc during the financial year ending 31st March 2025.

Board Oversight of Climate Related Risks and Opportunities

The Board is responsible for providing strategic guidance in respect of Creightons plc’s Environmental, Social and Governance (ESG) programme, including actions to address climate-related matters and consider potential Climate related Risks and Opportunities (CROs). It reviews climate-related reporting as part of the overall assessment of the annual report. An update on ESG related topics is presented to the board on an annual basis by the chair of the ESG Committee, the Group Deputy Managing Director.

The board considers climate-related risks and opportunities when setting strategy, budgets (including capex) and presently the board does not yet see significant climate-related impacts on budgets, financial planning, and capex within the timescale of the planning and budgeting process.

The CFRD working group led by the Group Deputy Managing Director identifies CROs and develops climate-related financial disclosures, which are reported to the Environmental, Social and Governance Committee.

Key Activities

Key Activities Financial year ending 31st March 25

- CROs identified by the CRFD Working Group were reviewed.
- In the 2024 Carbon Disclosure Project (CDP) disclosure cycle, Creightons plc scored a B for climate. Achieving a B score indicates environmental management and demonstrates we have addressed the environmental impacts of the business and have ensured good environmental management.
- All of the electricity purchased from 1st October 2024 by Creightons plc is certified under the Renewable Energy Guarantees of Origin (REGO) scheme.
- Energy Savings Opportunity Scheme (ESOS) action plan submitted.
- Both sites now hold the accreditation ISO 14001:2015 - Environmental management systems.
- Successful implementation of improved waste segregation in advance of the simpler recycling legislation.

Focus Financial year ending 31st March 26

- Continue to prepare SBTi data for validation by 31st December 2026.
- Complete CDP climate and forests module in the FY2025/26 disclosure cycle.
 - The water module will be targeted for the FY2026/27.
- Continually review CROs where required.
- Maintain transparency with customers on climate related matters by continuing to complete their questionnaires and answer their queries.
- The Group is continuing to evaluate a capex plan to start installation of solar power.

Identified Risks and Opportunities over the Short, Medium, and Long-term.

Creightons plc conducts an annual review of climate related risks and opportunities under the below categories, evaluating their short-, medium- and long-term likelihood, along with their financial, operational, and reputational impacts.

A comprehensive risk analysis has taken place looking at the following risk categories: Current regulations, future regulations, legal, technology, market, reputation, physical risk (acute and chronic) as well as these opportunities categories: resource efficiency, energy source, products and service, market, and resilience.

These risks and opportunities have been identified over short (before 2026), medium (2026 - 2030) and long-term (post 2030 - 2050) time horizons.

Consideration was given to the likelihood (time horizon) of the risk impacting Creightons plc. A risk score was generated (impact x likelihood) and those scoring greater than 12 were classed as substantive (indicated in table below).

A summary of the substantive risks and their primary financial impacts are in the table below and remain unchanged from the previous financial year.

Group strategic report (continued)

Creightons plc – CRFD Disclosure (continued)

Risk Category	Risk Type	Primary Financial impacts	Impact	Likelihood	Time Horizon	Score
Products and Services, Market and Resilience	Substitution of existing products and services with lower emissions options	Increased direct costs	3	5	Short-term	15
Products and Services, Market and Resilience	Changing customer behaviour	Decreased revenues due to reduced demand for products and services	4	3	Medium-term	12
	Increased cost of raw materials	Increased indirect (operating) costs	4	4	Short-term	16
Products and Services, Market and Resilience	Increased stakeholder concern or negative stakeholder feedback	Decreased revenues due to reduced demand for products and services	4	3	Medium-term	12

A summary of the substantive opportunity and its primary financial impact are in the table below.

Opportunity Category	Opportunity Type	Primary Financial impacts	Impact	Likelihood	Time Horizon	Score
Resource Efficiency and Energy Source	Use of lower-emission sources of energy	Reduced indirect (operating) costs	3	5	Medium-term	15

Response to Risks

Risk Category - Regulatory and Legal

- Short Term
 - We work with government bodies and external consultants to ensure we are fully compliant with our plastic tax, EPR and packaging waste obligations.
 - Developing and refining Net Zero and science-based targets, along with a detailed action plan in conjunction with environmental consultants.
 - Continue to monitor new and amended legislation via working with industry groups and external consultants.
 - The business is aware of UK Deforestation (UKFRC) and EU deforestation legislation (EUDR). These regulations are constantly evolving and changing. The business is compliant with EU deforestation legislation. On UK deforestation legislation, the main commodity affected is palm and palm derivatives. The company is a member of the Roundtable of Sustainable Palm Oil (RSPO) and 99.9% of palm derivatives come from sustainable sources, which places us in a strong position regarding UKFRC. We are currently working with our suppliers on enhanced traceability to the source of the palm material.
- Medium Term
 - To mitigate carbon pricing mechanisms, we will be evaluating renewable energy alternatives to natural gas and procure energy from renewable sources.

Risk Category – Products and Services, Market and Resilience

- Short Term
 - Continue to review the available lower emission technologies appropriate to our production requirements and build this into the capital expenditure plan.
 - Creightons plc have been members of the Roundtable of Sustainable Palm Oil (RSPO) since 2014. Currently 99.9% of the palm oil derivatives (which are key in many personal care products) we purchase are from RSPO sources, decreasing their environmental impact.
 - The Group is also actively involved with Efeca. Efeca facilitates the UK sustainable commodities initiative (UK SCI), a pre-competitive, cross supply chain group convened by UK government, with the collective goal of achieving sustainable, resilient forest risk commodity supply chains to the UK market.
 - We will continue to work with industry experts on the packaging materials that currently are unable to contain Post Consumer Recycled (PCR) plastic.

Group strategic report (continued)

Creightons plc – CRFD Disclosure (continued)

- Continue to work with consultants, to develop a carbon management strategy aligned with the CRFD recommendations and evaluating setting science-based emission reduction targets, with the involvement of SBTi.
- We have completed the climate module of the CDP, in the 2024 disclosure cycle and achieved a 'B'.
- There continues to be an increased number of requests from customers on climate related information, coupled with the demands of quantifying our scope 3 emissions. We continually reviewing our internal resource and consultancy to meet these demands.
- Short - Medium Term
 - Continue to build sustainability and carbon impact into new product development processes.

Risk Category – Physical (Acute and Chronic)

Creightons plc conducted an EarthScan review to look at the physical risks associated with its main manufacturing sites.

- Short Term
 - Based on the main physical risk being heat stress to both employees and infrastructure, we believe we have assessed these risks and addressed them by improving cooling in the factories during the Summer months.
 - Continue to encourage energy and water saving by employees.
 - Continually review business continuity plan in relation to wind, drought, heat stress, flooding, and sea level rise risks.
- Medium Term
 - Understand suppliers' preparedness for future wind, drought, heat stress, flooding, and sea level rise risks.
 - Explore options for water saving in the manufacturing process.
 - Exploring specific cooling and ventilation in process areas.
- Long Term
 - Consider introduction of natural cooling and ventilation solutions.
 - Our assessment is that physical risks regarding climate issues will not have a long-term impact on the viability of the business, however we are committed to acting in a responsible manner to meet all our obligations.

Response to Opportunities

Opportunity Category – Resource Efficiency and Energy Source

- Closely monitor technological developments and major brand behaviour to be able to act as an innovator and a fast follower.
- Phased investment in on-site solar, coupled with the purchase of certified renewable electricity to counter reliance on non-renewable energy and volatility in the market.

Opportunity Category – Products and Services, Market and Resilience

- Short Term
 - Continue monitoring consumer demand for sustainable products.
 - Ensure continued capex investment in sustainable technology to ensure readiness to meet rising demand.
 - To be able to retain current customers and gain new ones with the quality of our sustainable formulations and the accuracy of our climate data we are:
 - Continuing climate related education activities in conjunction with external consultants for all staff to ensure they remain at the forefront of this topic.
 - R&D researching all manner of green technologies, formulation design and packaging types.

Resilience Analysis

We continue to review and identify the CROs we could be exposed to over different time horizons and described the impact of these CROs on our business. This helps to integrate our management risk response and potential adaptations to strategy and financial planning.

- The board has put in procedures to assess the impact of climate related issues and all its impacts. We have employed consultants to assist in the formulation of a holistic climate related strategy.
- The board recognises the increasing importance of climate related issues on our business and all points in our supply chain. We recognise that climate related issues are not a standalone activity, and we have taken measures to ensure that climate related processes are integrated into the financial planning and manufacturing processes.
- Following the scope 3 and CRO analysis our substantive risks revolve around changing customer behaviour and requests for information from suppliers. The ESG committee has worked extremely hard to respond to all customer requests for information regarding climate change and climate related issues. Expertise within the

Group strategic report (continued)

Creightons plc – CRFD Disclosure (continued)

- committee is expanding due to continued collaboration with our consultants as well as involvement in industry seminars / webinars and close working with our trade association.
- We are developing a database which will track all of our Green House Gas (GHG) data, which will also include supplier data where available.
- RSPO palm oil. Creightons plc holds the RSPO chain of custody accreditation which is completely integrated into the Group's quality management system and is independently audited on an annual basis. Presently 99.9% of palm derivatives used are from an RSPO sustainable source.
- UK Deforestation and EU Deforestation legislations – regarding the EU deforestation regulation, based on the advice from the CTPA our products are exempt. Regarding the UK Deforestation regulation, the Group believes we are in a strong position to be compliant with this regulatory framework by December 2025 regarding palm and cocoa derivatives, the other commodities covered in this legislation are not relevant to our Group.
- Prohibiting or restricting materials derived from species on the IUCN Red List. All materials are reviewed as part of our R&D development process to ensure there are no sustainability issues with ingredients used in formulations.
- After evaluation, moving forward we believe the best way to record the amount of PCR plastic used by the business is by weight. In the financial year ending 31st March 2024, we used 203.9 tonnes of total PCR plastic out of a total of 1046.3 tonnes – 19.5%. Whereas in the financial year ending 31st March 2025 we used 255.8 tones of total PCR plastic out of a total of 1100.4 tonnes of plastic bought – 23.2%, an increase in actual PCR of 3.7%.
- In other areas, the business continuity plans include extreme weather and climate events, and our capital expenditure review process considers the energy efficiency savings on new equipment.

Creightons plc conducted an EarthScan review to look at the physical risks associated with its main manufacturing sites. Based on the main physical risk being heat stress to both employees and infrastructure, we believe we have assessed these risks and addressed these by improving cooling in the factories during the Summer months.

We have seen larger extremes of temperature at both factories resulting in intense cold snaps in Winter months and higher temperatures in the Summer months.

Presently we have only looked at scenario analysis relating to physical risks, this will be expanded into the key areas identified as having substantive risks in our CRO matrix, which come under the risk category 'Technological, Market and Reputational'.

Our assessment is that climate related issues will not have a long-term impact on the viability of the business, however we are committed to acting in a responsible manner to meet all our obligations.

Metrics and Targets

GHG Emissions

The Group has committed to set a near term SBTi validated emissions reduction target. We commit to reduce scope 1 + 2 emissions by 42% by 2030 from a 2022 base year. In addition, we commit to reduce Scope 3 emissions by 25% by 2030 from a 2022 base year. Following commitment to SBTi targets and the validation of our data in FYE 31st March 2026, we will then be able to set and report metrics based on scope 1,2 and 3 reductions.

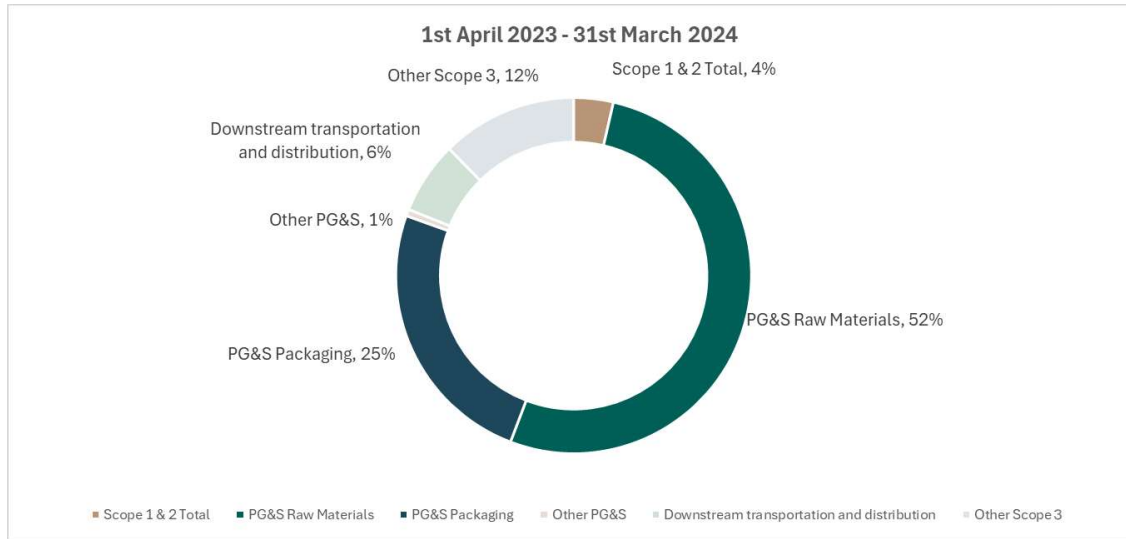
Scope 1 emissions from natural gas have increased from 498.8 tonnes CO₂e (FY24) to 521.7 tonnes CO₂e in FY25. Weather variability in the previous year has led to an increase in the amount of natural gas used across the group. Whereas the move to REGO certified electricity and an overall reduction in electricity usage across all sites has enabled a reduction in scope 2 GHG emissions from 410.1 tonnes CO₂e (FY24) to 222.3 tonnes CO₂e in FY25.

Presently scope 3 emissions are calculated a year in lieu. They were screened using a hybrid model using a combination of financial data and actual weights for packaging materials for the financial year ending 31st March 2024. This is an inherently difficult and time-consuming process, and we are constantly striving to improve the quality and accuracy of the data used to generate the report. For FY24 the data used for packaging has transcended from a mixture of weight and financial screening to one based on actual packaging weight purchased. Packaging has been the initial focus on weight as it was also required to be compliant with UK plastic tax. The remaining scope 3 categories are based on financial spend.

Total emissions in FY24 totalled 23,295.6 tCO₂e. This is a decrease in our overall GHG emissions compared to the base line financial year (ending 31st March 2022), where total emissions were 40,282.1 tonnes CO₂e.

Group strategic report (continued)

Creightons plc – CRFD Disclosure (continued)



Scope 3 emissions total 22,457.2 tCO₂e, accounting for 96.4%. The most impactful areas of Creightons Plc’s value chain are, purchased goods and services, accounting for 18,048.9 tCO₂e and services including emissions from packaging and raw materials, and the downstream transportation and distribution of finished products accounting for 1,529.5 tCO₂e. These key areas account for almost 90% of the scope 3 inventory total.

Scope	Category	Emissions (tCO ₂ e)			TY vs LY %	TY vs BY %
		FY24	FY23	FY22		
Scope 1	Natural gas	498.8	534.2	629.0	-6.6%	-20.7%
	Deisel (gas oil)	0.3	1.0	-	-70.4%	100.0%
	HFCs	4.1	12.3	12.5	-67.0%	-67.3%
	Company Vehicles	0.3	0.2	-	38.4%	100.0%
Scope 2	Electricity (LB)	334.9	361.6	435.1	-7.4%	-23.0%
Scope 1 & 2 Total		838.4	909.4	1,076.6	-7.8%	-22.1%
Scope 3	Purchased goods and services	18,048.9	15,040.1	35,225.8	20.0%	-48.8%
	Raw Materials	12,157.8	10,947.9	30,235.8	11.1%	-59.8%
	Packaging	5,749.5	3,966.0	4,861.7	45.0%	18.3%
	Other PG&S	141.6	126.2	128.3	12.2%	10.3%
	Downstream transportation and distribution	1,529.5	1,745.0	1,651.8	-12.4%	-7.4%
	Customer Retailing	1,213.0	1,293.6	1,274.9	-6.2%	-4.9%
	Client Distribution	316.5	451.4	377.0	-29.9%	-16.1%
	Third party upstream transportation	889.0	638.2	1,010.9	39.3%	-12.1%
	Capital goods	75.3	215.0	321.3	-65.0%	-76.6%
	Employee commuting	288.1	334.1	310.7	-13.8%	-7.3%
	End of life treatment of sold products	185.2	54.8	67.6	237.9%	173.9%
	Processing of sold products	1,007.7	857.5	342.1	17.5%	194.5%
	Fuel- & energy- related activities	192.2	218.8	152.1	-12.2%	26.4%
	Waste generated in operations	213.0	155.9	111.7	36.6%	90.6%
	Business Travel	28.4	37.0	11.5	-23.2%	147.2%
Scope 3 Total		22,457.2	19,296.3	39,205.6	16.4%	-42.7%
Total GHG Emissions		23,295.6	20,205.7	40,282.1	15.3%	-42.2%

Group strategic report (continued)

Creightons plc – CRFD Disclosure (continued)

It is important to note that the Scope 3 Assessment has been done in line with the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Standard. The scope 3 emission factors for FY24 have been provided by Exiobase. In the FY 24/25 Creightons started purchasing REGO certified electricity, due to this, scope 2 GHG emissions are now reported using market-based figures with location based for comparison.

Key Targets

Creightons plc measure several sustainability metrics, energy usage, sourcing of renewable electricity, the use of responsibly sourced palm oil and tracking the use of post-consumer resin. This information is reported to the board and is linked into the strategy and risk management processes.

A summary is in the table below.

Metric	Target	Link to identified Substantive CRO	Performance FYE2025	Performance FYE2024	Performance FYE2023	Performance FYE2022
Reduction of Scope 1 and 2 emissions	Reduce tonne CO ₂ e scope 1 and 2 emissions by 42% by 2030 from the 2022 base year	Reputation / Energy Source	744.9 (30.8% reduction against BY)	838.4	909.4	1,076.6
Reduction of Scope 3 emissions	Reduce tonne CO ₂ e scope 3 emissions by 25% by 2030 from the 2022 base year	Reputation	<i>Calculated a year in lieu</i>	22,457.2 (42.7% reduction vs FYE2022)	19,296.3	39,205.6
Renewable electricity	100% renewably sourced by 2025	Technology / Energy Source	51%	0%	0%	0%
Use of RSPO palm	100% from RSPO sustainable sources by 2025	Reputation	99.9%	99.9%	99.9%	99.6%
Recycled plastic content	25% recycled plastic (tonne) by FY2026/27	Technology / Reputation	23.2%	19.5%	14.2%	9.8%

Group strategic report (continued)

Going concern

The Directors are pleased to report that the Group has renewed its bank facilities and continues to meet its debt obligations and expects to operate comfortably within its available borrowing facilities. The Group's cash on hand at 30 June 2025 is positive £3.9m. We have carried out a review of our cash requirements for the next 12 months. Scenarios modelled included the removal of the Group's largest customer and increases of 20% in costs of raw materials or overheads. These models are more extreme than the conditions prevailing during the last 12 months but demonstrate that even without management tackling current overhead levels or increasing prices to customers, the Group would not fully utilise available bank facilities over the next 12 months. The Directors have therefore formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of this report. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

The strategic report was approved by the Board of Directors on 15 July 2025 and signed on its behalf by:

PBClark
PBClark (Jul 15, 2025 17:45 GMT+1)

Philippa B E Clark
Managing Director

Directors’ report

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor’s report, for the year ended 31 March 2025. The corporate governance statement set out on pages 39 to 42 forms part of this report.

The Strategic Report on pages 3 to 31 provides a fair review of the Group’s business for the year ended 31 March 2025 as well as explaining the Group’s strategy, objectives, future developments, its key performance indicators for monitoring the business and the Group’s principal risks and uncertainties that could impact on the Group.

The Strategic Report on page 9 covers the Group’s Research and Development activities and on page 24 covers Disabled Persons practice.

The Strategic Report on page 31 covers the Going concern policy.

Dividends

The Directors propose a final dividend for the year ended 31 March 2025 of 0.50 pence per ordinary share (2024: 0.45 pence per ordinary share). The total dividend paid in the year ended 31 March 2025 was £0.31m (2024: £nil).

Annual UK energy consumption and Greenhouse Gas (GHG) emissions

The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 requires Creightons PLC to disclose annual UK energy consumption and Greenhouse Gas (GHG) emissions from SECR regulated sources. Energy and GHG emissions have been independently calculated by Envantage Ltd for the 12-month period ending 31st March 2025.

Reported energy and GHG emissions data is compliant with SECR requirements and has been calculated in accordance with the GHG Protocol and SECR guidelines. Energy and GHG emissions are reported from buildings and transport where operational control is held – this includes electricity, natural gas, gas oil and the operation of company vehicles. The table below details the SECR-regulated energy and GHG emission sources from the current and previous reporting periods.

Scope 2 reporting now includes both market-based and location-based figures, following the switch to REGO-backed electricity contracts at both sites during the FY25 reporting period.

	FY25	FY24	% change
Energy (kWh)			
Natural gas	2,852,242	2,726,673	4.6%
Other fuels	3,154	1,261	150.1%
Company Vehicles	946	1,303	-27.4%
Electricity	1,476,720	1,617,292	-8.7%
Total energy	4,333,062	4,346,529	-0.3%
Emissions (tCO₂e)			
Scope 1			
Natural gas	521.7	498.8	4.6%
Scope 1			
Other fuels	0.8	0.3	151.3%
Scope 1			
Refrigerant gases	-	4.1	-100%
Scope 1			
Company Vehicles	0.2	0.3	-24.6%
Scope 2 (MB)			
Electricity	222.3	410.1	-45.8%
Scope 2 (LB)*			
Electricity	305.8	334.9	-8.7%
Total SECR emissions (MB)	744.9	913.6	-18.5%
Emission intensity ratio (MB)			
Intensity metric (costs of sales)	29,884	30,350	-1.5%
Emissions intensity (MB) (tCO₂e / unit)	0.025	0.030	-17.2%
Emission intensity ratio (LB)*			
Total SECR Emissions (LB)*	828.4	838.4	-1.2%
LB Emissions intensity (tCO₂e / unit)*	0.028	0.028	0.4%

* included for comparison

Directors' report (continued)

Creighton's PLC is committed to reducing its environmental impact and contribution to climate change through continuous improvement procedures. We continue with investment in LED lighting throughout the factories, more efficient use of compressed air and rationalised the use of steam boilers by compressing the processing time into shorter periods. We have implemented several initiatives within the reporting period, primarily focused on energy efficiency:

- Production time has been optimised to maximise line efficiency.
- Across both sites over 98% of all factory and office lighting changed to energy efficient LEDs, with occupancy sensors installed where suitable. Further work is being undertaken to move older LEDs to more energy efficient versions.
- Maintaining efficient running of compressors and regular air leak checks are conducted.
- Continued use of timers for efficient running of warm rooms.
- Maintain lagging of chiller pipes to reduce amount of energy consumed.
- Maintain timer and photocell control on all outdoor lighting.
- Continue to monitor and replace all steam pipework lagging where required.
- All heaters are programmed to turn off when not needed and set up to show running time and cost per month.
- Dedicated energy monitoring and tracking of high usage machinery.
- Working with the energy Companies to collate and access more accurate real time usage data.
- On-going education programme on energy saving measures.
- From 1st October, electricity suppliers have moved to a REGO-backed 100% renewable electricity tariff.

These initiatives have enabled us to realise a 18.7% reduction YOY in electricity. However, we have seen 4.8% increase YOY in gas usage driven by an increased usage of space heaters in the factory environment due to colder outside temperatures.

Methodology

Activity data have been converted into equivalent energy and GHG emissions using factors published by the UK Government in 2024. Electricity and natural gas disclosures have been calculated based on metered kWh consumption taken from supplier fiscal invoices. Where there is limited visibility of accurate site energy consumption at Peterborough due to a potential faulty meter reading, electricity consumption has been estimated based on the previous year's consumption. GHG emissions associated with Scope 2 purchased electricity have been reported using both market-based (MB) and location-based (LB) methodologies. Market-based emissions have been carried into the total emissions figure – corresponding location-based emissions have been included for comparison. Company vehicles emissions and energy consumption has been calculated based on fuel consumption. Refrigerant gas emissions were calculated using data taken from HVAC servicing records in FY25. The service records for the Devon site were completed at the beginning of the FY26 reporting period, no leaks have been reporting and therefore we have assumed there have been no leaks in the FY25 reporting period.

Capital structure

The issued share capital is detailed in note 25. Creightons Plc has one class of ordinary shares, which carry no rights to fixed income. Each share carries one vote at general meetings of the Company.

There are no specific restrictions on the size of a holding nor on the transfer of shares, which are governed by the general provisions of the Articles of Association and prevailing legislation. The Directors are not aware of any agreements between holders of the Company's shares that may result in restrictions on the transfers of shares or their voting rights.

Details of the employee share schemes are set out in note 26.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the UK Corporate Governance Code, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of the Directors are governed by the Companies Act 2006, the Articles of the Company and are detailed in the Corporate Governance statement on pages 39 to 42. Directors are required to retire upon the third anniversary of their last election.

There are several other agreements that alter or terminate upon a change of control of the Company or subsidiary Companies such as commercial agreements, bank facility agreements, property leases and employee share plans. None of these are expected to be considered significant in terms of their likely impact on the business of the Group taken as

Directors' report (continued)

a whole. There are no agreements between any Companies within the Group and any of their Directors or employees that provide for compensation for loss of office or employment that occurs because of a takeover bid.

Business Relationships

Our Directors and employees foster great business relationships with all of our external stakeholders. Further information on the matter is included in the section 172 Statement on pages 22-23.

Employees

The Group places significant importance on the contributions of its employees and aims to keep them informed of developments in the Group through a combination of Teams briefings and electronic communication, which has increased significantly in recent years. There are Works Councils on both of the Group's sites where employee concerns are raised. Employee input is encouraged and Directors and senior management regularly tour the facilities and engage with employees.

A large number of employees are members of the Group's Share Option scheme and can participate in the Group's success.

Directors' report (continued)

The Strategic Report on page 22 covers how the Directors have had regard to employee interests, including the effect of principal decisions taken by the Group during the financial year.

Directors

The Directors who held office during the year were as follows:

- William O McIlroy (Non-Executive Director - ceased Directorship 10 December 2024)
- Philippa B E Clark (Chief Executive Officer)
- Martin Stevens (Deputy Group Managing Director)
- Paul Forster (Non-Executive Chair)
- William T Glencross (Non-Executive Director)
- Nicholas DJ O'Shea (Non-Executive Director)
- Brian Geary (Non Executive Director)
- Paul R Watts (appointed Non-Executive Director on 29 January 2025)
- Jemima C Bird (appointed Non-Executive Director on 31 March 2025)

Directors' report (continued)

Philippa Clark – Chief Executive Officer

Ms Clark was appointed a Group Managing Director on 07 March 2024. She has worked within the industry for more than 20 years in a wide and extensive range of sales, marketing and commercial roles across private label, branded and contract businesses. In recent years she has headed up the development of the Creightons branded portfolio, growing and extending the reach of the Group's award-winning brands into multiple channels and international markets whilst also overseeing the development of the strengthening private label division of the business. She has held the position of Global Marketing Director since her appointment to the Board in 2015 and Deputy Managing Director since 8 July 2020.

Martin Stevens – Deputy Group Managing Director

Mr Stevens is a Chartered Chemist and has worked in the cosmetics industry for more than 30 years with extensive experience across the personal care and household sector in Research & Development, Quality Assurance, Production and Procurement. Martin has been Technical Director at Potter & Moore Innovations Ltd (the Group's principal trading business) and Creightons PLC for the past 17 years. He was appointed Group Managing Director of Manufacturing in March 2022 including responsibility for managing matters related to climate-related risks and opportunities. He has previously been Technical Director of Norit Body Care Toiletries, Technical Director at the manufacturing division of AAH Pharmaceuticals Ltd, Chief Chemist at Columbia Products Co Ltd after initially entering the industry with L'Oreal working with brands such as Lancôme and Cacharel. Martin was appointed as Group Deputy Managing Director when he joined the Board in 2015.

Paul Forster – Non-Executive Chair of the Board Director

Mr Forster was appointed Non-Executive Chair of the Board Director on 07 March 2024. He was previously made a Non-Executive Director on 01 April 2021 after retiring from his full-time Executive role as Group Finance & Commercial Director. Paul has been with the Potter & Moore Innovations business for more than 30 years, primarily working as Chief Financial Officer but also including spells overseeing manufacturing. Previously he was Finance Director of Beauty International Fragrance Ltd (BIF), who distributed the Coty fragrance range throughout Europe and the Far East. Prior to joining BIF Paul qualified as a Chartered Accountant with Touche Ross.

William Glencross - Non-Executive Director

Mr Glencross has had many years' sales, marketing and general management experience in the cosmetics and toiletries industry in both the branded and private label sectors, having been Sales & Marketing Director and then Managing Director of Potter & Moore, and was previously General Manager of the Fine Fragrance division of Shulton G.B., part of the American Cyanamid Group. Mr Glencross was appointed to the Board in July 2005 and made a Non-Executive Director on his retirement in 2006.

Nicholas O'Shea – Non-Executive Director

Mr O'Shea has been the Company secretary for most group Companies for over 25 years and a Director since 2001. A maths & chemistry graduate, he has a background in the toiletries and chemicals sectors having held senior financial positions in a number of world-wide businesses including Proctor & Gamble, Scott Paper and Omya Pluss-Stauffer. Mr O'Shea is a CIMA qualified management accountant, and he is currently CFO or Finance Director with several privately-owned SMEs as well as an investment management Company in the City.

Brian Geary - Non-Executive Director

Mr Geary was appointed to the Creightons PLC Board as a Non-executive Director in March 2024. A graduate in Electrical & Electronic Engineering from Manchester University, he has held various positions as an MIEE/MIET Chartered Engineer. He specialised in power electronics, motor, and embedded control systems within the oil & gas exploration, marine propulsion, and Formula 1 motorsport sectors. Mr Geary is also an experienced debt and equity investor in listed and private entities. He is the Managing Director and Chairman of Antrim Hills Spring Water, a branded and contract manufacturing business in soft drinks and sports nutrition.

Paul Watts – Non-Executive Director

Mr Watts was appointed to the Creightons PLC Board as Non-executive Director in December 2024. He has over 40 years of financial services experience, in which he primarily spent at RSM as a capital markets and audit assurance partner, specialising on listed Companies. Paul was also previously the Director and Treasurer of the QCA. Paul is Chairman of the Company's Audit and Risk Committee.

Jemima Bird – Non-Executive Director

Mrs Bird was appointed to the Creightons PLC Board as Non-executive Director on 31 March 2025. She has over 20 years' retail experience working with many of the UK's leading high street brands, and has held numerous Executive Commercial, Marketing and Operations positions. She is currently Non-Executive Director at Pinewood Technologies Group plc and Headlam Group plc. She has previously held non-executive roles at Revolution Bars Group plc as well as Carpentry plc. Mrs Bird is the Founder and CEO of Hello Finch, a marketing agency business, founded in 2013. Mrs Bird is Chair of the Company's Remuneration Committee.

Director indemnities

There are no Director indemnities.

Directors' insurance

During the year, the Company has purchased insurance cover for the Directors against liabilities arising in relation to the Group, which remained in force at the date of this report.

Directors' report (continued)

Directors standing for re-election

As part of our commitment to strong corporate governance and accountability, all director appointments will continue to be subject to annual shareholder approval through a vote at the Company's Annual General Meeting.

Substantial shareholdings

At 31 March 2025 the Company had been notified, in accordance with chapter 5 of the Disclosure and Transparency Rules, of the following substantial interests, being 3% or more of the ordinary shares in issue:

Shareholder	Number of shares	% held
Schroders plc	7,100,000	10.4%
Mr & Mrs B Geary	7,050,323	10.3%
Mr WO McIlroy (including Oratorio Developments Ltd)	5,469,275	8.0%
GPIM Limited	5,060,500	6.6%
Gavin and Sian Smith	2,239,435	3.3%

There have been no notified sales of ordinary shares during the period between 31 March 2025 and 30 June 2025.

The Company has received no other information requiring such notifications under chapter 5 of the Disclosure and Transparency Rules during the year. The above table shows the percentages held revised for share issues subsequent to the latest notification from the relevant shareholder.

Financial instruments

The Group's financial risk management objectives and policies are discussed in note 21 to the Consolidated Financial Statements.

Directors' confirmations

Each Director at the date of approval of this annual report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is not aware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report (continued)

Viability statement

In accordance with the UK Corporate Governance Code 2018, the Directors have assessed the viability of the Group over a longer period than the 12 months required by the 'Going Concern' provision. The Board conducted this review for a period of 3 years. A 3 year period is appropriate for assessing the viability of a company because it strikes a balance between providing meaningful insight into future prospects and maintaining the accuracy and manageability of forecasts. It supports strategic planning, financial forecasting, risk management, regulatory and market changes as well as stakeholder confidence.

In making this statement, the Directors have carried out a robust assessment of the Group's current position and prospects, the principal risks facing the business, the impact of sensitivity analysis, together with the Group's principal risks and uncertainties (outlined in the Strategic Report on pages 20 to 21).

The scenarios modelled included varying levels of sales revenue, including cautious growth for 2025 and 2026 and more extreme losses in revenue as a result of a loss of key customer, up to 20%, without mitigating actions within the control of management have been modelled. Additional sensitivity analysis included varying scenarios in increased costs. The Group has sufficient liquidity and financing arrangements to meet its liabilities as they fall due and consequently, the directors believe that the Group has sufficient financial strength to withstand the possible disruption to its activities.

The Group continues to take advantage of opportunities as evidenced by the two business acquisitions in the previous years. The Group has flexible manufacturing capabilities at both sites and has the ability to respond to changes in consumer and market trends as appropriate.

The Group continues to be able to successfully manage employees, the supply chain and customers, and considers the managing of all three relationships key in the medium term particularly due to the challenges presented by the current economic climate. This assessment is based on our ability to retain existing borrowing facilities and to continue to sell our products and brands to existing and new customers. The borrowing facilities have been agreed with the Groups bankers for a period of 12 months from March 2025. As part of the going concern assessment the covenants have been reviewed against the future forecast of the business, confirming adequate headroom for the next 12 months. Given the long standing relation with the Group's bankers and willingness to support the business, the current borrowing facilities are expected to remain in place for the next 3 years.

During the year to March 2025 the Group has significantly reduced its net borrowings and generated positive cash from operations. As a result, the Group was able to reduce its debt obligations by making a significant early repayment of the term loan in full. The Group's current outstanding debt relates to a mortgage facility with its principal bank. This borrowing is scheduled to be fully repaid by October 2034 in accordance with the agreed repayment terms.

The Group continues to meet its debt obligations and expects to operate comfortably within its available borrowing facilities going forward. This provides a stable platform and increased headroom on existing financing facilities upon which to continue its growth.

Based on the above, the Board confirms it has a reasonable expectation that the Group will continue in operation and meet its liabilities as they fall due over the 3 year period of assessment on a going concern basis.

Auditor

A resolution to re-appoint Forvis Mazars LLP as auditors is being proposed at the forthcoming Annual General Meeting.
By order of the Board

The Directors report was approved by the Board of Directors on 15 July 2025 and signed on its behalf by:


PBClark (Jul 15, 2025 17:45 GMT+1)

Philippa B E Clark
Chief Executive Officer

Directors' responsibilities statement

The Directors whose names and functions are set out on page 103 of this document are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law). Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether UK-adopted international accounting standards have been followed for the group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

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

Directors' confirmations

The Directors consider that the Annual Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group and parent Company's position and performance, business model and strategy. Each of the Directors, whose names and functions are listed in Directors and Advisers on page 103 confirm that to the best of their knowledge:

1. the parent Company financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law), give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
2. the group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the group; and
3. the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with the description of the principal risks and uncertainties that they face; and
4. the report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Corporate governance statement

Introduction

The Board of Directors is responsible for the long-term success of the Group, through the sustainability of the Group's business model and showing leadership and drive to ensure the Group delivers on its strategies. The Board identifies opportunities to maintain the long-term success of the Group and devises strategies and actions to take advantage of these opportunities. The strategy will always consider the costs and commitments associated with the opportunities and will ensure the risks are managed to reduce the short-term risks. The Board is conscious of all stakeholders when making decisions, with particular focus on protecting and respecting the interest of its employees.

Compliance

The UK Corporate Governance Code is available on the Financial Reporting Council's website: www.frc.org.uk. The Board is committed to the principles set out in the Code but judges that some of the processes are disproportionate or less relevant to the Company, given the relatively small size and minimal complexity of the business.

The Company has not complied with the Code since its issue as regards the following:

- Provision 10 – The Non-Executive Directors are not limited to a period of office.
- Provision 10 – The Non-Executive Directors are not considered independent as they are former employees of the Company or have had material business relationships with the Company or its Group.
- Provision 11 – The composition of the Board does not comply with the requirement that at least half of the board, excluding the Chair, should comprise Non-Executive Directors whom the board considers to be independent.
- Provision 12 – There is no Senior Independent Director (SID) currently appointed as new independent Non-Executive Directors were appointed close to the year end. The Board considered it too early to designate a SID before the new Directors had sufficient time to settle into their roles. An appointment will be made in due course, and the position remains under review as part of the Company's ongoing commitment to strong corporate governance.
- Provision 36 – The share options granted to Directors have a vesting period of less than 5 years.
- Provision 21 – The Company has not established a formal induction or ongoing training programme for its Non-Executive Directors.

Regarding division of responsibilities The Code recommends that the Chairman of a listed Company should not hold Executive powers, and should be 'independent upon appointment' (provision 9). Paul Forster is a Non-Executive Chairman, he is also a shareholder and was an Executive Director prior to his retirement and appointment as a non-Executive director from 01 April 2021. The Board continues to believe that it is appropriate for Paul Forster to be Chairman even though his previous role means he cannot be considered independent. The independent judgement of the Non-Executive Directors, effective functioning committees and robust internal controls ensure that that proper process and controls are followed. The Board also operates a formal process of performance evaluation with the Chairman and Remuneration Committee regularly reviewing the performance of all members of the Board.

With regard to the issue of share options to Directors with a vesting period of less than 5 years, options have been issued with a vesting period of 3 years in line with options issued to other group employees. These options are issued under the Company Share Option Plan which was approved by shareholders in 2018.

With the growth of the Company and increasingly prescriptive compliance requirements, the Board is continuing to review its governance arrangements with the intention of ensuring that it continues to be as compliant with guidelines and best practice as is appropriate and practical for a Company of our size and resources.

The Group has an Equal Opportunities policy which encompasses our commitment to diversity. Under this policy the aim is to ensure that all employees are treated equally, irrespective of sex, sexual orientation, marital status, age, disability, race, colour, religion, ethnic or national origin and places an obligation upon all staff to respect and act in accordance with this policy. The open management style ensures that everyone is given opportunities to progress.

In accordance with Provision 5 of the 2018 UK Corporate Governance Code, the Group has adopted a combination of formal methods to engage with the workforce and ensure their views are considered in Board discussions and decision-making. These include both a Director Appointed from the Workforce, providing a direct channel for employee perspectives to be represented at the highest level of governance. And a Formal Workforce Advisory Panel comprising employees from various functions and levels across the organisation. The panel meets regularly to discuss matters of concern to the workforce and provides structured feedback to the Board.

These mechanisms have strengthened the Board's understanding of employee views and contributed to more informed and inclusive decision-making.

Corporate governance statement (continued)

The Composition of the Board

Details of all the Directors are set out below:

Paul Forster	Non-Executive Chair of the Board
Philippa Clark	Chief Executive Officer
Martin Stevens	Group Deputy Managing Director
Nicholas O'Shea	Non-Executive Director
William Glencross	Non-Executive Director
Brian Geary	Non-Executive Director
Paul Watts	Non-Executive Director Appointed 29 January 2025
Jemima Bird	Non-Executive Director Appointed 31 March 2025

The Role of the Board

The Board's principal task is to set the Group's strategy, which is devised to deliver optimum value for shareholders. Other matters reserved for decision by the full Board include approval of the annual report, authorisation of all acquisitions and disposals, sanction of all major capital expenditure, the raising of equity or debt finance and investor relations.

The Board recognises the lack of independent Directors, however the existing Non-Executive Directors provide extensive industry, market and business knowledge which benefits the strategic decisions of the Group. The Board considers this expertise is considered more beneficial than the cost of appointing independent Directors. Consequently, it feels that it remains appropriate for the existing Non-Executive Directors to be nominated for re-election when their terms expire under the Company's articles. However, as noted above, the Board is committed to introduce more independent directors over the coming years.

The Board reviews the risks that arise and continually reviews any emerging and ongoing risks and the outcomes are noted in the Strategic Report on pages 20 to 21. This includes the management of the risk from cost increases due to global supply chain pressures and the corresponding mitigation measures. A senior management team hold regular ongoing meetings to measure the extent of the cost price increase and to determine the appropriate commercial and operational response.

The Directors have met as a full Board on nine occasions during the year. On two of these occasions the Board acted as the Nomination Committee. The Audit and Risk Committee met on three occasions during the year. The Remuneration Committee did not meet during the year as it was considered appropriate that meeting be delayed until after the appointment of the two new independent non-executive directors and the move to AIM, which took place on 31 March 2025.

The attendance at meetings held during the year to 31 March 2025 for each of the Directors is noted in the table below:

Director	Board meetings	Remuneration Committee	Audit Committee	Nomination Committee
Paul Forster	9	-	3	2
Philippa Clark	8	-	-	2
Martin Stevens	9	-	-	2
William McIlroy	6	-	-	1
Nicholas O'Shea	3	-	-	1
William Glencross	9	-	3	2
Brian Geary	9	-	-	2
Paul Watts	2	-	1	1
Jemima Bird	1	-	-	-

Procedures are in place to enable the Directors to take appropriate independent professional advice at the Company's expense if that is necessary for the furtherance of their duties. All Directors have access to the advice and services of the Company Secretary.

Board Committees

Under the formal terms of reference of the Board Committees, the Board has delegated specific responsibilities to the Nomination, Remuneration and Audit Committees. The Board considers that all the members of each Committee have the appropriate experience and none of them has interests which conflict with their positions on the Committees.

Nomination Committee

The Board as a whole undertakes the duties of the Nomination Committee. The Committee is responsible for proposing candidates for the Board having regard to the balance and structure of the Board.

Corporate governance statement (continued)

The Group has an Equal Opportunities and Diversity policy which aims to ensure that all employees are treated equally, irrespective of sex, sexual orientation, marital status, age, disability, race, colour, religion, ethnic or national origin and places an obligation upon all staff to respect and act in accordance with this policy. This policy is applied to the Company's administrative, management and supervisory bodies and the remuneration, audit and nomination committees of those bodies.

The Group has a whistle-blowing policy which aligns with its objective of maintaining the highest standards of integrity, transparency, and accountability. This policy is designed to encourage and protect employees who report any concerns related to fraud, corruption, or other threats to the organisation. The policy ensures all reports are handled confidentially and are thoroughly investigated.

Remuneration Committee

William Glencross served as Chair of the Remuneration Committee throughout the year ended 31 March 2025. Following her appointment to the Board on 31 March 2025, Jemima Bird was appointed as the new Chair of the Remuneration Committee. The current members of the committee are Jemima Bird, Paul Watts (Non-Executive Director, appointed 29 January 2025), and Brian Geary (Non-Executive Director, appointed 07 March 2024). In determining policy for the Executive Directors, the committee has given due consideration to the Code. The remuneration packages are designed to attract, retain and motivate Executive Directors of the required calibre. The Committee reviews the appropriateness of all aspects of Directors' pay and benefits by taking into account the remuneration packages of similar businesses.

Directors' remuneration

The Executive Directors are salaried in their capacity as Directors in addition they are entitled to a benefits package including, pensions, private healthcare and life insurance. They are incentivised through a bonus scheme linked to the profit performance of the Group and through options issued under the Group Share Options scheme. The Board believes that in accordance with the best practice provisions, this approach aligns the interests of shareholders and Directors.

Full details of Directors' remuneration, shareholdings and share options are noted in the Directors' Remuneration Report on pages 43 to 52.

Internal control

The Directors are responsible for the Group's systems of internal control and for reviewing its effectiveness whilst the role of management is to implement Board policies on risk management and control. The Group's system of internal control is designed to manage rather than eliminate risk of failure to achieve the Group's business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established a process for managing the significant risks faced by the Group. This ongoing process is reviewed regularly by the Board and accords with the internal control guidance issued by the FRC.

The key procedures designed to provide effective internal controls are:

- A clearly defined organisational structure with the appropriate delegation of authority to operational management.
- A comprehensive planning and budgeting process, which requires the Chairman's and Managing Director's approval.
- Management information systems to monitor financial and other operating statistics.
- Aspects of internal control are regularly reviewed and where circumstances dictate, new procedures are instigated.

The Group does not have an internal audit function. However, the Board periodically reviews the need for such a function. The current conclusion is that this is not necessary given the scale and complexity of the Group's activities. The Board has reviewed and is satisfied with the effectiveness of the internal controls in operation and this process will continue.

Corporate governance statement (continued)

Audit Committee Report

The Audit Committee was initially composed of Nicholas O'Shea (ACMA CGMA) as Chair, along with William Glencross and Paul Forster (ACA). On 29 March 2025, Paul Watts was appointed Chair of the Audit Committee. The newly formed committee now includes Paul Watts, Jemima Bird (appointed on 31 March 2025), and William Glencross.

Its role is to:

- Monitor the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance and review significant financial reporting judgements contained therein.
- Review the Group's internal financial controls and the Group's internal control and risk management systems.
- Review whether it is appropriate to introduce an internal audit function.
- Recommend the appointment and removal, approve the terms and remuneration, and assess the independence and performance of the External Auditor. Review the scope, findings, cost effectiveness and quality of the audit.
- Advise the Board on whether the annual report is fair, balanced and understandable and provides information necessary for the users to assess the Group's position and performance, business model and strategy.
- Report to the Board on how it has discharged its responsibility.

The Board reviews the work of the Audit Committee annually to ensure it meets the requirements of its role.

The Audit Committee pays particular attention to matters it considers to be important by virtue of their size, complexity, level of judgement and potential impact on the financial statements and wider business model.

During the year to 31 March 2025, the Audit Committee reviewed:

- The significant reporting matters and judgments identified by the finance team and Forvis Mazars through the external audit.
- The management accounts and internal management reports on a regular basis.
- Decided that the scale and complexity of the business did not warrant the introduction of a separate internal audit function.
- Reviewed the audit plan for the year ended 31 March 2025, which included an assessment of the audit risks and testing procedures.

The significant issue relating to reporting matters and judgements that the Audit committee reviewed with Forvis Mazars and management teams included the:

- Impact of external risks, such as, economic uncertainty, geopolitical uncertainty, supply chain disruption and climate change.
- Risk of fraud.
- Risk of management override of controls.
- Adequacy of inventory provisions.
- Impairment of Brand and Goodwill values.
- Expected credit losses.

The Audit Committee approved the implementation of the audit plan following discussions with management and Forvis Mazars.

During the coming year, the Audit Committee will meet a minimum of three times to:

- To review the outcome from the 2025 audit and the plan for the 2026 audit.
- Oversee and assess managements review of the Group's internal controls in the absence of an Internal Audit function
- Review financial accounting and reporting.
- Review the outcomes from the Group's review of Cyber risks and plans to mitigate those risks.
- Review the adequacy of the Group's whistleblowing arrangements and procedures for identifying fraud.



Paul Watts
Chair of Audit and Risk Committee

15 July 2025

Directors' remuneration report

Statement by the chair of the Remuneration Committee

The Directors' remuneration report has been prepared on behalf of the Board by the Remuneration Committee. William Glencross served as Chair of the Remuneration Committee throughout the year ended 31 March 2025. Following her appointment to the Board on 31 March 2025, Jemima Bird was appointed as the new Chair of the Remuneration Committee. The current members of the committee are Jemima Bird (Non-Executive Director, appointed 31 March 2025), Paul Watts (Non-Executive Director, appointed 29 January 2025), and Brian Geary (Non-Executive Director, appointed 07 March 2024).

The report is divided into three sections as set out below

- The Remuneration Committee Chair Statement providing a summary of key reward activity during the year.
- The updated Directors' Remuneration Policy (the Policy), which reflects proposals developed following the review conducted after the Board changes in the previous year.
- The Report of Directors remuneration setting out the remuneration during the year ended 31 March 2025 and how the updated Policy will be applied for the year ended 31 March 2026.

Remuneration Committee Chair Statement

Role of the Committee

The role of the Committee is to.

- set and review the implementation of the Director' Remuneration Policy for the Executive Directors and senior Executives, having regard to the remuneration principles of the Group and the remuneration of the wider employee population.
- Evaluate the performance packages for each Executive Director, the Chair, the Company Secretary and other senior Executives.
- Maintain a dialogue with shareholders when setting the remuneration of senior Executives and Board members.

Business Context

The Group is coming to the end of a programme of significant change following years of disruption caused by economic weakness together with high inflationary pressures. This has been successful in delivering a business that has reduced its cost base to match a fall in revenue, recovered gross margins, reduced overheads and rationalised our distribution operations. The impact is improved operating profits and cash generation over the period and places the Group in a strong position to generate profitable growth as revenues increase.

Remuneration committee decisions in the year ended 31 March 2025.

The three key decisions made during the year ended 31 March 2025 were:

- No bonus payments were made Ms Clark and Mr Stevens in respect of the year ended 31 March 2024.
- To assess the performance of Ms Clark and Mr Stevens as they managed the business in the year to 31 March 2025.
- To undertake a review of the composition and structure of the Remuneration Committee with the objective of enhancing its independence. This included evaluating current membership against corporate governance best practices, considering the appointment of additional independent non-executive directors, and assessing the overall effectiveness of the committee's decision-making processes.
- To review the Remuneration Policy following the re-organisation of the Board.

Review of the Remuneration Policy

The existing Remuneration Policy, which was approved at last year's Annual General Meeting, was updated in the previous year following a more thorough review of the Remuneration Policy.

The Committee reviewed the remuneration for the Executive Directors and Non-Executive Director and considered:

- market rates in similar businesses
- the performance of the directors
- the increased responsibility for any new roles, and
- increases awarded to all employees.

Directors' remuneration report (continued)

In determining the remuneration for the Executive Directors the Committee has not sought advice from any consultants during the period.

The key elements of the new Remuneration policy, applicable to Executive Directors are:

- Increased base salary to recognise the role and responsibility undertaken by the Executive Directors.
- The maintenance of existing benefits which includes, pension contribution, Private Healthcare and Group life Insurance.
- Introduction of a new profit related bonus scheme for the Executive directors, with bonus of £30,000 payable on achieving the budgeted profit for the current year and a further £30,000 payable on achieving profits more than the budget up to a maximum of £60,000. The payment of these bonuses is conditional on the Group having a positive operational cash flow.
- Continue to utilise the existing 2018 Share Option Scheme, to issue Options over shares in the Company as part of a Long Term Incentive Programme to align Executives with shareholder interests.

The Committee determined that Non-Executive Director Fees should be increased to reflect the changing structure of the Board and higher level of fees required to attract new non-Executive directors. The existing share options held by Non-Executive directors, arising largely from their previous roles as Executives, will be retained. Mr Paul Forster and William Glencross will also retain their current benefits under the Group Health Care Scheme. The Committee will review the application of this Policy to ensure it is achieving its aims and propose change next year, if appropriate.

In conclusion, our approach in developing this new Policy is to ensure the Policy facilitates the recruitment and retention of talent and to align remuneration with our shareholder and wider stakeholder requirements. I look forward to your support at the upcoming AGM.

Committee Leadership Transition

I am pleased to welcome Jemima Bird to the Board and to hand over the chairmanship of the Remuneration Committee to her. Jemima brings extensive retail and commercial experience that will be valuable as we continue to develop our remuneration framework to support the Group's growth strategy.

Directors’ remuneration report (continued)

Summary of changes to Directors’ Remuneration

Following the Board changes announced on 7 March 2024 the Committee undertook a review of the Directors’ Remuneration Policy. No Executive Director was present when their remuneration was discussed.

The Committee considered changes in responsibilities, data from similar sized businesses with similar levels of complexity and data on remuneration and employment conditions within the Group. The aim was to ensure that the employees are fairly rewarded for their role. The Committee was mindful of the need to not inadvertently encourage risky or irresponsible behaviour, including behaviour that could raise environmental, social or governance issues. The Committee considered the balance of the remuneration package between, fixed and variable remuneration and the need to incorporate Long-Term Incentives to align performance with improvements in shareholder value.

Under the previous Remuneration Policy, a significant portion of the remuneration was variable for the CEO and Managing Director who had relatively low base salaries with a high uncapped bonus based on the level of pre-tax profit. The other Executive Directors had higher base salaries with a much lower bonus entitlement, limited to 7.5% of base salary. The new Remuneration Policy introduces higher base salaries and a variable capped bonus scheme for Executive Directors which is directly linked to the profit of the Group.

The following table sets out a summary of the key changes to the Remuneration Policy and how they will be implemented for the current directors during the year to 31 March 2025.

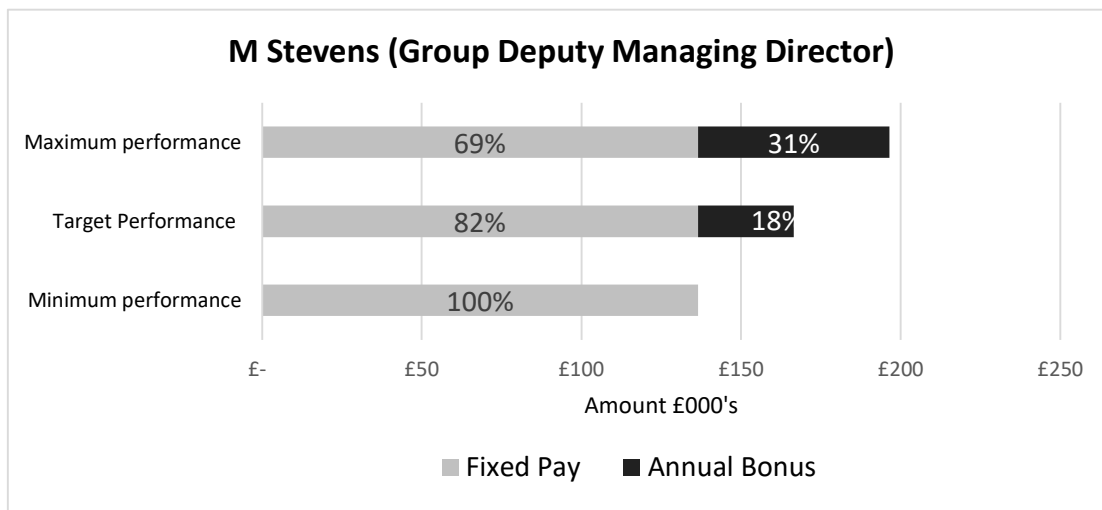
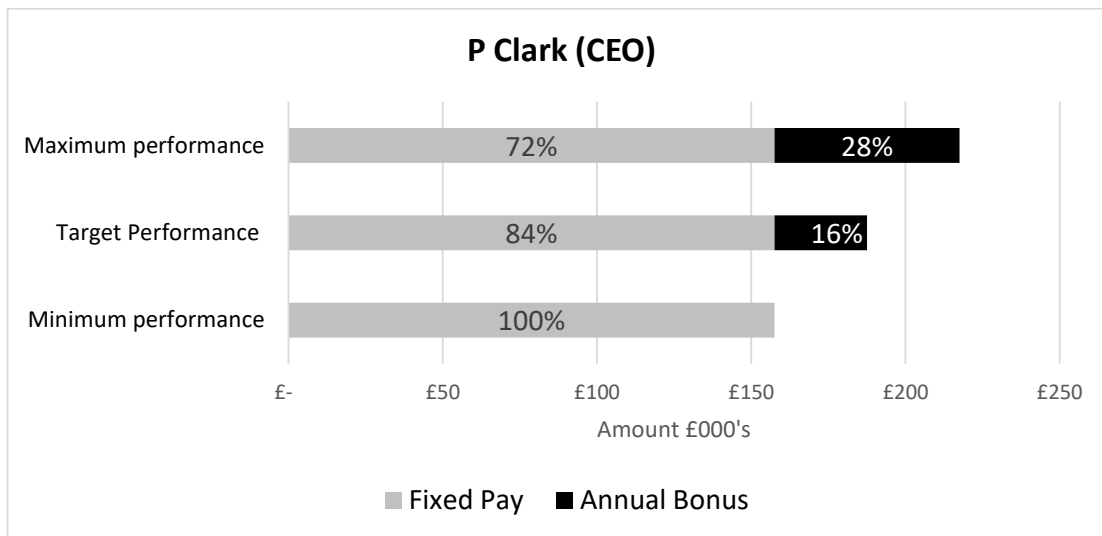
Key Policy Feature	Approach for 2025	Proposed approach for 2026 and key changes
Salary		
The Executive Directors base salaries are normally raised annually taking into account the nature of the role and performance and experience of the individual director and the pay increase across the wider workforce	Salaries from 01 April 2024 CEO - £150,000 Deputy Group MD £130,000 These changes reflect the changes in roles and responsibilities.	The Board has decided to maintain the existing remuneration arrangements for 2026, providing continuity and stability during a period of transition. In parallel, the newly appointed Remuneration Committee has been tasked with undertaking a comprehensive review of the Company’s remuneration framework, including long-term incentive plans (LTIPs) and other components, to ensure alignment with the Company’s strategic objectives and stakeholder expectations over the longer term.
Pension benefits		
The Executive Directors receive a pension contribution in addition to pension contributions to the Groups Workplace Pension Scheme	Group MD – Fixed Pension Contribution of £2,000 plus an additional 3% of salary in line with all employees of the Group. Deputy Group MD - Fixed Pension Contribution of £6,000 plus 3% of salary in line with all employees of the Group.	There are no changes for the year to 31 March 2026.
Other benefits		
Both Executive Directors are members of private healthcare and group life insurance schemes.		There are no changes for the year to 31 March 2026.
Annual Bonus		
The annual bonus is focused on the delivery of improvements in profits in line with the longer term aims of improving shareholder value.	The opportunity under the new bonus scheme for the year to 31 March 2025 for both the Group MD and the Deputy Group MD is an initial payment of £30,000 and an additional payment of up to a further £30,000 on achieving a set pre-tax profit target.	There are no changes for the year to 31 March 2026.
Long Term Incentive Plans (LTIP)		
The LTIP focuses on generating sustained shareholder value over the longer term and aligning Directors’ interests with those of the Company’s shareholders. The Groups Share Option Scheme approved by Shareholders in 2018, remains the best method of achieving this aim.	No share options were issued in the year to March 2024.	There are no changes for the year to 31 March 2026.

Directors’ remuneration report (continued)

Directors Remuneration Policy

Illustrations of application of the Remuneration Policy

The charts below indicate the level of remuneration that could be received by each Executive Director in accordance with the updated Directors’ Remuneration Policy. This is based on the level of profit as at 31 March 2025 and an increase in profit of 50% from this level. These bonuses are not impacted by any changes in the share price.



In illustrating the above, the following assumptions have been made:

Scenario	Description	Assumptions
Minimum Performance	Minimum remuneration receivable	Fixed elements of remuneration only – Salary, benefits and pension
Target Performance	Remuneration receivable for achieving performance in line with expectations	Fixed elements of remuneration (as above), 50% of maximum annual bonus earned
Maximum performance	Remuneration receivable at maximum performance targets	Fixed elements of remuneration (as above), 100% of maximum annual bonus earned

Directors’ remuneration report (continued)

Statement of implementation of remuneration policy in the following financial year

Policy on Directors’ remuneration

This report sets out the Directors’ Remuneration Policy and complies with relevant provisions of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (accounts and Reports) Regulations. It has been prepared taking into account the 2018 UK Corporate Governance Code (the 2018 Code).

The remunerations have clearly defined parameters which are communicated to shareholders and other stakeholders. The remuneration framework incentivises short term objectives through the annual bonus and long-term objective of shareholder value creation through the LTIP.

The policy of the Company on Executive remuneration including that for Executive Directors is to reward individual performance and motivate and retain existing Executive Directors to promote the best interests of the Group and enhance shareholder value. The remuneration packages for Executives and Executive Directors include a basic annual salary, performance related bonus and a share option programme. The remuneration packages for Non-Executive Directors include a fee. The Committee has reviewed the policy for the year ahead and has concluded that the key features of the remuneration policy remain appropriate.

In setting Executive Directors’ remuneration, the Committee is mindful of the pay and conditions enjoyed by other employees. It considers revisions to their arrangements only when other employees’ pay and conditions are also reviewed, and this is always done in the light of market conditions and overall Group performance.

The component of the Executive Directors Remuneration fixed remuneration is described below:

Element	Purpose	Operation
Fixed remuneration		
Base Salary	To provide an appropriate level of fixed income to recruit and retain talent	Base salaries are reviewed annually considering: <ul style="list-style-type: none"> • The scope of the role and the markets the Group operates in • The performance and experience of the individual • Pay levels in other comparable organisations • Pay increases within the Group
Benefits	Recruitment and retention of Executives through the provision of cost-effective benefits package	Benefits that may be provided include, health insurance, life assurance for the Executive and family members.
Provision for retirement	Designed to enable an Executive Director to generate an income in retirement and to provide a competitive remuneration package.	Participation in the Group defined contribution scheme supported by fixed payments to an Executive Pension Scheme.

Pensions

Ms Clark and Mr Stevens pension contributions include contributions to an auto-enrolment pension in line with the wider workforce and fixed defined contributions to Company pension schemes. Pension contributions for the year ended 31 March 2025 were as follows; Ms Clark £7,000 and Mr Stevens £10,000.

Directors’ remuneration report (continued)

The component of the Executive Directors variable remuneration is noted below:

Element	Purpose	Operation
Variable remuneration		
Annual bonus	Designed to motivate Executive Directors to focus on annual goals that are consistent with the longer-term strategic aim to improve shareholder value.	Measures and targets are set at the beginning of each financial year and pay out levels are determined by the Committee after approval of the annual financial report based on performance against those targets. The Committee may apply discretion to amend the bonus pay out should this not, in the view of the Committee, reflect the underlying business performance or individual contribution
Share Options	The current Share Option scheme is designed to incentivise and align Executive Directors and employees with the delivery of shareholder value through sustainable share growth and dividend payments.	Annually the Committee will review the Share Options held by the Executive Directors and will decide whether the options remain at levels appropriate to motivate the Executive to meet the long-term growth aspirations of shareholders. This review may include the cancellation and re-issue of options that align with the purpose. Share options have a vesting period of three years following the date of grant and are typically granted at the closing mid-market price immediately prior to the date of grant. The Committee does have the option to issue options at a discount to the market price

Remuneration should support and align with shareholders long term interests by linking the annual performance to growing shareholder value. It is the intention of the Committee to cascade the New Policy to the Senior Executive Team to ensure they are supporting the Executive Directors in shared goals and outcomes.

Both Executive and Non-Executive Directors may accept appointment as Directors of other Companies and retain any fees paid to them, although Directors are required to notify the Company of all such appointments and may not accept appointments which would be incompatible with their role with the Group, such as with direct competitors or major suppliers and customers.

Directors’ bonuses

The new bonus Policy for Ms Clark and Mr Stevens include Executive bonus scheme, where senior Executives are entitled to a maximum bonus, in the case of Ms Clark and Mr Stevens this is £60,000, based on hitting certain Group pre-tax profit targets. A bonus of £49,333 was payable to Ms Clark and Mr Stevens in respect of the year ended 31 March 2025.

None of the Executive Directors remuneration is paid or payable in shares, therefore a 50% increase in share price would have a nil effect on remuneration.

Recruitment

On appointment or promotion, base salary levels will be set taking into account a range of factors including market levels, experience, internal relativities and cost. If an individual is appointed on a base salary below the desired market positioning, the Committee retains the discretion to re-align the base salary, contingent on individual performance, which may result in a higher rate of annualised increase above ordinary levels.

Loss of office

Any loss of office payment will be approved by the Remuneration Committee. Any payment will be made at the discretion of the remuneration committee and on a case-by-case basis. Any payments made beyond contractual and statutory obligations would be exceptional in nature either due to additional obligations taken on by the departing Director or due to specific circumstances and always benchmarked against market practice.

Directors’ remuneration report (continued)

The components of the Non-Executive Directors Remuneration are described below:

Element	Purpose	Operation
Non-Executive Director Fees	To reflect the time commitment in preparing for and attending meetings, the duties and responsibilities of the role and the contribution expected from Non-Executives Directors.	<p>Fees are reviewed annually and may be amended to reflect changes in the market and in responsibilities.</p> <p>Any additional time commitments in excess of the contracted time will be paid pro-rata on a per diem basis.</p> <p>The Committee recommends the remuneration of the Chair to the Board.</p> <p>Fees paid to Non-Executive Directors are determined and approved by the Board as a whole.</p> <p>The Company covers the cost of attending meetings and Non-Executive Directors may be re-imbursed for any business expenses incurred in fulfilling their duties.</p>
Benefits		Mr Forster and Mr Glencross receive group Health Insurance cover as a legacy from their former roles as Executive Directors.
Share Options	To encourage Non-Executive Directors to align interests with those of Shareholder value.	Expectation that Non-Executive Directors build an interest in the Company’s shares.

Non-Executive Director Independence

The Board has two independent Non-Executive Directors: Paul Watts and Jemima Bird. Paul Forster (Chairman), William Glencross, Nicholas O’Shea, and Brian Geary are not considered independent due to their previous executive roles, long tenure, significant shareholdings, or ongoing business relationships with the Group.

The Board ensures independent oversight through committee structures chaired by independent directors where appropriate.

Directors' remuneration report (continued)

Annual report on Directors' remuneration

The information provided in this part of the Directors' Remuneration Report is subject to audit

The tables below represent the Directors' remuneration for the years ended 31 March 2025 and 31 March 2024. These emoluments are normally paid in the year except for the bonus payments which are paid following the approval of the financial statements.

Executive Directors' remuneration as a single figure

		2025		
		P Clark	M Stevens	Total
		£000	£000	£000
Salary		150	130	280
Pension		6	9	15
Benefits		-	2	2
Total fixed		156	141	297
Total variable	Note 1	49	49	98
Total		205	190	395

		2024				
		WO McIlroy	BJM Johnson	P Clark	M Stevens	Total
		£000	£000	£000	£000	£000
		Note 2	Note 3			
Salary		25	66	126	120	337
Pension		-	-	6	9	15
Benefits		-	-	-	2	2
Total fixed		25	66	132	131	354
Total variable	Note 1	-	-	-	-	-
Total		25	66	132	131	354

Note

- 1 In the year ended 31 March 2025 Ms Clark and Mr Stevens both earned bonuses of £49,333. No bonuses were earned in the year ended 31 March 2024.
- 2 Mr McIlroy's salary covers the period to 6 March 2024, when he resigned from his Executive roles.
- 3 Mr BJM Johnson's salary covers the period to 23 November 2023 when he ceased to be a director of the Company.
- 4 Equity settled share-based payments would be included within the bonus figure, calculated as their intrinsic value as at the date of grant. No grants in the year ended 31 March 2025 or 31 March 2024.

Directors' remuneration report (continued)

Annual report on Directors' remuneration (continued)

Non-Executive Directors' remuneration as a single figure

		2025							
		P Forster	WO McIlroy	ND O'Shea	WTG Glencross	B Geary	P Watts	J Bird	Total
		Note 2	Note 3						
		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Fees		46	17	25	25	25	6	-	144
Benefits	Note 5	2	-	-	2	-	-	-	4
Total fixed		48	17	25	27	25	6	-	148

		2024						
		P Forster	WO McIlroy	ND O'Shea	WTG Glencross	B Geary	Total	
		Note 2	Note 3					
		£000's	£000's	£000's	£000's	£000's	£000's	
Fees		20	2	19	19	2	62	
Pension	Note 6	1	-	-	-	-	1	
Benefits	Note 5	2	-	-	2	-	4	
Total fixed		23	2	19	21	2	67	

Notes

- 1 The Non-Executive Directors received no variable remuneration in the years ended 31 March 2025 or 31 March 2024.
- 2 Mr Forster's Fees includes an increase following his appointment as Non-Executive Chair from 7 March 2024.
- 3 Mr McIlroy's Fees include those earned as a Non-Executive Director from 7 March 2024, following his retirement from his Executive roles.
- 4 Mr Geary's Fees include those he received following his appointment as a Non-Executive Director from 7 March 2024.
- 5 The benefits earned by Mr Forster and Mr Glencross relate to their membership of the Group Private health insurance scheme, which continued following their retirement as Executives.
- 6 The pension earned by Mr Forster relates to his membership of the Group Pension scheme, which continued following his retirement as an Executive.

Payments for loss of office

A single Director left the Company during the year ended 31 March 2025 and no payments in respect of compensation for loss of office were paid or payable to any Director (2024: £Nil).

Share options

No share options were exercised by Directors during the year ended 31 March 2025 (2024: Nil).

There is a vesting period of 3 years for all share options. The share options were awarded to the Directors as part of the Company's ongoing compensation and remunerations plans as a motivation for continuing to deliver success to the Group, its shareholders and employees. There are no service conditions associated with the award of the share options.

Directors' remuneration report (continued)

Annual report on Directors' remuneration (continued)

Directors' shareholdings

The Directors who held office during 31 March 2025 had the following beneficial interests in the 1p ordinary shares of the Company:

At 31 March 2025						
Director	Shares	Share Options				Total Options held
	Number of shares	Exercise period of 2017 - 2024	Exercise period of 2021 - 2028	Exercise period of 2023 - 2030	Exercise period of 2024 - 2031	
		price 5.50p	price 26.80p	price 36.00p	price 97.73p	
		Vested	Vested	Vested	Not vested	
Mr W O McIlroy	5,469,275	-	-	-	-	-
Mr N DJ O'Shea	125,945	-	135,000	-	-	135,000
Mr W T Glencross	86,000	-	131,500	-	-	131,500
Ms P Clark	851,818	-	500,000	200,000	-	700,000
Mr M Stevens	993,758	-	218,060	100,000	-	318,060
Mr P Forster	951,318	-	300,000	100,000	-	400,000
Mr B Geary	7,050,323	-	-	-	-	-
Mr P Watts	-	-	-	-	-	-
Ms J Bird	-	-	-	-	-	-

There are no performance measures attributable to the share options. There are no requirements for a Director to own shares.

Directors' shareholdings

The Directors who held office at 31 March 2024 had the following beneficial interests in the 1p ordinary shares of the Company:

At 31 March 2024						
Director	Shares	Share Options				Total Options held
	Number of shares	Exercise period of 2017 - 2024	Exercise period of 2021 - 2028	Exercise period of 2023 - 2030	Exercise period of 2024 - 2031	
		price 5.50p	price 26.80p	price 36.00p	price 97.73p	
		Vested	Vested	Vested	Not vested	
Mr W O McIlroy	16,219,275	1,300,000	900,000	-	225,000	2,425,000
Mr N DJ O'Shea	115,000	-	135,000	-	-	135,000
Mr W T Glencross	86,000	-	131,500	-	-	131,500
Ms P Clark	851,818	-	500,000	200,000	-	700,000
Mr M Stevens	993,758	-	218,060	100,000	-	318,060
Mr P Forster	951,318	-	300,000	100,000	-	400,000
Mr B Geary	7,403,259	-	-	-	-	-
Mr B Johnson	5,245,844	-	-	-	-	-

There are no performance measures attributable to the share options. There are no requirements for a Director to own shares.

Approval

The Directors' Remuneration Report was approved by the Board of Directors on 15 July 2025 and signed on its behalf by:


Jemima Bird (Jul 15, 2025 17:55 GMT+1)

Jemima C Bird
Remuneration Committee

15 July 2025

Independent auditor's report to the members of Creightons Plc

Opinion

We have audited the financial statements of Creightons Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of changes in equity, the Company statement of changes in equity, the Consolidated cash flow statement, the Company cash flow statement, and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards. The parent company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework" as applied in accordance with the provisions of the Companies act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2025 and the group's profit for the year then ended;
- the Group Financial Statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company Financial Statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to SME listed entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the group's and the parent company's future financial performance;
- Challenging the appropriateness of the directors' key assumptions in their cash flow forecasts, by reviewing supporting evidence in relation to these key assumptions and assessing the directors' consideration of severe but plausible scenarios. This included assessing the viability of mitigating actions within the directors' control;
- Testing the accuracy and functionality of the model used to prepare the directors' forecasts;
- Assessing the historical accuracy of forecasts prepared by the directors;
- Considering the consistency of the directors' forecasts with other areas of the financial statements and our audit;
- Inspecting the terms of loan agreements and financing facilities for covenants, and understanding any changes to these agreements in the year;
- Ensuring that all covenants are complied with for the current year and have been accurately included in severe but plausible scenarios; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements on going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

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

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key Audit Matter	How our scope addressed this matter
<p>Revenue recognition – Group note 4</p> <p>The Group’s accounting policy for revenue recognition is set out in the accounting policy notes on pages 78-79.</p> <p>Revenue is material for the Group and represents the largest figure in the Consolidated statement of comprehensive income. An error in this balance could significantly affect a user’s interpretation of the financial statements.</p> <p>For the Group, we identify the risk around revenue recognition as being in relation to occurrence due to the potential to inappropriately record revenue in the year in order to inflate the results of the Group.</p> <p>Due to revenue being a key benchmark in a user’s assessment of the performance of the Group, we consider revenue recognition to be a key audit matter.</p>	<p>We confirmed our understanding of the processes and controls relevant to the revenue recognition policy of the subsidiary by performing walkthrough procedures. We evaluated the design and implementation of the controls in accordance with ISA 315R and concluded that a substantive audit approach supported by test of controls should be adopted. Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • documenting and assessing the key business processes; • obtaining and inspecting the revenue recognition policy to ensure that it complied with the requirements of IFRS 15; including IFRS 15 variable consideration; • reconciling revenue through to debtors then cash, identifying revenue transactions which did not flow through via the expected process for substantive testing; • testing controls over sales invoices in the year by matching a sample of sales to inventory movements; • substantively testing cash receipts from the bank statements to ensure the classification of revenue transactions is correct; • testing the controls over the bank reconciliation process; • substantively testing opening and closing debtors through to cash receipt. <p>Our observations:</p> <p>Based on the procedures performed, we consider revenue recognition is appropriate, and in line with the Group accounting policy which are in line with IFRS.</p>
<p>Brand Valuation and goodwill valuation – Consolidation notes 13 and 14</p> <p><u>Emma Hardie:</u> Brand Value: £0.7m Goodwill - Deferred tax: £nil</p> <p><u>Brodie & Stone</u> Brand Value: £4.9m Goodwill - Deferred tax: £1.2m</p>	<p>We confirmed our understanding of the processes and controls relevant to the goodwill and brand valuation of Emma Hardie and Brodie & Stone CGUs in the group by performing walkthrough procedures.</p> <p>The Audit Engagement Team engaged the internal valuation team as auditor’s experts. Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • assessing the relevant knowledge and sector experience of our auditor’s experts; • critically assessing management’s formal assessment paper and value in use ('VIU') models in detail to consider whether these

<p>The group’s accounting policy for goodwill and impairment is set out in the accounting policies noted to the financial statements (pages 85 - 86).</p> <p>Non-amortising intangibles are subject to annual impairment review, to assess whether the value in use (VIU) is in excess or equal to the carrying value of assets, or whether any impairment is required. Significant assumptions are made in the VIU model, as an individual cash-generating unit (CGU), prepared by management for the basis of their assessment. There is inherent uncertainty involved in forecasting and discounting future cash flows. There may be significantly different outcomes of the assessment if different assumptions were applied in the model, therefore greater level of management judgement is involved in determining the appropriateness of assumptions. This is considered to be a significant risk given the material value of non-amortising intangibles in the Group financial statements.</p> <p>Due to the brand and goodwill values being a material balance in the Group, and the judgement used within the impairment calculation, we consider this to be a Key Audit Matter.</p>	<p>are prepared in accordance with the relevant accounting framework (including IAS 36) and are mathematically accurate;</p> <ul style="list-style-type: none"> • challenging management’s assessment of CGUs; • assessing the VIU model by looking for any disconfirming evidence in post year end data and market information; • performing sensitivity analysis on the key assumptions and cash flows used within the VIU model to assess scenarios that would trigger an impairment; • evaluating the WACC used by management in the impairment model; • considering the historical accuracy of forecasting over time to assess the reliability of the information prepared by management; • critically assessed the forecast information included in the impairment calculation for inconsistencies with other information provided in other areas of the audit; and performed a stand back review considering relevant internal and external factors including disconfirming information and any indicators of management bias and any implications of the audit in our assessment of the appropriateness of the methodology and valuation of the brand. <p>Our observations</p> <p>We consider management’s assessment of the brand value and goodwill to be reasonable in line with the Group accounting policy, which is in line with IFRS, and the value in use model assumptions to be fairly reflected in the Critical accounting judgements and sources of estimation uncertainty note 3.</p>
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Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality

Overall materiality	£540,660
How we determined it	1.0% of Revenue
Rationale for benchmark applied	<p>Revenue was used as the benchmark for materiality as it is the principle benchmark for users due to the volatility in profit before tax and has remained consistent year-on-year, providing a stable and reliable base for the materiality calculation.</p> <p>The revenue benchmark was selected as it best reflects the scale of the entity's operations and provides an appropriate measure of the business size for audit planning purposes. This approach ensures the materiality threshold is proportionate to the entity's operational activities and maintains consistency with prior year audit procedures.</p>
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

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	We set performance materiality at £378,000 which represents 70% of overall materiality.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £16,000 (2024: £9,600) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Parent company materiality

Overall materiality	£182,000
How we determined it	Materiality has been determined with reference to a benchmark of total equity, of which it represents 3%.
Rationale for benchmark applied	We used total equity to calculate our materiality as, in our review, this is the most relevant measure of the underlying financial position of the parent company for this year end as a holding company.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £128,000 which represents 70% of overall materiality.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £5,500 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our Group audit scope included an audit of the group and parent company financial statements. Based on our risk assessment, Creightons Plc and Potter & Moore Innovations Limited within the group were subject to full scope audit, which was performed by the group audit team. The group audit team obtained external bank confirmations for all bank accounts held within the group regardless if the entity was subject to a full scope audit to gain necessary assurance over the consolidated cash position as at 31 March 2025.

At the parent company level, the group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the parent company.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 38, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: the Bribery Act 2010, General Data Protection Regulation 'GDPR' and EU Cosmetics Regulation EC 1223:2009 & UK Cosmetic Products Enforcement Regulations 2013.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the group and the parent company, the industry in which they operate, and the structure of the group, and considering the risk of acts by the group and the parent company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with relevant licensing or regulatory authorities;
- Reviewing minutes of directors' meetings in the year; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as UK tax legislation, UK-adopted international accounting standards, FRS 101 "Reduced disclosure framework", Rules of the Alternative Investment Market Exchange, and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the occurrence assertion) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members as a body for our audit work, for this report, or for the opinions we have formed.



Stephen Brown (Jul 15, 2025 17:58 GMT+1)

Stephen Brown (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
Buckinghamshire
MK9 1FF
Date **15 July 2025**

Consolidated income statement

		Year ended 31 March 2025	Year ended 31 March 2024
	Note	£000	£000
Revenue	4,5	54,066	53,194
Cost of sales		(29,913)	(30,364)
Gross profit		24,153	22,830
Distribution costs		(2,763)	(3,488)
Administrative expenses		(17,859)	(17,804)
Operating profit before exceptional items		3,531	1,538
Exceptional items - Redundancy costs	7	-	(17)
Exceptional items - Impairment	8, 14	-	(4,449)
Operating profit		3,531	(2,928)
Other income – Research and Development Expenditure Credit (RDEC)		127	-
Finance costs	9	(161)	(349)
Profit before tax		3,497	(3,277)
Taxation	10	(1,045)	(250)
Profit / (Loss) for the year attributable to the equity shareholders		2,452	(3,527)

Consolidated statement of comprehensive income

		Year ended 31 March 2025	Year ended 31 March 2024
		£000	£000
Profit / (Loss) for the year		2,452	(3,527)
Items that may be subsequently reclassified to profit and loss:			
Exchange differences on translating foreign operations		7	13
Other comprehensive income for the year		7	13
Total comprehensive income for the year attributable to the equity shareholders		2,459	(3,514)

Earnings per share

		Year ended 31 March 2025	Year ended 31 March 2024
	Note	2025	2024
Basic	12	3.58p	(5.15p)
Diluted *	12	3.29p	(5.15p)

* Share options are excluded from the earnings per share calculation for the year ended 31 March 2024 due to their anti-dilutive effect on the loss after tax attributable to equity holders. No such exclusion was necessary for the year ended 31 March 2025.

Adjusted Earnings per share – alternate performance measure

The calculation of basic and diluted earnings per share excluding exceptional items was presented in the prior year ended 31 March 2024 to provide a more meaningful comparison of underlying performance. This reconciliation is not required for the current year ended 31 March 2025 as no such exceptional items have been adjusted for in the current period.

The prior year figures are presented below for comparative purposes only:

	Year ended 31-Mar 2025	Year ended 31-Mar 2024
	£000	£000
Profit / (Loss) for the period from operations attributable to the equity shareholders of the parent Company	2,452	(3,527)
Exceptional items - Impairment	-	4,449
Exceptional items – Deferred tax charge in relation to the Impairment	-	165
Adjusted Earnings excluding exceptional items	2,452	1,087

Adjusted Basic earnings per share – excluding exceptional items	3.58p	1.59p
Adjusted Diluted earnings per share – excluding exceptional items	3.29P	1.42p

Consolidated balance sheet

		31 March	31 March
		2025	2024
	Note	£000	£000
Non-current assets			
Goodwill	13	1,575	1,575
Other intangible assets	14	6,434	6,374
Property, plant and equipment	15	4,658	5,219
Right-of-use assets	16	1,242	1,093
		13,909	14,261
Current assets			
Inventories	18	8,872	8,225
Trade and other receivables	19	11,697	10,518
Cash and cash equivalents	20	3,659	3,138
		24,228	21,881
Total assets		38,137	36,142
Current liabilities			
Trade and other payables	22	8,854	8,265
Corporation tax payable	22	9	105
Lease liabilities	23	447	351
Borrowings	24	190	620
		9,500	9,341
Net current assets		14,728	12,540
Non-current liabilities			
Deferred tax liability	31	1,799	1,798
Lease liabilities	23	705	633
Borrowings	24	1,910	2,315
		4,414	4,746
Total liabilities		13,914	14,087
Net assets		24,223	22,055
Equity			
Share capital	25	700	700
Share premium account		2,024	2,024
Merger reserve		2,476	2,476
Treasury shares	8	(576)	(576)
Other reserves		(211)	(211)
Translation reserve		34	27
Retained earnings		19,776	17,615
Total equity attributable to the equity shareholders of the parent Company		24,223	22,055

These financial statements were approved by the Board of Directors and authorised for issue on 15 July 2025. They were signed on its behalf by:

PBClark
PBClark (Jul 15, 2025 17:45 GMT+1)
Philippa B E Clark
Chief Executive Officer

Company balance sheet

		31 March	31 March
		2025	2024
	Note	£000	£000
Non-current assets			
Investment in subsidiaries	17	1,346	1,310
Investment property	15	2,889	3,100
		4,235	4,410
Current assets			
Trade and other receivables	19	4,011	4,374
Cash and cash equivalents	20	42	20
		4,053	4,394
Total assets		8,288	8,804
Current liabilities			
Trade and other payables	22	54	53
Corporation tax payable	22	56	72
Borrowings	24	190	185
		300	310
Net current assets		3,753	4,084
Non-current liabilities			
Borrowings	24	1,910	2,102
		1,910	2,102
Total liabilities		2,210	2,412
Net assets		6,078	6,392
Equity			
Share capital	25	700	700
Share premium account		2,024	2,024
Merger reserve		2,476	2,476
Treasury shares	8	(576)	(576)
Capital redemption reserve		18	18
Other reserves		(236)	(236)
Retained earnings		1,672	1,986
Total equity attributable to the equity shareholders		6,078	6,392

The Company's loss after tax for the year was £43,000 (2024: £8,000 profit). The Company has elected to take the exemption permitted under Section 408 of the Companies Act 2006 not to present the Company's individual income statement and related notes.

These financial statements were approved by the Board of Directors and authorised for issue on 15 July 2025. They were signed on its behalf by:

PBClark
PBClark (Jul 15, 2025 17:45 GMT+1)

Philippa B E Clark
Chief Executive Officer

Company registration number 01227964

Consolidated statement of changes in equity

	Share capital (note 25)	Share premium account	Merger reserve	Treasury Shares	Other reserves	Translation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2023	700	2,022	2,476	(576)	(211)	14	21,054	25,479
Comprehensive income for the year								
Loss for the year	-	-	-	-	-	-	(3,527)	(3,527)
Exchange differences on translation of foreign operations	-	-	-	-	-	13	-	13
Total comprehensive loss for the year	-	-	-	-	-	13	(3,527)	(3,514)
Contributions by and distributions to owners								
Exercise of options	-	2	-	-	-	-	-	2
Share-based payment charge (note 26)	-	-	-	-	-	-	111	111
Deferred tax through Equity (note 31)	-	-	-	-	-	-	(23)	(23)
Total contributions by and distributions to owners	-	2	-	-	-	-	88	90
At 31 March 2024	700	2,024	2,476	(576)	(211)	27	17,615	22,055
Comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	2,452	2,452
Exchange differences on translation of foreign operations	-	-	-	-	-	7	-	7
Total comprehensive loss for the year	-	-	-	-	-	7	2,452	2,459
Contributions by and distributions to owners								
Share-based payment charge (note 26)	-	-	-	-	-	-	36	36
Deferred tax through Equity (note 31)	-	-	-	-	-	-	(20)	(20)
Dividends paid (note 11)	-	-	-	-	-	-	(307)	(307)
Total contributions by and distributions to owners	-	-	-	-	-	-	(291)	(291)
At 31 March 2025	700	2,024	2,476	(576)	(211)	34	19,776	24,223

Consolidated statement of changes in equity (continued)

Share capital

The nominal value of allotted and fully paid up ordinary share capital in issue.

Share premium account

Amount subscribed for share capital in excess of nominal value.

Merger reserve

The excess of the nominal value of the shares issued to the shareholders upon the acquisition of Emma Hardie and Brodie & Stone businesses.

Treasury shares

Purchase of the Company's own shares.

Capital redemption reserve

Non-distributable reserves following the purchase of Company's own shares.

Other reserves

Purchase of the Company's shares by the EBT is shown as a negative movement through other reserves.

Translation reserve

Foreign currency differences arising from the translation of the financial statements of the overseas subsidiaries.

Retained earnings

Cumulative net gains and losses recognised in the statement of comprehensive income.

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Company statement of changes in equity

	Share capital (note 25)	Share premium account	Merger reserve	Treasury shares	Capital redemption reserve	Other reserves	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000	£000	£000
As at 1 April 2023	700	2,022	2,476	(576)	18	(236)	1,867	6,271
Comprehensive income for the year								
Profit for the year	-	-	-	-	-	-	8	8
Total comprehensive income for the year	-	-	-	-	-	-	8	8
Contributions by and distributions to owners								
Exercise of options	-	2	-	-	-	-	-	2
Share based payment charge	-	-	-	-	-	-	111	111
Total contributions by and distributions to owners	-	2	-	-	-	-	111	113
At 31 March 2024	700	2,024	2,476	(576)	18	(236)	1,986	6,392
Comprehensive income for the year								
(Loss) for the year	-	-	-	-	-	-	(43)	(43)
Total comprehensive income for the year	-	-	-	-	-	-	(43)	(43)
Contributions by and distributions to owners								
Exercise of options	-	-	-	-	-	-	-	-
Share based payment charge (note 26)	-	-	-	-	-	-	36	36
Dividends paid (note 11)							(307)	(307)
Total contributions by and distributions to owners	-	-	-	-	-	-	(271)	(271)
At 31 March 2025	700	2,024	2,476	(576)	18	(236)	1,672	6,078

Consolidated cash flow statement

	Note	Year ended 31 March 2025 £000	Year ended 31 March 2024 £000
Profit from operations including redundancy costs		3,531	1,521
Adjustments for:			
Depreciation on property, plant and equipment	15	956	992
Depreciation on right of use assets	16	445	368
Amortisation of intangible assets	14	183	358
(Profit) /Loss on disposal of Right of Use assets	6	(12)	59
Loss on disposal of PPE	6	34	-
Share based payment charge	26	36	111
		5,173	3,409
(Increase)/Decrease in inventories	18	(647)	2,003
(Increase)/Decrease in trade and other receivables	19	(1,179)	2,215
Decrease/(Increase) in trade and other payables		589	(1,570)
Cash generated from operations		3,936	6,057
Taxation paid		(1,030)	(30)
Net cash generated from operating activities		2,906	6,027
Investing activities			
Purchase of property, plant and equipment	15	(429)	(321)
Purchase of intangible assets	14	(243)	(287)
Proceeds from sale of assets		10	-
Net cash used in investing activities		(662)	(608)
Financing activities			
Proceeds on issue of shares	25	-	2
Cancellation of leases	23	-	(59)
Principal paid on lease liabilities	23	(507)	(568)
Repayment of invoice financing facilities	30	-	(1,557)
Repayment of amounts borrowed	30	(34)	(61)
Repayment on term loan	30	(611)	(1,329)
Interest paid on term loan	30	(18)	(123)
Repayment on mortgage loan facility	30	(187)	(180)
Interest paid on mortgage loan facility	30	(66)	(72)
Dividends paid to owners of the parent		(307)	-
Net cash used in financing activities		(1,730)	(3,947)
Net increase in cash and cash equivalents		514	1,472
Cash and cash equivalents at start of year		3,138	1,653
Effect of foreign exchange rate changes		7	13
Cash and cash equivalents at end of year		3,659	3,138

Company cash flow statement

		Year ended 31 March	Year ended 31 March
		2025	2024
	Note	£000	£000
Profit from operations		79	152
		79	152
Adjustments for:			
Depreciation on property, plant and equipment	15	211	210
		290	362
Decrease/(Increase) in trade and other receivables	19	363	(118)
Cash generated from operations		653	244
Taxation paid		(72)	-
Net cash generated from operating activities		581	244
Investing activities			
Net cash generated from investing activities		-	-
Financing activities			
Proceeds of share issue	25	-	2
Repayment on mortgage loan facility		(252)	(252)
Dividends paid to owners of the parent	8	(307)	-
Net cash used in financing activities		(559)	(250)
Net change in cash and cash equivalents		22	(6)
Cash and cash equivalents at start of year		20	26
Cash and cash equivalents at end of year		42	20

Notes to the financial statements

1. General information

Creightons PLC (the Company) is incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 103. It is a public Company, which was listed on the Main market on the London Stock Exchange until 31 March 2025 at which point it transferred to the AIM market. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 3 to 31.

2 Material accounting policies

Basis of accounting

The Group financial statements have been prepared in accordance with UK-adopted international accounting standard in conformity with the requirements of the Companies Act 2006.

The IFRSs applied in the Group financial statements are subject to ongoing amendment by the IASB and therefore subject to possible change in the future. Further standards and interpretations may be issued that will be applicable for financial years beginning on or after 1 April 2025 or later accounting periods but may be adopted early.

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The primary statements within the financial information contained in this document have been presented in accordance with IAS1 Presentation of Financial Statements.

The financial statements have been prepared on the historical cost basis as modified for the fair value of business combinations. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Adoption of new and revised accounting standards

None of the standards adopted during the year had a material impact on the Group's financial statements for the year ended 31 March 2025.

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The Group does not expect any of the standards issued by the IASB, but not yet effective, to have a material impact on the Group.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries), made up to the 31 March each year, as set out in note 17. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Company gains control until the date the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Notes to the financial statements

2 Material accounting policies (continued)

Going concern

Whilst the Group has faced a number of challenges due to the current economic climate, it has exhibited improved performance due to remedial actions taken by management as explained in the Chairman's statement, CEO statement and the Financial report on pages 2 to 15. The benefit of revenue growth combined with the margin improvement and overhead reduction has resulted in an improved performance for the year to 31 March 2025.

The Group continues to meet its debt obligations and expects to operate comfortably within its available borrowing facilities for the next 3 years. This assessment is based on our ability to retain existing borrowing facilities and assuming moderate top line sales growth.

The going concern assessment included various sensitivity analyses including the loss of the Group's largest customer. In the unlikely event that all of this business was lost, this would be mitigated by reduced production and warehouse, inventory holding and account management costs. The Group has a long-standing relationship with its customer base and is actively working on new briefs in targeting growth. Additionally, other scenarios examined increasing cost of sales by 20% and separately increases in overhead costs by 20%.

The Group also has a disaster recovery plan and would be able to transfer part of its production between sites should the need arise. There are also good relationships with suppliers and customers to enable the business to mitigate any supply chain issues. The Group possesses adequate insurance cover to mitigate the impact of severe adverse scenarios on business interruption, plant and machinery, inventory and buildings.

In the extreme scenario, should turnover reduce, the Group could consolidate production on to a single site providing an overhead cost reduction.

The Group continues to monitor the long term impacts of climate change and these are set out in the Climate related financial disclosures (CRFD) report and Risk Management and Sustainability sections of the Strategic Report. The Group believes the impact of climate change will not have a material impact to long term viability of the business but rather an opportunity to provide our customers with sustainable solutions.

The Directors have therefore formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being at least twelve months from the date of this report. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the acquirer, less liabilities incurred in exchange for control of the entity acquired. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except:

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date;
- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements that are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively; and
- assets that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquired entity, and the fair value of the acquirer's previously held equity interests in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquired entity and the fair value of the acquirer's previously held interests in the acquired entity (if any), the excess is recognised immediately in profit or loss as a purchase gain. When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

Notes to the financial statements

2. Material accounting policies (continued)

On the acquisition date, the acquirer is required to recognise, separately from goodwill, the identifiable assets acquired and the liabilities assumed in a business combination. Upon the acquisition of Emma Hardie Limited and Brodie and Stone Holdings Limited (and its subsidiary), the Group recognised the associated brand value of Emma Hardie and Brodie and Stone as an identifiable asset to be recognised on acquisition. The Directors have assessed the key nature and attributes of the assets of the businesses acquired and in particular the value of the separable intangible assets. The Directors have concluded that there was no material value attributable to the intangible categories of customer relationships, employees and knowhow and are satisfied that it is appropriate to attribute the full value of the intangible asset acquired to brand value.

In forming their judgement that the acquired brands have an indefinite life, the Directors give consideration to factors such as the expected usage of the brands, typical product lifecycles, new product developments, market stability, competitive positioning and the level of marketing support required to maintain the brands.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

Goodwill, intangible assets and brand value with indefinite lives

Goodwill and brand value is initially recognised and measured as set out above.

These assets are not amortised but are reviewed for impairment at least annually. For the purposes of impairment testing, these assets are allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units, to which goodwill and Brand have been allocated, are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is first allocated to reduce the carrying amount of the goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversible in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition - Group

The Group's revenue is generated from selling goods and is recognised when control has been transferred to the customer including distributors. The passage of control to the customer occurs at point of collection for those customers arranging onward shipment (ex-works terms) or at point of delivery where transport is arranged by the Group. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, has a right to payment on agreed terms and it is considered that the Group has satisfied the performance obligation.

Most of the Group's revenue is derived from fixed price agreements with customers and therefore the amount of revenue to be earned from each shipment is determined by reference to those fixed prices. Provisions for returns from customers, royalties, rebates and promotional support are deducted from revenue.

Returns from customers

Sale of goods are not subject to returns outside of delivery queries and quality defects. Any returns are recognised within revenue. A returns provision is not deemed necessary, due to the insignificant volume of returns. All deliveries are signed for upon receipt of goods and any discrepancies are notified immediately. Additionally, the business has robust quality control measures, limiting the potential of any significant returns of this nature.

Royalties and Rebates

The royalties and rebates relate to amounts payable to customers in respect of contracted agreements based on sales in the period at the agreed contracted rate. Where a royalty or rebate activity spans across the year end, an accrual is reflected in the Group accounts based on the agreed terms with the customer. This is recognised in revenue.

Promotional support

The Group provides for amounts payable to trade customers for promotional activities. Where a promotional activity spans across the year end, an accrual is reflected in the Group accounts based on our expectation of customer and consumer uptake during the promotional period and the extent to which temporary promotional activity has occurred. This is recognised in revenue.

Payment terms are based on market practice and commercial terms agreed with the individual customer.

Notes to the financial statements

2. Material accounting policies (continued)

Practical exemptions

The Group has taken advantage of the practical exemptions not to account for significant financing components as all customer payment terms mean the time difference between receiving consideration and transferring control of goods to its customer is one year or less.

Revenue recognition – Company

The Company's revenue represents rental income on its Investment Property. Revenue is recognised across the period of the agreements in place on a straight-line basis.

Leases

The Group accounts for a contract, or a portion of a contract, as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identifiable asset,
- The Group obtains substantially all of the economic benefits from the use of the asset, and
- The Group has the right to direct the use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not treated as giving rise to a lease.

In determining whether the Group obtains substantially all of the economic benefits from the use of the asset, the Group considers only the economic benefits that arise from the use of the assets, not those incidental to legal ownership or other potential benefits.

In determining whether the Group has the right to direct the use of the assets, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If there are no significant decisions to be made because they are pre-determined due to the nature of the asset, the Group considers whether it was involved in the design of the asset in a way that predetermines how and for what purpose the asset will be used throughout the period of use. If the contract or portion of the contract does not satisfy these criteria, the Group applies other applicable IFRS rather than IFRS 16.

All leases are accounted for by recognising a right of use asset and a lease liability except for;

- leases of low value assets; under £5,000, and
- leases with a duration of 12 months or less.

Lease liabilities are measured at present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the rate implicit in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing on the commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes;

- amounts expected to be payable under any residual value guarantee,
- the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option,
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced by any lease incentives received and increased for;

- lease payments made at or before commencement of the lease,
- initial direct costs incurred, and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset (typically leasehold dilapidations).

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and reduced for lease payments made. Right of use assets are amortised on a straight-line basis over the remaining term of the lease or over the economic life of the asset if this is judged to be shorter than the lease term.

The Company has entered into a lease agreement as a lessor with respect to its investment property with its subsidiary undertaking, Potter and Moore Innovations Limited.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Notes to the financial statements

2. Material accounting policies (continued)

Foreign currencies

The individual financial statements of each Group Company are prepared in the currency of the primary economic environment in which it operates (its functional currency). For the purposes of consolidated financial statements, the result and financial position of each Group Company is presented in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of individual Companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates ruling at that date.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rate for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation) all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Borrowing costs

All borrowing costs are recognised in the income statement in the period in which they are incurred, within finance costs.

Retirement benefit costs

The Group Companies contribute to defined contribution retirement benefit schemes.

Payments to the defined contribution retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Taxation

The tax expense represents the sum of current tax and deferred tax.

Current tax

Current tax is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items of income or expenditure that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on material differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary timing differences can be utilised. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither taxable profit nor accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantially enacted at the balance sheet date. Deferred tax is charged or credited to the income statement, except when it relates to items charged or

Notes to the financial statements

2 Material accounting policies (continued)

credited to other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. When current tax or deferred tax arises from the initial accounting for a business combination, that tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost of the assets less any residual values over their estimated useful lives using the straight-line method on the following basis:

	% per annum
Freehold land and buildings	
• land	0
• buildings	5 - 20
Plant and machinery	10 - 20
Fixtures and fittings	10 - 20
Computers	20 - 33

The estimated useful lives, residual values and depreciation method used are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Depreciation and amortisation are included in the income statement under administration expenses.

Investment Property – Company only

Investment property is initially measured at cost, including transaction costs associated with the purchase. Subsequently, the asset is recognised at cost less accumulated depreciation and impairment.

Depreciation is charged so as to write off the cost of the Investment Property over its estimated useful life using the straight-line method. The useful economic life is considered to be 20 years.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

In accordance with IAS 38 Intangible Assets, internally generated intangible assets will be capitalised;

- the Group has adequate resources (both technical and financial) to complete the project
- undertake the technical feasibility of the project and ensure its commercial viability for the intended market
- where a project has entered the development phase and is sufficiently self-contained that the expected future economic benefits can be traced to those assets developed in the project
- it is probable that the future economic benefits that are attributable to those assets will flow to the Group in the form of sales of the developed product and
- the costs of the asset can be measured reliably.

Internally generated intangible assets are amortised on a straight-line basis over their useful lives of up to two years. Where no internally generated intangible assets can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Notes to the financial statements

2 Material accounting policies (continued)

Intangible assets acquired separately

Other intangible assets are carried at cost less accumulated amortisation and accumulated annual impairment. Amortisation begins when an asset is available for use and is calculated on a straight-line basis over its estimated useful life as follows:

Computer software	- Over three to five years
Product development costs	- Over one to two years

Intellectual Property and brands are held with an indefinite useful life and are reviewed annually for any impairment.

The acquired brands have been recognised as an intangible asset with an indefinite life, as these brands have been acquired as a long-term investment. Please see note 3 for an explanation for the factors determining the indefinite useful life. An intangible asset with an indefinite life is not amortised, but its useful life is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment for that asset. The asset is assessed for impairment in accordance with IAS 36.

Impairment of tangible and other intangible assets

At each balance sheet date, the Group reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of the fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

Investments

Investments in subsidiary Companies are stated at cost less any recognised impairment loss.

Employee Benefit Trust (EBT)

The EBT is consolidated on the basis that the parent has control, thus the assets and liabilities of the EBT are included in the Statement of Financial Position and shares held by the EBT in the Company are presented as a deduction from equity.

Inventories

Inventories are stated at the lower of cost or net realisable value. The standard cost comprises direct materials and where applicable direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using standard costing and on FIFO basis. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Financial assets

Financial assets principally relate to trade receivables. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are initially recognised at fair value. IFRS 9 requires the use of an expected credit loss model to recognise an impairment allowance. The simplified approach permitted by IFRS 9, requires expected lifetime losses to be recognised from initial recognition of the receivables, and this has been adopted by the Group. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being reported within cost of sales in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

For the Company, impairment provisions for receivables from Group Companies are recognised, based on a forward looking expected credit loss method. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset.

Notes to the financial statements

2 Material accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits and surplus invoice financing amounts, and represent cash in the balance sheet and in the cashflow statement. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position and are treated as financing transactions.

Financial liabilities

Financial liabilities are recognised in the Group's balance sheet when the Group becomes party to a contractual provision of the instrument.

Trade payables, overdrafts, invoice finance facilities and other short-term liabilities, are initially recognised at fair value and subsequently carried at amortised cost using the effective rate method.

Bank Loans

Bank loans are initially recognised at fair value net of any transaction costs attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost ensuring the interest element of the borrowing is expensed over the repayment period at a constant rate.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value at the grant date. The fair value excludes the effect of non-market based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based payments are set out in note 26.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. At each balance sheet date the Group revises its estimate of the number of shares expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimate, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

The replacement of equity-settled share-based payments during the vesting period are measured at the incremental fair value. The measurement of the amount recognised for services received over the period from the modification date until the date when the modified equity instruments vest is expensed on a straight line basis over the modified vesting period, in addition to the amount based on the grant date fair value of the original equity instruments, which is recognised over the remainder of the original vesting period.

Sale and leaseback

When the Group has undertaken a sale and lease back transaction, the Group must determine whether the transfer qualifies as a sale. This determination is based on the requirements for satisfying a performance obligation in IFRS 15 'Revenue from Contracts with Customers'. The leaseback is then accounted for under the lessee accounting model. The Group utilises sale and leaseback opportunities where appropriate to finance capital investment and reduce the impact on working capital. The lease period for these items is normally 5 years and the rate of interest is agreed upon each transaction.

Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the parent Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing the profit attributable to the ordinary shareholders of the parent Company by the weighted average number of ordinary shares during the year adjusted for the potentially dilutive ordinary shares.

Dividends

Dividends are recognised when they are legally payable. Interim dividends are recognised when declared by the Directors. Final dividends are disclosed when approved by the shareholders at the general meeting.

Share capital and share premium

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

Notes to the financial statements**2 Material accounting policies (continued)****Impact of climate change**

Climate change is a global challenge and an emerging risk to businesses, people and the environment across the world. We have a role to play in limiting warming by improving our energy management, reducing our carbon emissions and by helping our customers do the same. Growing awareness of climate change and customer sustainability targets will provide impetus for business growth as we provide products, services and solutions that increase efficiency and reduce customers' energy use and carbon emissions. As a result, in our view climate change does not create any further key sources of estimation uncertainty. For further details see the Climate related financial disclosures (CRFD) report and Risk Management and Sustainability sections of the Strategic Report on pages 25 to 30.

Exceptional items

Exceptional items are non-recurring material items which are outside the normal scope of the Group's ordinary activities such as liabilities and costs arising from a fundamental restructuring of the Group's operations, impairment of assets and acquisition related costs.

3 Critical accounting judgements and sources of estimation uncertainty (continued)**Critical judgements in applying the Group's accounting policies**

In the process of applying the Group's accounting policies, which are described in note 2, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Inventory provision:

An estimate is required in determining the value of any provisions held against inventory. In determining this provision, the Directors have made an assessment based on the historic realisable value of finished products and made provision for all raw materials with no current demand based on orders and forecasts in the system at the year end, each item is assessed and reviewed for future usage as part of the inventory provision calculation. Future demand is based on forecast built up from product level demand by customer. This forecasted demand where possible is built on historic actual sales to end consumer based on the previous 3 months adjusted for seasonal trends and known new listings or discontinuations. The inventory value is £8,872,000 (2024: £8,225,000). This is net of provisions of £1,398,000 (2024: £982,000) for residual inventories per note 18, which has historically proved to be realistic. The Group inventory provision is derived from forecasted demand from customers. An inventory provision will only arise in the absence of ongoing demand. Therefore, a sensitivity analysis on inventory provision is not appropriate. The Group has agreements with its private label customers for forecasted demand, any discontinuation of product and or ranges is closely managed to ensure wherever possible raw materials are converted to finished goods and sold prior to exit. In regard to branded products, the Group has the capacity to manage any discontinuations. It is impracticable to disclose the extent of the possible effects of a change in forecast at the end of the reporting period. On the basis of existing knowledge there would be no material adjustment to the carrying amount of inventory.

Impairment of goodwill:

Determining whether goodwill is impaired requires an assessment of value in use based on the recoverable amount of the cash-generating unit to which goodwill is allocated. For goodwill, which is deemed to have an indefinite life, the recoverable amount is estimated at each reporting date. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific of the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash generating units that are expected to benefit from the synergies of the combination. Goodwill recognised on acquisition in relation to the deferred tax liability associated with the brand value will be reviewed on an annual basis for impairment in conjunction with the assessment of impairment of the brand value. Any impairment as a result of the annual review of the brand value will lead to a derecognition of the goodwill and the corresponding deferred tax liability.

An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Income Statement. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash generating units and then to reduce the carrying amount of other assets (e.g. Brand value) within the unit on a pro-rata basis.

Notes to the financial statements

3 Critical accounting judgements and sources of estimation uncertainty (continued)

The key assumptions used for the value in use calculation are the discount rate, sales and margin projections, expected changes in direct and indirect costs during the five-year forecast.

The cashflow projections cover a five year period based on detailed approved budget forecasts for the next year, Directors' projections of profits for years two to five and a value to perpetuity thereafter. It is prudent to take a long term view of profitability levels when considering potential impairments to Goodwill to minimise fluctuations between trading years.

The discount rate represents the best estimate of the Group's weighted average cost of capital, either reflecting past experience or is consistent with external sources of information. The calculation is based on the proportion of debt and equity in the Group's capital structure and adjusted for specific risks relating to the sector and country, as this is believed to be the most appropriate to be used.

The applied Growth rate is indicative of managements assumption that the long term growth rate in each of the CGU's from year five onwards will be 2% per annum when extrapolating future cash flows as part of the calculation to perpetuity. This is in line with historical growth rates for the business sector.

In the prior year, as a result of the annual review, the Emma Hardie goodwill was impaired in full. This assessment was based on a review of the brand's historical financial performance and the best estimate of the future cash flows available at the time. These factors indicated that the recoverable amount of goodwill and brand value was lower than the carrying amounts, resulting in an impairment. The Group has assessed the implication of Climate related financial disclosures (CRFD) report on pages 25 to 30. The cashflows prepared for the value in use in the impairment review have regard to the impact of climate change which is not considered to be significant in these cashflows.

Key assumptions used in this assessment are as follows:

Brand	Discount Rate (Pre-tax)	Growth Rate
Emma Hardie	14.22%	39% in FY26, 2% in FY27 and 2% in perpetuity
Brodie and Stone	13.72%	16% in FY26, 2% in FY27 and 2% in perpetuity

Impairment of brand values:

Determining whether an intangible asset is impaired requires an assessment of the value in use based on the recoverable amount of the cash-generating unit to which goodwill is allocated. For brand value, which is deemed to have an indefinite life, the recoverable amount is estimated at each reporting date. The value in use requires the entity to estimate the future economic benefit.

As a result of the annual review in the previous year, the Emma Hardie brand was impaired. Please see above for the key assumptions used in the assessment. Further detail is set out in note 14. No impairment recognised in the current year. Further detail is set out in note 14.

Other estimates

Deferred tax:

The calculation of the Group's total tax charge involves a degree of estimation in respect of the recoverability of tax losses. Deferred tax in relation to losses is recognised to the extent that it is probable that taxable profit will be available for which unused tax losses can be utilised. Please see note 2, Going concern, where management have assessed budgets, forecasts and conducted sensitivity analysis which conclude that as a result of future forecasted profits, the recognition of tax losses within the deferred tax balance is appropriate. Further detail is set out in note 31. Additionally, a deferred tax liability was recognised in relation to the acquisition of the brand values associated with Emma Hardie and Brodie and Stone. These are subject to impairment reviews as detailed above. Any impairment because of the annual review of the brand value will lead to a derecognition of the deferred tax liability and the corresponding goodwill

Notes to the financial statements

4 Revenue

All of the Group's revenue is derived from the sale of goods. The following is a disaggregation of the Group's revenue.

	Year ended 31-Mar	Year ended 31-Mar
	2025	2024
	£000	£000
Sales of goods	56,838	55,999
Settlement discounts	(71)	(75)
Contracted retailer commitments	(1,278)	(1,368)
Royalties & commissions	(4)	-
Retailer promotional support	(1,419)	(1,362)
Revenue	54,066	53,194

The sales generated by each revenue stream are;

	Year ended 31-Mar	Year ended 31-Mar
	2025	2024
	£000's	£000's
Branded products	18,176	21,020
Private label	29,154	23,727
Contract manufacturing	6,720	8,431
Other	16	16
Total	54,066	53,194

Notes to the financial statements

5 Business and geographic segments

In the year ended 31 March 2025, the Group had one customer that exceeded 10% of total revenue, being £11.4m (2024: one customer being £11.8m).

The Group makes sales under its own branded ranges, private label and contract manufacturing. However, all return on investment and capital investment decisions are assessed at an overall business level only. Customers purchase from various brands across the business, using the same manufacturing facilities (other than a small number of products purchased from third parties), with the same employees working across all of the ranges in manufacturing and support services. The Group therefore considers there to be only one operating segment when providing information for management review.

Revenues from external customers

	Year ended 31-Mar	Year ended 31-Mar
	2025	2024
	£000	£000
UK	45,828	44,723
Overseas	8,238	8,471
Total	54,066	53,194

The below table shows the split of overseas sales by country. There are no non-current assets held overseas.

	Year ended 31-Mar	Year ended 31-Mar
	2025	2024
	£000	£000
Denmark	2,590	2,724
Vietnam	774	114
Saudi Arabia	1,656	1,268
Chile	218	588
United States of America	357	539
Ireland	1,025	424
Australia	66	71
France	87	59
United Arab Emirates	110	163
Nigeria	349	384
Germany	348	307
China	52	287
Georgia	11	238
Pakistan	-	375
Oman	-	160
South Africa	164	197
New Zealand	40	56
Latvia	95	114
Ecuador	21	53
Other	275	350
Total	8,238	8,471

Notes to the financial statements

6 Operating profit

Operating profit for the Group is stated after charging:

	Note	Year ended	Year ended
		31-Mar	31-Mar
		2025	2024
		£000	£000
Net foreign exchange (gain)		(241)	(125)
Cost of inventories recognised as expense		30,154	30,489
Write downs of inventories recognised as an expense		1,319	1,421
External research and development costs		402	385
Depreciation of property plant and equipment			
Owned assets	15	956	992
Right-of-use assets	16	445	368
Loss on disposal of PPE		34	-
(Gain)/Loss on disposal of Right of Use assets		(12)	59
Amortisation of intangible assets (included in administrative expenses)	14	183	358
Staff costs	7	14,332	14,414
Auditor's remuneration		195	250

The analysis of Group's auditor's remuneration is as follows:

		Year ended	Year ended
		31-Mar	31-Mar
		2025	2024
		£000	£000
Audit services			
Fees payable to the Company's auditor for the audit of the parent Company and the consolidated financial statements		195	250

Operating profit for the Company is stated after charging:

	Note	Year ended	Year ended
		31-Mar	31-Mar
		2025	2024
		£000	£000
Depreciation of property plant and equipment			
- Owned assets	15	211	210

7 Staff costs

The average number of employees (including Directors) was:

	Year ended	Year ended
	31-Mar	31-Mar
	2025	2024
	Number	Number
Management	8	7
Administration	105	107
Production	265	293
Total	378	407

Notes to the financial statements

7 Staff costs (continued)

Their aggregate remuneration comprised:

	Year ended 31-Mar 2025	Year ended 31-Mar 2024
	£000	£000
Wages and salaries	12,675	12,753
Social security costs	1,250	1,219
Pension contributions	371	331
Share based payment charge	36	111
Total	14,332	14,414

Details of the emoluments of Directors, who are the key management personnel of the Group, are set out in the Directors' remuneration report.

The parent Company had no staff costs or employees in the year ended 31 March 2025 (2024: nil).

Redundancy costs of £17,000 incurred in the previous year was included within exceptional items.

8. Business combinations

Emma Hardie

On 28th July 2021, the Group acquired 100% of the issued share capital of Emma Hardie Limited. Total consideration was £4.86m, of which £2.77m was paid in cash, £1.36m was settled by the issue of 1,600,000 shares in Creightons PLC at a price of £0.848 per share, and there was £0.084m of deferred consideration and a further £0.644m in contingent consideration. There was cash acquired of £0.08m and debt acquired at fair value of £2.20m.

The Company holds the total of 1,600,000 re-purchased shares as treasury shares.

Brodie & Stone

On 24th September 2021, the Group acquired 100% of the issued share capital of Brodie and Stone Holdings Limited, and its wholly owned subsidiary Brodie and Stone International Limited. Total consideration was £4.85m, of which £2.81m was paid in cash, £1.15m was settled by the issue of 1,000,000 shares in Creightons PLC at a price of £1.146 per share, £0.70m in relation to a property retention payment paid in October 2021, and there was £0.20m of deferred consideration. There was no cash acquired and debt acquired at fair value of £0.71m.

The fair value of acquired intangible assets is £4.98m and relates to various brands acquired. The intangible asset is deemed to have an indefinite useful life so no amortisation is charged but will be subject to an annual impairment review.

Goodwill

The value of goodwill in relation to Brodie and Stone of £1.245m relates to the deferred tax, at a rate of 25%, on the brand values acquired in the year ended 31 March 2022. Goodwill is deemed to have an indefinite useful life so no amortisation is charged but will be subject to an annual impairment review.

In the prior year financial statements, following the annual impairment review for the year ended 31 March 2024, the goodwill attributable to Emma Hardie was derecognised in full, resulting in a charge of £1.28m.

In addition, an impairment charge of £4.45m was recognised in the prior year. The Emma Hardie brand, which operated on a semi-autonomous basis from its original offices since acquisition, had experienced a challenging year. Cashflow projections and value in use calculations indicated that a total impairment charge of £4.45m was recorded in relation to the Emma Hardie brand value for the year ended 31 March 2024.

No impairment charge was recorded in relation to the Brodie and Stone Goodwill or Brand value.

No further impairments were recognised in the year ended 31 March 2025.

Please refer to note 13 and note 14.

Notes to the financial statements

8. Business combinations

Brand value

The fair value of brand intangible assets acquired on acquisition of Emma Hardie Limited and Brodie and Stone International Limited amounted to £5.11m and £4.98m, respectively. The intangible asset is deemed to have an indefinite useful life so no amortisation is charged but will be subject to an annual impairment review.

In the prior year as a result of the annual review, the Emma Hardie brand value was impaired by £4.45m. No further impairments were recognised in the year ended 31 March 2025. (see note 14).

Exceptional costs

There were no items classified as exception during the year ended 31 March 2025.

Exceptional costs in the year to 31 March 2024 of £4.45m pertained to the impairment of the Emma Hardie goodwill and brand.

Deferred tax

The valuation of intangibles on acquisition gives rise to a deferred tax liability. The deferred tax liability is measured using the value of the intangible asset at the deferred tax rate. This deferred tax liability creates a corresponding asset which has been included in goodwill.

9. Finance costs

	Group		Company	
	Year ended 31-Mar	Year ended 31-Mar	Year ended 31-Mar	Year ended 31-Mar
	2025	2024	2025	2024
	£000	£000	£000	£000
Interest on bank overdrafts and loans	15	195	-	-
Interest on mortgage	66	72	66	72
Interest on lease liabilities	80	86	-	-
Other Interest	-	(4)	-	-
Total	161	349	66	72

Notes to the financial statements

10. Taxation

	Group		Company	
	Year ended	Year ended	Year ended	Year ended
	31-Mar	31-Mar	31-Mar	31-Mar
	2025	2024	2025	2024
	£000	£000	£000	£000
Current tax				
Current tax on profit for the year	1,070	306	56	72
Adjustments in respect of prior years	(7)	(171)	-	-
Total current tax	1,063	135	56	72
Deferred tax (see note 31)				
Originations and reversal of temporary differences	(43)	(55)	-	-
Deferred tax not previously recognised	-	165	-	-
Adjustment in respect of prior years	25	5	-	-
Total deferred tax	(18)	115	-	-
Total	1,045	250	56	72

The taxation charge for the year can be reconciled to the profit per the income statement as follows:

	Group		Company	
	Year ended	Year ended	Year ended	Year ended
	31-Mar	31-Mar	31-Mar	31-Mar
	2025	2024	2025	2024
	£000	£000	£000	£000
Profit / (Loss) before taxation	3,497	(3,277)	20	80
Tax using the UK corporation tax rate of 25%	874	(819)	5	20
Fixed asset differences	63	63	53	53
Tax effect of expenses that are not deductible in determining taxable profit	15	30	-	-
Income not subject to tax	-	(1)	(2)	(1)
Additional deduction for R&D expenditure	-	(172)	-	-
Adjustments in respect of prior years	(7)	(171)	-	-
Adjustments in respect of prior years (deferred tax)	25	(15)	-	-
Deferred tax credited directly to equity	(20)	(23)	-	-
Deferred tax not recognised	52	52	-	-
Tax relief on exercise of share options	43	24	-	-
Derecognition of goodwill	-	1,282	-	-
Total expense	1,045	250	56	72

In addition to the Group's taxation charge to the income statement and other comprehensive income, the following amounts relating to tax have been recognised directly in equity. There were no such taxes in the Company.

	Year ended	Year ended
	31-Mar	31-Mar
	2025	2024
	£000	£000
Deferred tax		
Excess tax deductions related to share-based payments on exercised options	(20)	(23)
Total	(20)	(23)

Notes to the financial statements

11 Payments to shareholders

	Year ended 31-Mar 2025 £000	Year ended 31-Mar 2024 £000
Final dividend paid – £0.45 (2024: £Nil) per share	307	-
Total dividend paid in year – £0.45 (2024: £Nil) per share	307	-
Proposed – £0.50 pence (2024: 0.45) per share	349	307

12 Earnings per share

The calculation of the basic and diluted earnings per share is based on the following data:

	Year ended 31-Mar 2025 £000	Year ended 31-Mar 2024 £000
Earnings		
Profit / (Loss) attributable to the equity holders of the parent Company	2,452	(3,527)

	Year ended 31-Mar 2025 Number	Year ended 31-Mar 2024 Number
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	68,435,383	68,433,858
Effect of dilutive potential ordinary shares relating to share options *	6,205,687	8,310,548
Weighted average number of ordinary shares for the purposes of Adjusted Earnings per share (2024: for the purpose of Diluted Earnings per share)	74,641,070	76,744,406

Basic earnings per share – including exceptional items	3.58p	(5.15p)
Diluted earnings per share – including exceptional items *	3.29p	(5.15p)

* Share options were excluded from the earnings per share calculation for the year ended 31 March 2024 due to their anti-dilutive effect on the loss after tax attributable to equity holders. No such exclusion was necessary for the year ended 31 March 2025.

Notes to the financial statements

Adjusted Earnings per share – alternate performance measure

The calculation of basic and diluted earnings per share excluding exceptional items was presented in the prior year ended 31 March 2024 to provide a more meaningful comparison of underlying performance. This reconciliation is not required for the current year ended 31 March 2025 as no such exceptional items have been adjusted for in the current period.

The prior year figures are presented below for comparative purposes only:

	Year ended 31-Mar 2025	Year ended 31-Mar 2024
	£000	£000
(Loss) / Profit for the period from operations attributable to the equity shareholders of the parent Company	2,452	(3,527)
Exceptional items – Impairment	-	4,449
Exceptional items – Deferred tax charge in relation to the Impairment	-	165
Adjusted Earnings excluding exceptional items	2,452	1,087

Adjusted Basic earnings per share – excluding exceptional items	3.58p	1.59p
Adjusted Diluted earnings per share – excluding exceptional items	3.29p	1.42p

13 Goodwill

	Goodwill £000
Cost	
At 1 April 2023	2,893
Additions	-
At 31 March 2024	2,893
Additions	-
At 31 March 2025	2,893
Accumulated Impairment/Derecognition	
At 31 March 2023	36
Impairment for the year	1,282
At 31 March 2024	1,318
At 31 March 2025	1,318
Carrying value	
At 1 April 2023	2,857
At 31 March 2024	1,575
At 31 March 2025	1,575

Of the total Goodwill net book value, £1.245m arose as part of a business acquisition of Brodie and Stone Holdings Limited and its subsidiary. The remaining Goodwill carrying amount of £0.33m relates to the investment in Potter and Moore Innovations Limited in March 2003. The value of goodwill in relation to Brodie and Stone relates to the deferred tax, at a rate of 25%, on the brand values acquired in the year ended 31 March 2022.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired. Determining whether goodwill is impaired requires an assessment of value in use based on the recoverable amount of the cash-generating unit (CGU) to which goodwill is allocated. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount.

The key assumptions for this impairment testing are set out in note 3. The Emma Hardie Goodwill was derecognised in its entirety at £1.282m for the year ended 31 March 2024. The annual review of the brand's value resulted in an impairment, which led to the derecognition of both the goodwill and the related deferred tax liability in the prior year.

The carrying value of goodwill in relation to Potter & Moore of £0.33m and Brodie and Stone of £1.245m has been assessed for impairment by reviewing forecasts and key assumptions. No impairment is required at this time.

No reasonably possible change in assumptions could result in an impairment for the various cash generating units.

Notes to the financial statements

13 Goodwill (continued)

The key sensitivities in assessing the value in use of the Goodwill are forecast cash flows and the discount rate applied:

Brodie and Stone Goodwill and Brand value:

- A negative 4.97% growth rate in forecast cash flows would reduce the headroom to nil.
- A 12.01% discount rate would reduce the headroom to nil.
- A terminal value growth rate of negative 0.12% would reduce the headroom to nil.

14 Other intangible assets

Group

	Computer software	Intellectual property	Product development costs	Brands	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2023	341	10	3,723	10,596	14,670
Additions – internally developed	16	-	271	-	287
At 31 March 2024	357	10	3,994	10,596	14,957
Additions – internally developed	18	-	225	-	243
At 31 March 2025	375	10	4,219	10,596	15,200
Accumulated amortisation					
At 1 April 2023	257	-	3,519	-	3,776
Amortisation for the year	34	-	324	-	358
Impairment	-	-	-	4,449	4,449
At 31 March 2024	291	-	3,843	4,449	8,583
Amortisation for the year	21	-	162	-	183
Impairment	-	-	-	-	-
At 31 March 2025	312	-	4,005	4,449	8,766
Carrying value					
At 1 April 2023	84	10	204	10,596	10,894
At 31 March 2024	66	10	151	6,147	6,374
At 31 March 2025	63	10	214	6,147	6,434

Brand

The Group has acquired the following brands which have an indefinite useful life:

Brand value carrying amount	As at 01 April 2024	Impairment	As at 31 March 2025
	£000	£000	£000
Balance Active	508	-	508
Emma Hardie	659	-	659
Brodie and Stone	4,980	-	4,980
Total	6,147	-	6,147

The Emma Hardie brand, which possesses its own product lines, is defined as a separate cash generating unit and has a brand carrying amount allocated to the unit of £0.659m following an impairment charge of £4.449m recognised in the prior year as an exceptional item.

The Brodie and Stone brand, which possesses its own product lines, is defined as a separate cash generating unit and has a brand carrying amount allocated to the unit of £4.980m. Please refer to note 13 for the corresponding Goodwill carrying value.

On 21 June 2019, the Company acquired a skincare brand, Balance Active, which possesses its own product lines, is defined as a separate cash generating unit and had a carrying amount allocated to the unit of £0.508m.

Notes to the financial statements

14 Other intangible assets (continued)

These brands are deemed to have an indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. However, this is subject to an annual impairment review.

Please see note 13 for the key sensitivities concerning the value in use calculations for cash generating units that contain Goodwill and Brand value.

Emma Hardie Brand value:

- A negative 18.01% growth rate in forecast cash flows would reduce the headroom to nil.
- A 25.67% discount rate would reduce the headroom to nil.
- A terminal value growth rate of negative 36.83% would reduce the headroom to nil.

15 Property, plant and equipment and investment property

Group

	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Computers	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2023	4,038	6,489	1,406	428	12,361
Additions	-	188	103	30	321
At 31 March 2024	4,038	6,677	1,509	458	12,682
Additions	-	218	144	67	429
Disposals	-	(269)	-	-	(269)
At 31 March 2025	4,038	6,626	1,653	525	12,842
Accumulated depreciation					
At 1 April 2023	728	4,594	891	258	6,471
Depreciation for the year	210	566	151	65	992
At 31 March 2024	938	5,160	1,042	323	7,463
Depreciation for the year	211	534	145	66	956
Disposals	-	(235)	-	-	(235)
At 31 March 2025	1,149	5,459	1,187	389	8,184
Carrying value					
At 1 April 2023	3,310	1,895	515	170	5,890
At 31 March 2024	3,100	1,517	467	135	5,219
At 31 March 2025	2,889	1,167	466	136	4,658

Notes to the financial statements

15 Property, plant and equipment and investment property (continued)

Company

	Investment Property £000
Cost	
At 1 April 2023	4,038
At 31 March 2024 and 31 March 2025	4,038
Accumulated depreciation	
At 1 April 2023	728
Depreciation for the year	210
At 31 March 2024	938
Depreciation for the year	211
At 31 March 2025	1,149
Carrying value	
At 1 April 2023	3,310
At 31 March 2024	3,100
At 31 March 2025	2,889

On 16 October 2019, Creightons PLC acquired the freehold property at Peterborough having occupied the property as a tenant since March 2003 for £3.8m plus stamp duty and professional costs. Based on an up to date property valuation, provided by an independent valuer who holds a suitable professional qualification and has experience in the location and category of the investment property being valued, the fair value of the property of £4.6m exceeds the cost value and therefore no impairment is deemed necessary. The property has been pledged as security for the long term loan. The Directors have reviewed the valuation of the property and are satisfied that it remains appropriate, having considered current market conditions, recent comparable transactions, and the continued use and performance of the asset. No indicators of impairment or material change in value have been identified.

16 Right-of-use assets

Group

	Leasehold Property £000	Plant and machinery £000	Total £000
Cost			
At 1 April 2023	764	1,480	2,244
Additions	180	55	235
Disposals	-	(172)	(172)
At 31 March 2024	944	1,363	2,307
Additions	-	595	595
Disposals	-	(33)	(33)
At 31 March 2025	944	1,925	2,869
Depreciation			
At 1 April 2023	420	539	959
Depreciation for the year	151	217	368
Disposals	-	(113)	(113)
At 31 March 2024	571	643	1,214
Depreciation for the year	165	280	445
Disposals	-	(32)	(32)
At 31 March 2025	736	891	1,627
Carrying value			
At 1 April 2023	344	941	1,285
At 31 March 2024	373	720	1,093
At 31 March 2025	208	1,034	1,242

Notes to the financial statements

17 Investment in subsidiaries

Company

	Investments
	£000
Cost	
As at 1 April 2023	1,214
Additions	111
At 31 March 2024	1,325
Additions	36
At 31 March 2025	1,361
Impairment charge	
At 1 April 2023	15
Impairment for the year	-
At 31 March 2024	15
Impairment for the year	-
At 31 March 2025	15
Carrying value	
As at 1 April 2023	1,199
At 31 March 2024	1,310
At 31 March 2025	1,346

Creightons PLC the parent Company, issues share options to employees of the subsidiary Companies. These options at a consolidated level have been accounted for in accordance with IFRS2 and valued using the Black-Scholes model.

The investment is increased by the share based payment expense recognised by the subsidiary Potter and Moore Innovations Limited during the year.

Notes to the financial statements

17 Investment in subsidiaries (continued)

Details of the Group's subsidiaries at 31 March 2025 are as follows:

Name	Company Number	Place of incorporation, registration and operation	Note	Proportion of ownership, interest and voting power held
Potter & Moore Innovations Limited	04645119	England	a	100%
Potter and Moore International Inc.	3502576	United States of America	b	100%
Emma Hardie GmbH	HRB 119319	Germany	e	100%
Potter and Moore (Devon) Limited	10001847	England	a	100%
Potter and Moore Pty Limited	622 863 772	Australia	c	100%
Emma Hardie Limited	05495827	England	a	100%
Brodie & Stone International Limited	03701249	England	a	100%
Brodie & Stone Holdings Limited	03701192	England	a	100%
Potter and Moore Limited	638742	Republic of Ireland	d	100%
Emma Hardie China	9131000MAD4WDYHX6	China	f	100%

All Companies listed above are subsidiaries of Creightons PLC Company with the exception of Emma Hardie Limited and Brodie & Stone Holdings Limited which are subsidiaries of Potter & Moore Innovations Limited and Brodie & Stone International Limited which is a subsidiary of Brodie & Stone Holdings Limited.

The registered offices for the subsidiaries are:

- a.) 1210 Lincoln Road, Peterborough, PE4 6ND
- b.) 1140 Bay Street Suite 2c, Staten Island, New York, NY10305
- c.) RSM Level 12, 60 Castlereagh Street, Sydney, NSW 2000
- d.) The Black Church, St Mary's Place, Dublin, D07 P4AX
- e.) Ulmenstr. 37-39, c/o RSM GmbH, 60325 Frankfurt a. Main, Germany
- f.) Building 1, No. 5601 Yanqian Road, Fengxian District, Shanghai

All shareholdings are in ordinary shares.

The activity of Potter & Moore Innovations Limited is the creation and manufacture of toiletries and fragrances. The activity of Emma Hardie Limited is the creation and distribution of high end branded skincare products. The activity of Brodie & Stone International Limited was the distribution of personal care products until trade was absorbed into the Potter & Moore Innovations business on 31 October 2021. Brodie & Stone Holdings Limited is the holding Company of Brodie & Stone International Limited and is a non-trading Company. The activity of Potter and Moore Pty Ltd is the distribution of personal care products. The activity of Emma Hardie GmbH is the distribution of personal care products. The activity of Potter and Moore International Inc. is the distribution of personal care products. The activity of Potter & Moore (Devon) Limited, was the manufacture and distribution of premium contract brands until 31 December 2019 when it transferred its trade and net assets to Potter and Moore Innovations Limited and then ceased to trade. The range of products included toiletries, fragrances and soaps.

Potter & Moore Innovations Limited and its subsidiaries, Emma Hardie Limited, Potter and Moore (Devon) Limited, Brodie and Stone International Limited and Brodie and Stone Holdings Limited are 100% owned by the ultimate parent Company Creightons PLC. There are no significant restrictions on the entity's ability to access or use the assets and settle the liabilities of the group. These entities have taken advantage of the exemption from the requirement of the Companies Act 2006 relating to the audit of accounts under Section 479A of the Act.

Notes to the financial statements

18 Inventories

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Raw materials	3,202	3,278	-	-
Work in progress	920	493	-	-
Finished goods	4,750	4,454	-	-
Total	8,872	8,225	-	-

Inventories with a carrying value of £8,872,000 (2024: £8,225,000) have been pledged as security for the Group's bank overdrafts. Directors believe that net realisable value approximates to fair value. Inventories are stated net of provisions of £1,398,000 (2024: £982,000).

19 Trade and other receivables

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade receivables	11,100	10,172	-	-
Amounts receivable from subsidiaries	-	-	3,988	4,351
Prepayments and other receivables	597	346	23	23
Total	11,697	10,518	4,011	4,374

Trade receivables have been pledged as security for the Group's borrowings under invoice finance facilities and the Group's bank overdrafts.

The carrying value of trade and other receivables represents their fair value. The Group assesses the credit risk for each individual customer and the value of debtors covered by credit insurance at 31 March 2025 was £11,100,000 (2024: £10,172,000). The Group took the decision to cover all customers as a result of the current economic climate. The credit insurance policy in place covers 90% of the trade receivables amount.

Amounts receivable from subsidiaries are unsecured, interest free and repayable on demand. The borrower has sufficient assets in order to repay the loan if demanded at the reporting date, the expected credit loss is therefore expected to be nil.

Trade receivables have been reported in the balance sheet net of provisions as follows:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade receivables:				
Current	9,505	9,715	-	-
1 -30 days	1,465	314	-	-
31 - 60 days	42	122	-	-
61 - 90 days	37	(30)	-	-
91 + days	92	72	-	-
Less impairment allowance	(41)	(21)	-	-
Total	11,100	10,172	-	-

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Amount due from Group Companies:				
Current	-	-	130	54
1 -30 days	-	-	71	72
31 - 60 days	-	-	29	29
61 - 90 days	-	-	123	50
91 + days	-	-	3,635	4,146
Less impairment allowance	-	-	-	-
Total	-	-	3,988	4,351

Notes to the financial statements

The movement in the trade receivables impairment provision is as follows:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
At 1 April	21	45	-	-
Debit/(Credit) in current year income statement	20	(24)	-	-
At 31 March	41	21	-	-

There were £1,544,000 (2024: £406,000) of trade receivables that were overdue at the balance sheet date that have not been provided against. The proportion of trade receivables at 31 March 2025 that were overdue for payment was 13.9% (2024: 4.5%).

The Group uses the simplified approach for trade accounts receivables. The Group considers a financial asset in default when it is unlikely to receive the outstanding contractual amounts in full. The probability of default takes into consideration financial information regarding the customer including credit reports and non-financial information including market developments and consumer trends. The consideration is forward-looking and verified using historical credit losses. Trade accounts receivable are assumed to be credit-impaired if it is unlikely that the customer will fulfil its obligations.

Expected Credit Loss Provision (IFRS 9)

The impairment allowance for bad debts are calculated using a lifetime expected credit loss model, as set out below, in accordance with IFRS 9. Following a full review of customers at the year end, including ongoing business discussion with customers and market performance reviews there are no receivables subjected to a significant increase in credit loss. The provision for the year to March 2025 was £41,000 (2024: £21,000).

	Group			Group		
	2025			2024		
	£000	%	£000	£000	%	£000
Current	9,505			9,715		
1 - 30 days	1,465			314		
31 - 60 days	42			122		
61 - 90 days	37			(30)		
91 + days	92	45%	41	72	29%	21
At 31 March	11,141		41	10,193		21

20 Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short term bank deposits with an original maturity rate of three months or less. The carrying amounts of these assets approximates to their fair value. An analysis of the amounts at the year-end is as follows:

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Cash at bank and in hand	3,336	3,033	42	20
Sterling equivalent of deposit denominated in Australian dollars	22	25	-	-
Sterling equivalent of deposit denominated in Euros	167	67	-	-
Sterling equivalent of deposit denominated in US dollars	134	13	-	-
Total	3,659	3,138	42	20

As at the 31 March 2025, the invoice finance facility has not been utilised to fund the on-going activities of the business.

Notes to the financial statements

21 Financial instruments and treasury risk management

Market risk

Market risk is the risk that arises from movements in inventory prices, interest rates, exchange rates, and commodity prices.

Market risk for the 31 March 2025 year end is reflected within the interest rate and foreign currency risk which are discussed further below.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations.

Trading exposures are monitored by the operational Companies against agreed policy levels. Credit insurance with a world leading insurer is employed across the majority of our trade debtors. At 31 March 2025 all trade debtors (2024: all) are covered by credit insurance with a cover of 90% of the debtor balances. Non-trading financial exposures are incurred only with the Group's bankers or other institutions with prior approval of the Board of Directors.

The majority of trade receivables are with retail customers. The maximum exposure to credit risk is represented by the carrying amount of those financial assets in the balance sheet.

Impairment provisions on trade receivables have been disclosed in note 19.

The credit risk on liquid funds such as cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

All trade debtors are credit insured, therefore the maximum write off balance on any customer default would be 10% of the invoiced value (net of VAT).

Interest rate risk

The Group's interest rate exposure arises mainly from its interest-bearing borrowings.

The Group finances its operations through a mixture of debt associated with working capital facilities and equity. The Group is exposed to changes in interest rates on its floating rate working capital facilities. The variability and scale of these facilities is such that the Group does not consider it cost effective to hedge against this risk.

The Group also secured a fixed rate mortgage for a 15 year term, 9.5 years remaining, secured on the property with an interest rate of 3.04% fixed for the first 10 years, 4.5 years remaining, of the loan, therefore reducing the interest rate risk. The interest charge on the mortgage for the year ended 31 March 2025 was £66,000 (2024: £72,000).

On 3 September 2021, the Group took out a term loan of £3,000,000 to fund part of the purchase of the acquisitions in the prior year. The term loan is for a 4 year term secured on the assets of the Group with an interest rate of 2.70% above the Bank of England base rate. The term loan was fully repaid during the financial year. The interest charge on the term loan for the period to 31 March 2025 was £17,000 (2024: £123,000). A 1% increase in the interest rate would have resulted in an additional charge of £5,900 (2024: £41,000). As a result of repaying the loan in full, there was no outstanding balance on the loan at the year end. The repayment of the loan has reduced the company's exposure to interest rate risk.

Interest rate sensitivity

The interest rate sensitivity is based upon the Group's borrowings over the year assuming a 1% increase or decrease which is used when reporting interest rate risk internally to key management personnel.

A 1% increase in bank base rates would reduce Group pre-tax profits by £12,000 (2024: £36,000). A 1% decrease would have the opposite effect. The Group's sensitivity to interest rates has changed during the current year due to the current economic climate, which has had the impact of decreasing BOE base rates.

Foreign currency risks

The Group operates in a number of markets across the world and is exposed to foreign currency transaction and translation risks arising on the purchase and sales of goods in particular with respect to the US dollar and Euro.

Transaction risk arises on income and expenditure in currencies other than the functional currency of each Group Company. The magnitude of this risk is relatively low as the majority of the Group's income and expenditure are denominated in the functional currency. Approximately 0.3% (2024: 1%) of the Group's income is denominated in US dollars and 1% (2024: 4%) in Euros. Approximately 3% (2024: 7%) of the Group's expenditure is denominated in US dollars and 4% (2024: 8%) in Euros.

Notes to the financial statements

21. Financial instruments and treasury risk management (continued)

Foreign currency sensitivity

A 5% strengthening of sterling would result in a £142,000 (2024: £258,000) increase in profits and equity. A 5% weakening in sterling would result in a £157,000 (2024: £285,000) reduction in profits and equity.

When appropriate the Group utilises currency derivatives to hedge against significant future transactions and cash flow. There were no outstanding contracts as at 31 March 2025 or 31 March 2024.

Cash flow and liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group manages its working capital requirements through overdrafts and invoice finance facilities. These facilities were renewed in March 2025 for a further 12 months. The maturity profile of the committed bank facilities is reviewed regularly and such facilities are extended or replaced well in advance of their expiry. The Group has complied with the terms of these facilities. At 31 March 2025 the Group had available £6,193,000 (2024: £5,616,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The Group has a fixed rate mortgage for a 15 year term secured on the property with an interest rate of 3.04% fixed for the next 4.5 years of the loan. The Company also took out a term loan of £3,000,000 to fund part of the purchase of the acquisitions in the prior year. The term loan is for a 4 year term secured on the assets of the Group with an interest rate of 2.70% above the Bank of England base rate. The term loan was fully repaid during the financial year. As a result, there was no outstanding balance on the loan at the year end. The repayment of the loan has reduced the company's exposure to cash flow and liquidity risk by eliminating the need for future principal and interest payments, thereby improving the company's financial flexibility and overall liquidity position.

Financial assets

Financial assets are included in the Statement of financial position within the following headings. These are valued at amortised cost and are detailed below.

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade and other receivables	11,100	10,172	3,988	4,351
Cash and cash equivalents	3,659	3,138	42	20
Total	14,759	13,310	4,030	4,371

Financial liabilities

Financial liabilities are included in the Statement of financial position within the following headings. These are valued at amortised cost and are detailed below.

At 31 March 2025

	Group				Total
	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	
	£000	£000	£000	£000	£'000
Trade payables	5,585	-	-	-	5,585
Accruals	2,354	-	-	-	2,354
Obligations under leases	220	227	702	3	1,152
Loan	94	96	830	1,080	2,100
Total	8,253	323	1,532	1,083	11,191

Notes to the financial statements

21. Financial instruments and treasury risk management (continued)

At 31 March 2024

	Group				
	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Total
	£000	£000	£000	£000	£'000
Trade payables	4,976	-	-	-	4,976
Accruals	2,235	-	-	-	2,235
Obligations under leases	182	169	633	-	984
Overdraft and invoice financing	37	-	-	-	37
Loan	286	297	1,017	1,298	2,898
Total	7,716	466	1,650	1,298	11,130

The following is the maturity analysis of the undiscounted cash flows:

At 31 March 2025

	Group				
	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Total
	£000	£000	£000	£000	£'000
Trade payables	5,585	-	-	-	5,585
Accruals	2,354	-	-	-	2,354
Obligations under leases	252	252	754	11	1,269
Overdraft and invoice financing	-	-	-	-	-
Loan	126	126	1,010	1,153	2,415
Total	8,317	378	1,764	1,164	11,623

At 31 March 2024

	Group				
	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Total
	£000	£000	£000	£000	£'000
Trade payables	4,976	-	-	-	4,976
Accruals	2,235	-	-	-	2,235
Obligations under leases	216	195	713	-	1,124
Overdraft and invoice financing	37	-	-	-	37
Loan	344	344	1,228	1,405	3,321
Total	7,808	539	1,941	1,405	11,693

Notes to the financial statements

22 Trade and other payables and corporation tax

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Trade payables	5,585	4,976	-	-
Social security and other taxes	915	1,054	4	3
Accrued expenses	2,354	2,235	15	15
Amounts payable to subsidiary undertakings	-	-	35	35
Corporation tax payable	9	105	56	72
Total	8,863	8,370	110	125

The Directors consider the carrying amount of trade payables approximates to fair value. Amounts payable to subsidiary undertakings are unsecured, interest free and repayable on demand.

23 Lease liabilities

	Group		Company	
	2025	2024	2024	2023
	£000	£000	£000	£000
Amounts payable under leases				
Within one year	447	351	-	-
Between two to five years	702	633	-	-
After five years	3	-	-	-
At 31 March	1,152	984	-	-

	Group
	2025
	£000
At 1 April 2024	984
New lease	595
Disposal	-
Interest expense	80
Lease payments	(507)
At 31 March 2025	1,152

The Group expensed to the consolidated income statement and incurred a cash outflow of £126,000 (2024: £197,000) for leases with a lease term of 12 months or less.

The additions, disposals, depreciation and the carrying values of right-of-use assets are shown in note 16.

Notes to the financial statements

24 Borrowings

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Bank overdraft	-	37	-	-
Borrowings under mortgage and loan repayable within one year	190	583	190	185
Borrowings under mortgage and loan repayable between two to five years	830	1,017	830	804
Borrowings under mortgage repayable after more than five years	1,080	1,298	1,080	1,298
Total	2,100	2,935	2,100	2,287

The borrowings in relation to the bank overdrafts are repayable on demand or within one year.

All borrowings are denominated in Sterling. The Directors estimate that the fair value of the Group's borrowings approximates to the carrying value.

On 16 October 2019, the Company took out a mortgage of £3,040,000 to fund part of the purchase of the freehold property at Peterborough it previously occupied as a tenant. The mortgage is for a 15 year term secured on the property with an interest rate of 3.04% fixed for the first 10 years of the loan. Monthly repayment on the mortgage is £21,000 per month.

As at the reporting date, the Group is subject to certain financial covenants in relation to the mortgage borrowings. These covenants include:

1. Loan to Value Ratio: The aggregate value of mortgaged properties must not exceed 80% of the total value of freehold and leasehold properties held by the Group.
2. Debt Service Coverage Ratio: Adjusted cash flow must not be less than 105% of the total existing and proposed debt repayments (including both bank and non-bank facilities) and interest paid during the accounting reference period.

The Group has complied with all covenant requirements throughout the year. Management monitors these covenants on an ongoing basis and expects to operate comfortably within the covenant limits for the foreseeable future.

On 3 September 2021, the Company took out a term loan of £3.0m to fund part of the purchase of the acquisitions in the financial year ended 31 March 2022. The term loan is for a 4 year term secured on the assets of the Group with an interest rate of 2.70% above the Bank of England base rate. Monthly repayment on the loan is £36,000 per month. The Group made an early repayment of £0.6m of this loan on 27 March 2024. The loan was subsequently repaid in full on 6 August 2024.

The invoice finance facility permits the drawdown of 85% of eligible debts with an interest rate of 2.19% above the Bank of England base rate. The facility has been renewed for the year ended 31 March 2025 at the same level and rate as the prior year.

The bank holds a first legal charge dated 16 October 2019 over the freehold property at Peterborough and a debenture including fixed charge over all present and freehold lease property.

The bank overdraft is secured by fixed and floating charges over all the assets of the Group.

The invoice finance facility is secured on the trade receivables and a floating charge on all of the assets of the Group.

Notes to the financial statements

25 Share capital

	Ordinary shares of 1p each	
	£000	Number
At 1 April 2023	700	70,029,583
Issued in the year	-	5,800
At 31 March 2024	700	70,035,383
Issued in the year	-	-
At 31 March 2025	700	70,035,383

The Company has one class of ordinary shares which carry no right to fixed income. All of the shares are issued and fully paid. The total proceeds from the issue of shares from the exercise of share options in the year was £Nil (2024: £2,000).

26 Equity settled share-based payments

The Company has a share option scheme which is open to any employee of the Group. Options granted under the scheme are for nil consideration and are exercisable at a price equal to the quoted market price of the Company's shares on the date of the grant except for the share options granted on 08 July 2020 which were issued at a discount of 14p to the market price on the date of issue. The vesting period is 3 years. If the options remain unexercised after a period of 10 years from the date of grant, the option expires. Options are forfeited if the employee leaves the Group before options vest.

Fair value is calculated using the Black-Scholes model as below.

	Ordinary shares of 1p each			
	2025		2024	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at the beginning of the period	7,184,760	39.70p	9,265,560	30.62p
Granted in the period	0	0	300,000	30.00p
Exercised in the period	0	0	(5,800)	26.80p
Lapsed in the period	(2,827,400)	28.41p	(2,375,000)	47.04p
Outstanding at the end of the period	4,357,360	47.34p	7,184,760	39.70p

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Granted	Exercise period	Number	Exercise price
Sep-15	2019 - 2025	50,000	4.50p
Oct-18	2021 - 2028	1,914,860	26.80p
Jul-20	2023 - 2030	600,000	36.00p
Mar-21	2024 - 2031	937,500	74.50p
Nov-21	2024 - 2031	555,000	97.73p
Dec-22	2025 - 2032	300,000	30.17p
Outstanding at the end of the period		4,357,360	47.34p

Notes to the financial statements

26. Equity settled share-based payments (continued)

There were no share options exercised during the period. The options outstanding at 31 March 2025 had a weighted average exercise price of 47.34p, and a weighted average remaining contractual life of 4.9 years.

The number of currently exercisable share options at 31 March 2025 is 3,502,360 (2024: 6,027,260). The weighted average exercise price of current exercisable options is 48.6p.

No share options were granted during the year ended 31 March 2025. In the year ended 31 March 2024, options were granted on 21 July 2023. The aggregate of the estimated fair values of the options granted on those dates is £0.1m. This share issue also lapsed in the same period.

The share options granted during each period have been valued using a Black-Scholes model. The inputs to the Black-Scholes model are as follows:

	Year ended 31-Mar 2025							
Issue date	18-Oct-18	08-Jul-20	05-Nov-20	16-Mar-21	10-Nov-21	24-Mar-22	16-Dec-22	21-July-23
Weighted average share price (pence)	26.80p	50.00p	48.00p	74.50p	97.73p	61.67p	30.17p	30.00p
Weighted average exercise price (pence)	26.80p	36.00p	48.00p	74.50p	97.73p	61.67p	30.17p	30.00p
Expected volatility (%)	38.50%	49.67%	50.10%	40.20%	37.45%	42.11%	48.60%	46.50%
Expected life - years	3	3	3	3	3	3	3	3
Risk free rate (%)	0.75%	0.75%	0.75%	0.75%	0.32%	0.32%	5.80%	5.80%
Expected dividends (pence)	-	-	-	-	-	-	-	-

	Year ended 31-Mar 2024							
Issue date	18-Oct-18	08-Jul-20	05-Nov-20	16-Mar-21	10-Nov-21	24-Mar-22	16-Dec-22	21-July-23
Weighted average share price (pence)	26.80p	50.00p	48.00p	74.50p	97.73p	61.67p	30.17p	30.00p
Weighted average exercise price (pence)	26.80p	36.00p	48.00p	74.50p	97.73p	61.67p	30.17p	30.00p
Expected volatility (%)	38.50%	49.67%	50.10%	40.20%	37.45%	42.11%	48.60%	46.50%
Expected life - years	3	3	3	3	3	3	3	3
Risk free rate (%)	0.75%	0.75%	0.75%	0.75%	0.32%	0.32%	5.80%	5.80%
Expected dividends (pence)	-	-	-	-	-	-	-	-

Expected volatility was determined by calculating the historical volatility of the share price over a basket of similar businesses over the previous two years.

The Group recognised total expenses of £36,000 (2024: £111,000) related to share-based payments.

27 Retirement benefit scheme

The Group operates defined contribution schemes for employees. The assets of the schemes are held separately from those of the Group. The Group also entered into an auto-enrolment pension scheme on 1 April 2014.

The charge in the consolidated income statement in the year was £372,000 (2024: £331,000) and cash contributions were £373,000 (2024: £332,000). The amount outstanding at the year end was £69,000 (2024: £70,000)

Notes to the financial statements

28 Capital commitments

	Group		Company	
	2025	2024	2025	2024
	£000	£000	£000	£000
Contracts placed for future capital expenditure not provided for in the financial statements	175	16	-	-

29 Related party transactions

Transactions between the parent Company and its subsidiaries

The amounts owed by and to subsidiary Companies are:

	2025	2024
	£000	£000
Amounts receivable from subsidiary undertakings	3,988	4,351
Amounts payable to subsidiary undertakings	(35)	(35)

During the year ended 31 March 2024 the Company charged rental charges of £350,000 (2024: £350,000) to Potter & Moore Innovations Limited.

Saxon Coast Consultants Limited

Saxon Coast Consultants Limited, a Company of which Mr O'Shea is a Director and a controlling shareholder provides Company secretarial services. The following amounts were charged in the year:

	Year ended	Year ended
	31-Mar	31-Mar
	2025	2024
	£000	£000
Charges for Company secretarial services	(2)	33

As at the reporting date an amount of £2,116 (2024: £Nil) was due from Saxon Coast Limited. The amount is unsecured, interest-free, and repayable on demand.

Details of the remuneration paid to related parties (as well as any salaries and bonuses waived) is included in the Directors Remuneration Report on pages 43 to 52.

Notes to the financial statements

29. Related party transactions (continued)

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24, 'Related Party Disclosure'. Further information about the remuneration of individual Directors is provided in the audited part of the Directors' Remuneration Report on pages 43 to 52.

	Year ended 31-Mar 2025 £000	Year ended 31-Mar 2024 £000
Salaries and other short term benefits	449	421
Total	449	421

30 Notes supporting the cash flow statement

Group

Analysis of changes in net debt

	Overdraft £000	Invoice Financing £000	Mortgage £000	Loan £000	Total £000
At 1 April 2024	37	-	2,287	611	2,935
Cash outflow – principal	(34)	-	(187)	(611)	(832)
Cash outflow – interest	-	-	(66)	(18)	(84)
Interest accruing	(3)	-	66	18	81
At 31 March 2025	-	-	2,100	-	2,100

	Overdraft £000	Invoice Financing £000	Mortgage £000	Loan £000	Total £000
At 1 April 2023	26	1,557	2,467	1,940	5,990
Cash outflow – principal	(61)	(1,557)	(180)	(1,329)	(3,127)
Cash outflow – interest	-	-	(72)	(123)	(195)
Interest accruing	72	-	72	123	267
At 31 March 2024	37	-	2,287	611	2,935

The mortgage balance pertains specifically to the Company.

The movement in lease liabilities in the year is analysed per note 23.

Notes to the financial statements

31 Deferred tax

The movement in deferred tax provision is analysed as follows.

	Group £000
At 1 April 2023	2,942
Recognised in the income statement	165
Derecognised in goodwill	(1,282)
Recognised in the income statement - other	(50)
Recognised directly through equity	23
At 31 March 2024	1,798
Recognised in the income statement - other	(19)
Recognised directly through equity	20
At 31 March 2025	1,799

Deferred tax is represented by:

	Year ended 31-Mar 2025 £000	Year ended 31-Mar 2024 £000
Capital allowances in advance of depreciation	595	538
Share based payments	(8)	(60)
Acquisitions	1,410	1,409
Other temporary differences	(198)	(89)
Net deferred tax liability	1,799	1,798

The rate of corporation tax from 1 April 2024 was 25%, (2024: 25%). Deferred tax balances at the reporting date are measured at 25% (2024: 25%).

	Accelerated tax depreciation PPE £000	Provision £000	Share based payment £000	Acquisitions £000	Losses carried forward £000	Total £000
At 1 April 2024	538	38	(60)	1,409	(127)	1,798
Charged to profit	57	(110)	32	1	1	(19)
Credited directly through equity	-	-	20	-	-	20
At 31 Mar 2025	595	(72)	(8)	1,410	(126)	1,799

Deferred tax on acquisitions relates to the deferred tax liability in relation to the valuation of brands acquired during the prior year. Brands of £10,088,000 were acquired during the year to 31 March 2022, see note 8 for further details. In the prior year, the deferred tax charged derecognised is in relation to the impairment of the Emma Hardie goodwill as show below, see note 13 for further details.

The movement in the deferred tax assets and liabilities during the prior year is shown below:

	Accelerated tax depreciation PPE £000	Provision £000	Share based payment £000	Acquisitions £000	Losses carried forward £000	Total £000
At 1 April 2023	638	16	(112)	2,526	(126)	2,942
Charged to profit	(100)	22	29	165	(1)	115
Credited directly through equity	-	-	23	-	-	23
Derecognised in goodwill	-	-	-	(1,282)	-	(1,282)
At 31 Mar 2024	538	38	(60)	1,409	(127)	1,798

Notes to the financial statements

32 Operating leases

Company

The Company has entered into an operating lease with its subsidiary Potter & Moore Innovations Ltd following the purchase of the Peterborough site in October 2019. The lease has a term of 20 years.

Future minimum rentals receivable under operating leases as at 31 March are as follows:

	2025	2024
Within one year	350	350
Between one and two years	350	350
Between two and three years	350	350
Between three and four years	350	350
Between four and five years	350	350
More than five years	3,350	3,700

33 Guarantees and other financial commitments

The Group has given a class guarantee facility with its bankers to HMRC in respect of import duties and VAT with a limit of £100,000 (2024: £100,000).

The Group has entered into two cross guarantees with various other Group Companies to secure their banking facilities one dated 10 August 2016, and one dated 25 March 2004.

The Group has entered into a purchase credit card facility via its bankers with a limit of £70,000 (2024: £70,000)

34 Employee Beneficial Trust (EBT)

The Company created an Employee Beneficial Trust on 29 October 2021. The Trust was created to purchase and hold shares in Creightons PLC to satisfy share awards under the Groups share option scheme. There has been no movement in the EBT during the year ended 31 March 2025.

Directors and Advisers

Directors

Paul Forster
Philippa B E Clark
Martin Stevens
Qadeer Mohammed
William O McIlroy
William T Glencross
Nicholas DJ O'Shea
Brian Geary
Paul Watts
Jemima C Bird

Non-Executive Chairman
Chief Executive Officer
Deputy Group Managing Director
Chief Financial Officer (Appointed 1 May 2025)
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director (Appointed 29 January 2025)
Non-Executive Director (Appointed 31 March 2025)

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