POTTER & MOORE PLC

ESTD 1749

Potter & Moore PLC (formerly Creightons PLC)

ANNUAL REPORT 2026

Registered Number: 01227964

Established in 1954, we are a multi Award Winning British Company who design, create and manufacture a wide-range of skincare, haircare and wellbeing products. Creightons products are made with the highest quality formulations and packaging and are available across the globe.

HIGHLIGHTS

FINANCIAL HIGHLIGHTS

- **Revenue** - decreased by £0.3m (0.4%) to £53.8m (2025: £54.1m), with strong Private Label growth of £2.6m (9.0%) from new retailers and category expansion more than offset by a £2.9m (43.9%) decline in Contract Manufacturing due to a major customer changing priorities and overstocking. New business wins totalling £3.5m were secured during the period as a result of Private label growth and the pivot of our owned brands to include fast follow categories.
- **Gross profit margin** – increased by 20 basis points (bps) to 44.9% (2025: 44.7%), driven by:
  - o Manufacturing efficiency gains – implemented live production data systems and targeted investments to reduce changeover times, increase capacity, and lower labour costs by £0.3m.
  - o Procurement cost savings – negotiated extended supplier payment terms, retendering of commodity components, and improved pricing on high-volume items, delivering tangible cost benefits of £0.2m.
- **EBITDA** - decreased by £0.9m to £4.2m (2025: £5.1m) due to higher labour costs of which £0.9m was attributable to National Living Wage and National Insurance Contribution increases, which outweighed margin and efficiency improvements.
- **Net cash on hand** – increased by £0.2m to £3.2m (2025: £3.0m) due to strong working capital management.
- **Proposed final dividend** of 0.55 pence per ordinary share for FY26 (2025: 0.50 pence per ordinary share).

OPERATIONAL HIGHLIGHTS

On 21 April 2026, the Group changed its name from Creightons PLC to Potter & Moore PLC (PAM). The Group transitioned to the AIM Market on 31 March 2025 primarily to reduce the costs of compliance and provide greater flexibility in regulatory requirements, enabling faster management decision-making and a greater focus on growth opportunities.

During FY26, Potter & Moore PLC has continued to implement efficiency and productivity initiatives to improve profitability, reduce costs and generate positive cash flows, with actions including:

- **Warehouse transformation** – deployed a new Warehouse Management System (WMS) in June 2025, improving pick efficiency, reducing team hours and enhancing stock accuracy, anticipate to deliver annualised cost savings of £0.1m in the following year
- **Digital production upgrade** – commenced the introduction of paperless production software in October 2025 with real-time performance monitoring and online quality checks, boosting shop floor productivity and trend analysis.
- **Artwork automation** – commenced the roll-out of a centralised artwork tool with AI-based proofing and structured workflows, accelerating NPD (new product development) and improving accuracy.
- **Investment in people** - Invested c.£0.4m in indirect labour to strengthen the sales function and support future revenue growth in both Private Label and Brands. This has, in part, supported the increase in Private Label performance and Brand sales in this period.
- Government policy changes resulted in an increase in National Living Wage and National Insurance Contribution costs of £0.9m
- Inventory on hand decreased by £0.1m to £8.8m (2025: £8.9m) reflecting the Group’s controlled approach to stock management
- The Board intends to align the board structure to one appropriate for the Group's size and complexity. Mr Nick O’Shea will be retiring and therefore will not be standing for re-election at the forthcoming Annual General Meeting (AGM). Mrs Jemima Bird has also decided not to stand for re-election. Consequently, the Board has commenced a search for a new independent Non-Executive Director.

REVENUE
£53.8m

2026	£53.8m
2025	£54.1m

GROSS PROFIT MARGIN
44.9%

2026	44.9%
2025	44.7%

OPERATING PROFIT
£2.7m

2026	£2.7m
2025	£3.5m

EBITDA[1]
£4.2m

2026	£4.2m
2025	£5.1m

PROFIT BEFORE TAX
£2.8m

2026	£2.8m
2025	£3.5m

DILUTED EARNINGS PER SHARE
3.04p

2026	3.04p
2025	3.29p

NET CASH[2]
£3.2m

2026	£3.2m
2025	£3.0m

1 Earnings before interest, tax, depreciation and amortisation
2 Cash and cash equivalents less short-term element of obligations under finance leases and borrowings

Please refer to page 18 for the statutory KPI calculations

GROUP STRATEGIC REPORT

THE STRATEGIC REPORT DISCUSSES THE FOLLOWING AREAS:

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 Potter & Moore PLC and its subsidiary undertakings when viewed as a whole.

CHAIRMAN'S STATEMENT

I am pleased to present our Annual Report for Potter & Moore PLC for the year ended 31 March 2026 (FY2026).

PAUL FORSTER
Non-Executive Chair of the Board

Results and performance

The Group has delivered commendable results considering the wider economic environment and made good progress towards building the resources and personnel to deliver long term revenue growth. The Group has had to deal with significant headwinds in the period both known, such as increases in the National Living Wage and Employer's National Insurance, and unforeseen challenges outside of the Group's control, such as the negative impact on revenue from certain customers who suffered internal logistics and system issues. Despite the headwinds revenue stabilised at £53.8m (FY2025: £54.1m) and gross profit margins improved demonstrating the Groups ability and manage gross margins.

Total overhead costs increased by £0.9m, primarily driven by increased National Living Wage and Employer's National Insurance costs impacting payroll costs, resulting in profit after tax of £2.1m (FY2025: £2.5m).

The Group has continued to generate significant cash from operations, which allowed the Group to reduce structured finance (lease liabilities) by £0.5m and fund a £0.3m dividend payment.

The Board decided to change Creightons PLC's name to Potter & Moore PLC during the year. Potter & Moore better reflects the identity by which many of the Group's customers, all its retail partners, suppliers and employees already recognise the business. The Board believes that aligning the corporate name with its trading identity will enhance brand clarity, strengthen recognition and support more effective engagement with existing and prospective stakeholders.

Strategic development

The Board undertook a comprehensive review of the Group's strategy over the past year with the development of a strategic plan covering the next five years. The aim of the strategic review was to accelerate the growth in revenue and profit before tax by building upon the strengths of the Group. The goal is to deliver significant above trend improvements in shareholder return whilst protecting the interests of all stakeholders.

The strategic review has clarified the Group's growth priorities: strengthening Private Label leadership, building a more focused brand portfolio, accelerating fast-follow opportunities, expanding and leveraging R&D-led product capability, and investing in people, systems and operations to support scalable growth – including the opportunities from automation and AI applications. The key drivers to deliver the revenue and profit growth are detailed in the CEO's report.

As part of the strategy the Executive Leadership Team (ELT) is undertaking a preliminary review into the wellness sector to assess the approach the Group should adopt in penetrating it. Fundamentally, the Group aims to build on its existing expertise in new product development and its extensive customer relationships. The approach adopted may encompass generating sales organically, by sourcing finished products or investing manufacturing in house, or by acquiring an established business.

Finally, the ELT is investigating how to maximise the utilisation of our sites to ensure we can maximise our return on these significant assets.

The Board will continue to actively review and evolve the strategy to ensure it maintains pace and evolves to meet the evolving macro-economic and market environment.

Employees

I would like to thank all our hard working and committed employees who have contributed to the continued success of the Group. The Group attracts talent at all levels within the business and continues to invest in training from apprentice to graduate. The Group has introduced a coaching and mentoring programme for the ELT to develop emerging talent into future leaders.

Investments

The Group has increased its expenditure in investment of capital equipment over the year both in plant and machinery to support improvements in output and productivity and, Information Technology, particularly the new Warehouse Management System and Shop Floor data capture and analysis. Both investments have started to deliver improved productivity with a full year benefit expected in FY2027.

A core ERP system replacement is planned over the next 18 months with the provider's AI capabilities a key selection factor. Adoption will include a broader overhaul of processes and roles to ensure we maximise returns and minimise risk associated with project.

Dividend

The Board remains committed to delivering sustainable and growing returns to shareholders over the long term. Reflecting the Group's strong financial position, cash generation and confidence in the prospects of the business, the Directors are recommending a final dividend of 0.55 pence per ordinary share an increase of 10% on the prior year. This recommendation is consistent with our progressive dividend policy, under which we aim to grow the dividend sustainably over time whilst maintaining appropriate levels of investment in the business and preserving balance sheet strength. The Board will continue to balance shareholder returns with the capital requirements necessary to support the Group's strategic objectives and long-term growth ambitions.

Board of Directors and Corporate Governance

This is the first Annual Report and Accounts the Group prepared in accordance with the 2023 Quoted Companies Alliance Corporate Governance Code (QCA Code) which was adopted on 1 April 2025, following the transition of the Group's listing to AIM.

Pursuant to that process, the Board announced an intention to evolve and reduce its current membership to one more appropriate for a business of its size and complexity. Accordingly, Mr Nick O'Shea (Non-Executive Director) has advised he will be retiring and not putting himself up for re-election at the Company's forthcoming AGM. Nick is our longest serving director. I would like to thank him for his contribution to the development of the Group over many years and wish him all the best in his retirement.

Mrs Jemima Bird has also decided not to stand for re-election. Whilst Jemima will only have served on the Board for 17 months, she made significant contributions at Board Meetings and as Chair of the Remuneration Committee using her extensive experience to evolve and formalise our executive remuneration structure. I wish her all the best with her future endeavours.

Consequently, the Board has commenced a search for a new independent Non-Executive Director. Furthermore, as a non-independent Non-Executive Chairman, I have informed the Board of my intention to retire by the time of the 2027 AGM, affording the Board as much time as possible to appoint my successor. With the improving governance of the Group, as well as the increasing experience and expertise of the executive directors, the coming year feels like the appropriate time to pass on the reins. Also, Mr Bill Glencross, non-independent Non-Executive Director has indicated he will not seek re-election at the 2027 AGM.

Summary and Outlook

I consider the results to be a creditable performance given the external factors which have adversely impacted on performance. The investment in resources to deliver increased revenue started to produce results in FY 2026 which is expected to accelerate into FY2027. The Group remains in a strong financial position to take advantage of any opportunities that may arise.

The Group will continue to face challenges during FY2027, again largely due to factors outside the Group's control with rising costs from petro-chemical-linked materials, energy-exposed suppliers, and the increased National Living Wage will continue to pressure margins.

Management has stepped up inflationary monitoring to identify mitigation actions and support customer price negotiations, an ongoing focus for the year ahead. Middle East trade carries regional conflict risk, though Saudi Arabia, the source of most Group revenue there, remains unaffected to date, growth elsewhere in the region may be slower to emerge. Customer credit risk remains elevated as economic pressures strain retail customers. AI and broader technological change pose a competitive risk if not capitalised on early. The Group is developing policies to harness AI benefits while protecting data confidentiality.

The Group is in an excellent position to take advantages of any opportunities, whilst managing downside risks. The investment in sales, marketing, product sourcing and development has started to pay dividends and will ensure the Group can take advantage of more opportunities over the coming year. The lead times involved in delivering revenue from new ranges and listing from new customers means we expect to see significant benefits until in the second half of FY2027.

The Board will continue to work closely with the Executive Team to deliver and revise the strategy to grow revenue and profits.

Paul Forster
Non-Executive Chair of the Board

10 July 2026


BALANCE ACTIVE FORMULA
Hyaluronic
DEEP MOISTURE SERUM
INTENSE HYDRATION
2% ACTIVE HYALURONIC
INTENSE HYDRATION
YOUNGER LOOKING SKIN
SOFTER & SMOOTHER SKIN
30 mL / 1 FL.OZ.
AHA + BHA
10 MINUTE TREATMENT SERUM
RESURFACE & BRIGHTEN
BREAKTHROUGH INGREDIENTS
Glowing and smoother looking complexion
Lines and wrinkles appear reduced
Gold + Vegan Collagen
FIRMING SERUM
PLUMP & FIRM
VEGAN COLLAGEN
REDUCES LINES & WRINKLES
SMOOTHER & PLUMPER SKIN
ILLUMINATES THE SKIN
Vitamin C
BRIGHTENING SERUM
GLOW & RADIANCE
3% ACTIVE VITAMIN C
BRIGHTER COMPLEXION
IMPROVES SKIN TONE
FADES DARK SPOTS
93%
AGREE BRIGHTER SKIN*
Niacinamide
BLEMISH RECOVERY SERUM
CALM & CLEAR
15% ACTIVE NIACINAMIDE
TARGETS BLEMISH-PRONE SKIN
IMPROVES SKIN TEXTURE
CALMS THE SKIN
TRIED AND TESTED BY CONSUMERS
Skin looks instantly more radiant after use*
Fades dark spots within 4 weeks*

CHIEF EXECUTIVE'S STATEMENT

Potter & Moore PLC delivered a resilient performance in FY 2026, protecting gross margin and maintaining profitability while continuing to execute against its strategic priorities. This performance demonstrates the strength of the Group's operating model, commercial discipline and ability to manage external cost pressures, including the impact of government legislation, while positioning the business for sustainable, profitable growth.

PHILIPPA CLARK
Chief Executive Officer

Group revenue of £53.8m (2025: £54.1m) was achieved alongside a gross margin of 44.9% (2025: 44.7%), resulting in a profit before tax of £2.8m (2025: £3.5m). These results reflect the quality of our business model in a year when headwinds were considerable. Operational efficiency, commercial agility and disciplined management of working capital enabled us to protect margins and sustain profitability even as increases to Employer National Insurance Contributions and the National Living Wage created an increased labour cost of £0.9m.

The underlying momentum of the business is positive. New business wins totalling £3.5m were secured during the period, driven by two compelling growth engines: Private Label gains across both existing and new product categories, and the continued strategic pivot of our owned brands to include 'fast follow' trend-led trading an approach that is generating tangible commercial traction with both existing and new retail customers. These gains demonstrate the inherent strength of the dual-revenue model and our ability to compete effectively in an increasingly fast-paced and competitive sector.

These positive developments were offset by a reduction in demand within the contract manufacturing business, together with disruption at certain key retail partners arising from factors outside the Group's control. This included the impact of a key customer's consolidation of its warehousing, distribution, fulfilment and logistics operations, which led to a period of destocking, as well as IT-related disruption experienced by another customer. While these factors constrained overall revenue performance, they do not alter our confidence in the strategic direction of the business or the structural opportunities that lie ahead.

Strategically, the Group made meaningful progress. Our diversified yet complementary revenue streams continue to provide both stability and optionality, and this year we took deliberate steps to embed ways of working that better commercialise our research and development capabilities across both Private Label and branded activities. Improving speed to market and maximising the value of our innovation pipeline are central to our competitive advantage, and the progress made in this area positions us well for the year ahead. The capacity to flex and adapt quickly to respond to shifting market dynamics without compromising on quality or execution remains a defining characteristic of this business, and one we continue to invest in.

The Board remains confident in the Group's direction. With a clear strategy, a strengthened commercial platform and a team that has demonstrated its ability to deliver in difficult conditions, Potter & Moore is well placed to convert its pipeline of opportunities into sustainable, profitable growth and to create long-term value for shareholders.

	H1 (Unaudited) £000	H2 (Unaudited) £000	Year ended 31 March 2026 £000
Revenue	27,221	26,628	53,849
Gross Profit	12,168	12,014	24,182
Gross profit %	44.7%	45.1%	44.9%
Operating profit	1,454	1,238	2,692
Operating profit %	5.3%	4.6%	5.0%
Profit before tax	1,494	1,328	2,822
Profit after tax	1,084	1,008	2,092

REVENUE STREAM PERFORMANCE

Private Label

Private Label sales delivered the strongest revenue growth across the Group, increasing by 9.0% to £31.8m (2025: £29.2m). This was achieved despite significant customer disruption impacting H2 which in its absence would have delivered 13% revenue growth for the channel in the period. This builds on strong growth of 23% in the prior year and 8% in FY24, demonstrating the sustained momentum and long-term potential of this business stream.

Three key drivers are fuelling this continued growth.

- **Private label excellence** - a full year's trade and continued growth with the two additional strategic retailers secured during the previous trading year.
- **Category maximisation** - teams working to win additional share of the product offer in the existing categories in which we operate.
- **Category diversification into Sun Protection Factor (SPF) and fragrance categories** – the latter being the strongest to deliver in this trading period where we are now supplying three UK retailers with product in the fragrance category.

Drugstore A	26%
Discount Grocer B	25%
Discount Grocer C	11%
Grocer D	8%
Grocer E	7%
Grocer F	5%
International G	4%
Grocer H	3%
Others	11%

A consistent and continued focus on added value products and categories means that margin performance in Private Label remains positive. This is driven by deep product and category knowledge and underpinned by market leading product development alongside continual improvements in sourcing, procurement, and manufacturing efficiencies.

Investment in team, customer partnerships, speed to market and R&D of market-ready product are central to the Group's proposition. As added value within the Private Label portfolio continues to drive loyalty, quality recognition, and competitive differentiation for retailers, we are well placed to apply our proven expertise to new categories and product opportunities, supporting long term growth.

As a result, Potter & Moore remains a leading Private Label supplier in the UK understanding and delivering strong performance in stock management, forecasting, service levels, cost control, product quality, and technical compliance.

Private Label product categories continue to be both margin-enhancing and brand-strengthening for retailers, while offering consumers a compelling value proposition. It remains a strategic priority for major UK retailers, particularly in the current economic climate where value, quality, and differentiation are paramount and in turn continues to present notable opportunities for growth.

Brands

Overall Brands contribute 34% revenue to the Group with a marginal increase to £18.3m (2025: £18.2m), representing a stabilisation following the more significant decline experienced in the prior year, an improvement of the interim results performance.

Core Brand Challenges

Unlike Private Label, the UK market is continuing to be challenging for our core 'must-win' brands with the exception of Amazon. The online marketplace has delivered 15% growth during FY 2026. Positive gains have also been experienced with some key strategic international retail customers in both Europe and the Middle East, specifically for The Curl Company and Tzone brands exhibiting growth of 49% and 345% respectively.

'Fast Follow' Strategy

Recognising the challenges of core retail brands in recent times, the pivot of resources and effort to a 'fast follow' approach has proven positive and driven £1.1m in revenue from a standing start at the beginning of the trading period. This approach has also opened up trade in the USA market with a key off-price retailer which has contributed notably to the momentum. The strategy has also rejuvenated opportunities in UK discount where speed, on-trend and value products are winning with a fast moving, cost conscious consumer.

International Reach

Additionally, a comprehensive review of trading partners across international markets has been undertaken. Moving towards strategic direct to retail opportunities continues to be a central development goal for both Core and Fast Follow brands and products. Additional team resource has been introduced to enable more focus on sales and development opportunities with targeted strategic retailers predominantly in Europe, Middle East and the off-price sector in North America.

Emma Hardie Performance

The strategic refocus of the Emma Hardie brand over the past year has led to an improvement in revenue of £0.4m totalling £3.1m for the period (2025: £2.7m). The brand continued to achieve a positive and profitable contribution to the Group. This was achieved despite taking a considered year long investment into the Chinese market which despite achieving positive trade, did not deliver the momentum targets set. Therefore, we made the decision to exit at the end of Q4. Increased investment in digital sales during the period has begun to yield growth in this channel. Discussions with travel providers in the cruise space continue, and the coming year will determine if this is a positive growth route for the brand.

Digital

Amazon in the UK continues to perform well now representing 16% of total brand sales, an increase of 2% from FY 2025. This continues to be led by ongoing success with Feather and Down due to the price point and wellness trend resonating well with consumers in the online space. Investment in the Amazon team during H2 is focused on building growth in other core brands on the platform with Tzone, The Curl Company and our haircare offer being priorities. Our ambitions in the Amazon marketplace continue to be positive and there is considerable scope for additional growth with our brand portfolio and in our ongoing investment in gradually building the Amazon Germany platform. It is still embryonic but showing positive signs of growth potential in which we will invest more during the 2026/27 fiscal year.

EmmaHardie.com continues to be a strategic priority and delivered 28% growth during the period. Whilst the majority of online beauty purchases increasingly occur through major marketplaces and specialist beauty retailers—where the brand has strong representation—the direct-to-consumer website remains an important part of our channel mix.

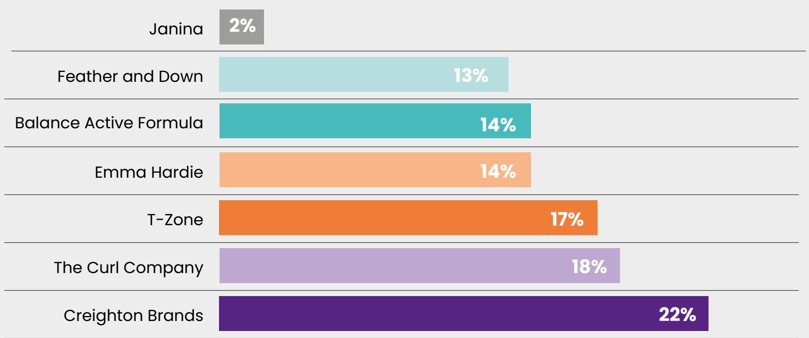
Beyond generating higher-margin sales, EmmaHardie.com allows us to control the customer experience, showcase the brand in its entirety, and build direct relationships with consumers. Together with our expanding social media activity, it plays a vital role in strengthening brand awareness, consumer confidence, and loyalty in an intensely competitive space, supporting the overall long-term growth of the business.

Contract Manufacturing

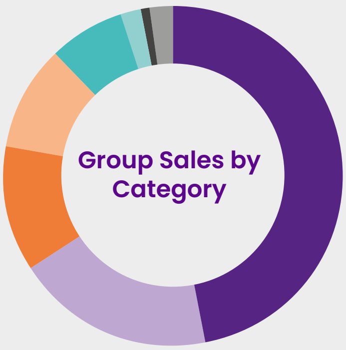
As outlined previously, the Group has de-prioritised this revenue stream over the past 18 months due to both the transactional trade model and relying on the performance of customers' brands for success. Resources over the past 18 months have been reallocated to the Private Label efforts, which has contributed to the growth in this area, and we have now moved all existing customer management into one team. We continue to service a number of long term customer relationships and will continue to do so where the business contributes positively to the Group's overall margin and profitability.

A - Digital	19%
B - International Retailer	17%
C - UK Discounter	11%
D - UK Grocer	6%
E - UK Discounter	5%
F - UK Grocer	5%
G - UK Drugstore	5%
H - International Retailer	3%
I - UK Discounter	3%
J - UK Discounter	3%
K - International Retailer	2%
Others	21%

Brands as a Proportion of Total Branded Sales



RESEARCH AND DEVELOPMENT (R&D)



Skincare	47%
Bath & Body	19%
Haircare	12%
Baby	10%
Fragrance	7%
Tanning	2%
SPF	1%
Other	2%

At the core of Potter & Moore's strategy is the unwavering commitment to R&D, which remains a fundamental driver of 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.

The key focus during the year has been commercialising all R&D efforts across the wider business for maximum benefit and asset realisation. Ways of working have been challenged and amended to incorporate improved assessment of available formulations and technologies as new briefs and opportunities are reviewed. Bringing R&D to the forefront of sales efforts is also aiding improved speed to market, opening up more 'quick win' opportunities, and underpinning the 'fast follow' initiatives within owned brands.

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 diversifying into the fragrance category, ongoing skincare expertise with new textures and incorporation of trending performance ingredients and continually refining our SPF formulation capabilities.

The SPF development programme continues to make timely progress, although commercialisation has taken longer than originally anticipated. This reflects the rapid evolution of the category, with changing ingredient requirements, advancing technologies and increasing scrutiny of efficacy validation and testing standards. In response, we have committed additional resources to ensure our innovations are both future-proofed and aligned with evolving market expectations, thereby enhancing the long-term value of the opportunity. Importantly, this period has also enabled us to deepen engagement with leading retail stakeholders, raising our profile within the category and showcasing our technical expertise and innovation capabilities. As a result, we have strengthened our market positioning and continue to build a robust platform for future commercial growth.

Additionally, as part of our strategy to diversify product types and categories, sourcing and technical efforts have been during the period on identifying and verifying external third party sources of product to enhance both our Private Label and branded offer. Positive progress has been made resulting in products launching with key customers from Q1 of 2026/27 onwards, supporting strategic retail partnerships and contributing to revenue growth.

Operationally, the R&D team continues to work in conjunction with procurement on 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.

Looking forward, product development remains at the core of the business and its market proposition, leveraging insights, trends, and ideas to develop trusted, on trend, consumer focused products.

MANUFACTURING AND OPERATIONS

Manufacturing and operations functions remain fundamental pillars in delivering Potter & Moore's core values of Quality, Innovation and Service to our customers and stakeholders. 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:

- Implementing a comprehensive digital transformation program to leverage technology and enhance daily operational efficiency – including automated document management, executing a paperless management system on the production floor, and launching a new formulation management system.
- Successfully completed the implementation of the Warehouse Management System (WMS), a strategic investment that has enhanced supply chain efficiency. The system has played a key role in controlling overhead costs, improving operational speed and accuracy, optimising warehouse capacity, and providing a scalable platform to support future growth.
- Ongoing targeted investments in manufacturing plant and machinery to expand both our capabilities, efficiency, and production capacity to support future growth.
- Focusing on workforce skill development through enhanced training programs and progression incentives to build a motivated team for the future.

The relentless focus of our teams on improving manufacturing efficiencies has enabled us to continue to maintain and improve production targets with a single shift. With increasing labour costs keeping a flexible approach to scaling labour as needed via agency management continues to serve the business well. This approach also underpins keeping the labour cost base agile as we move forward with additional system automations, including a new ERP engine and AI solutions to processes.

Procurement savings continue to be a priority, with smart buying aligned to stock 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 and increasing inflation on input materials and labour as we move through 2026.

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 remains mindful that the near-term outlook continues to be shaped by broader macroeconomic and geopolitical uncertainty. Ongoing conflict in the Middle East, alongside wider geopolitical tensions, has contributed to volatility in global energy, freight and commodity markets, increasing supply chain complexity and placing upward pressure on certain raw material, packaging, and component costs. While the timing and extent of these impacts remain uncertain, these pressures are expected to persist through 2026 and potentially into 2027. More broadly, continued pressure on household budgets and cautious retailer inventory management may result in periods of demand volatility across our end markets. In response to the inflationary pressures cost price increases have been notified to the market during April and May 2026, and meaningful conversations are underway with key retail customers.

Against this backdrop, the Group's business model provides a degree of resilience. Our diversified sourcing network, long-standing supplier relationships and operational flexibility enable us to respond effectively to changing market conditions, while our UK-based manufacturing capabilities support supply chain reliability and speed to market. In addition, periods of economic uncertainty often reinforce retailer focus on value, own-label innovation and trusted supply partners, areas in which Potter & Moore has established strong competitive positioning and a proven track record.

Looking ahead, our strategic priorities are centred on continued Private Label category diversification, leveraging our R&D capabilities, and developing 'fast-follow' brand opportunities. We are also expanding our product offering through third-party sourcing and progressing targeted international market expansion, which together underpin our medium-term growth ambitions.

We further believe that the increasing emphasis on supply chain resilience, product quality and regulatory compliance will continue to favour well-invested, established operators. Our sustained focus on innovation, service excellence, regulatory standards, and disciplined capital allocation positions the Group to strengthen existing customer relationships and secure new opportunities with both domestic and international retail partners.

More broadly, the Group remains well positioned to benefit from the structural growth drivers underpinning the beauty and wellness sectors. By leveraging our market-leading Private Label capability and deep category expertise, alongside targeted branded and wellness-led opportunities, we are able to serve demand across value, mass, and masstige segments. This diversified approach creates multiple avenues for growth while reducing reliance on any single channel, customer, or category.

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

- Presently our reduction targets are aligned with the SBTi model. The board will review using SBTi validated reduction targets in the current financial year. Please see further detail outlined in the CFD report of the full accounts.
- Scope 1 and 2 emissions will reduce by 42% and Scope 3 emissions by 25% by 2030. For FY25/26 we have seen a decrease in scope 1 and 2 emissions of 26.9% year on year and 52% from our base year.
- We have just completed the 12th year of holding the RSPO supply chain accreditation.
- Now sourcing 99.9% of our palm derivatives from RSPO sustainable sources.
- For FY25/26 the amount of recycled plastic in our packaging has increased to 276.1 tonnes, 27.3% of to the total amount of plastic bought, an increase of 4.1%.
- We completed the climate change forests modules for the Carbon Disclosure Project (CDP) in the 2025 disclosure cycle, maintaining a B in climate change and scoring a C in forests. Please see further detail outlined in the CFD report of the full accounts.

SUMMARY

Overall, the Group remains profitable, cash-generative and well capitalised, with a resilient operating platform and clear strategic momentum. Despite continued market headwinds, Potter & Moore delivered meaningful progress against its priorities, underpinned by margin discipline, operational agility and a diversified revenue model that supports both stability and future growth.

Looking ahead, manufacturing agility, sourcing capability and innovation will remain critical to meeting consumer demand for newness, performance and value. The Group's multi-channel approach, combined with continued expansion of its multi-category offer, provides flexibility across economic conditions and creates a stronger platform for sustainable revenue growth, margin resilience and improved returns over time.

The Board remains confident in the Group's direction. With a clear strategy, a strengthened growth platform and a team that has demonstrated its ability to deliver in challenging conditions, Potter & Moore is well placed to convert its pipeline of opportunities into sustainable, profitable growth and long-term shareholder value.

Our strategic priorities and future ambitions are subject to ongoing review to ensure they remain relevant, achievable, and aligned to evolving market conditions. This disciplined approach, supported by regular engagement with the Board and senior leadership team, ensures consistency of execution and focus on long-term value creation.

I would like to thank all colleagues across the Group for their hard work, commitment, and professionalism throughout the year. Operating conditions have remained challenging, and our performance reflects their resilience, expertise and focus on delivering for our customers.

I would also like to thank the Board for its continued guidance and support, and our customers, suppliers, shareholders and wider stakeholders for their continued confidence in Potter & Moore. These relationships remain central to our success, strengthening the platform from which we can continue to execute our strategy, pursue disciplined growth and build long-term value.

Philippa Clark
Chief Executive Officer

10 July 2026

CHIEF FINANCIAL OFFICERS' REVIEW

The results demonstrate the Group's continued commitment to building sustainable organic revenue growth.

QADEER MOHAMMED
Chief Financial Officer

Overview of Financial performance

Despite a challenging economic backdrop, with continued uncertainty in the UK macroeconomic environment dampening consumer confidence, revenue remained under pressure. Trading during the year was also impacted by disruption at a small number of key customers, as they addressed internal operational issues and market-specific challenges.

Against this backdrop, the Group continued to make good strategic progress, securing a number of important new business wins within both Private Label and Brand. The Private Label part of the business continues to go from strength to strength, supported by the Group's product capabilities, service levels and long-standing customer relationships. These new wins helped to offset the impact of the disruption noted above and provide a strong platform for continued growth in the year ahead.

The results demonstrate the Group's continued commitment to building sustainable organic revenue growth. This includes investment in additional front-end resource to strengthen the Group's commercial capabilities, support organic sales growth and ensure the organisation remains responsive in a fast-moving market. Total spend was approximately £0.4m, with indirect labour headcount increasing by 10 as part of this investment. Although these actions will take time to translate fully into financial performance, encouraging signs are emerging, with branded revenue showing improved momentum through the Fast Follow initiatives and a modest improvement during this trading period compared with the sharper decline experienced in the prior period.

The Group continued to execute its strategy to improve operational gearing and mitigate the impact of increased employment-related costs, including higher taxation, National Insurance Contributions and National Living Wage rates arising from recent government policy changes. These changes also had a knock-on effect on pay differentials across the workforce, the annualised impact of which was approximately £0.9m across both direct and indirect labour. To help offset these pressures, the Group delivered targeted cost-saving initiatives which reduced costs by approximately £0.4m to combat the annual increase in labour costs. In addition, capital investment in automation, together with the implementation of live production data systems, generated manufacturing efficiencies and enabled a reduction of 10 direct labour roles. This resulted in direct labour cost savings of approximately £0.3m and contributed to an improvement in gross profit margins.

Creightons, as it was then known prior to its change of name to PAM PLC in April 2026, transitioned from the Main Market to AIM on 31 March 2025. The Directors considered AIM to be a more appropriate market for the Company's size and structure, providing a regulatory framework better aligned with the Group's current stage of development. The move is expected to deliver ongoing efficiencies, including reduced compliance costs, as well as potential tax benefits for some investors. In the previous year, the transition generated savings of approximately £0.1m through lower recurring compliance costs; however, these were partially offset by one-off costs incurred as part of the move to AIM, which are not expected to recur in future periods. In the current year, the Group is expected to benefit from a further £0.1m of savings arising from the change of auditors.

The Group has maintained its disciplined approach to cost management, ensuring that the operating cost base remains aligned with levels of activity across the business. This continued focus has supported further efficiencies across direct and indirect labour, administrative functions, and warehousing and distribution, helping to protect margins while preserving the flexibility required to support future growth.

Revenue

Overall Group sales were £53.8m for the year ended March 2026 (2025: £54.1m) representing a decrease of £0.3m. Further detail on revenue performance, including movements across the Group's key revenue streams, is set out in the Chief Executive's Statement.

The sales generated by each revenue stream are;

	2026 £000's	2025 £000's	Movement
Branded products (Own Brands)	18,306	18,176	Increase of 0.7%
Private label	31,766	29,154	Increase of 9.0%
Contract manufacturing	3,769	6,720	Decrease of 43.9%
Other	8	16	Decrease of 50.0%
Total	**53,849**	**54,066**	**Decrease of 0.4%**

Going forward, the Group will report and manage its activities across two core revenue streams: Private Label and Own Brand. The previous Contract revenue stream will be incorporated within Private Label, reflecting the fact that this type of business is no longer considered a strategic priority for the business. While the Group will continue to consider profitable contract opportunities where they align with existing capabilities and capacity, it does not intend to actively pursue this area as a separate growth strategy. This simplified structure provides a clearer and more streamlined operating model, allowing the Group to focus resources, commercial activity and management attention on the areas with the greatest strategic relevance and long-term growth potential: Private Label and Own Brand sales.

Gross profit margin

Over recent years, the industry has continued to operate against a backdrop of sustained inflationary pressure across raw materials, packaging, energy, freight and labour. These pressures have been further compounded by recent government policy changes, including increases to the National Living Wage and employer National Insurance Contributions, which have placed additional pressure on direct labour costs in FY2026.

In response, the Group has continued to strengthen its systems and processes for monitoring cost price inflation across all categories of supply. This disciplined approach has enabled the business to take targeted and timely action to protect margins, including product re-engineering, reformulation, selective pricing adjustments and SKU rationalisation. These measures have helped to streamline the product portfolio, improve operational efficiency and focus resources on higher-margin opportunities, while maintaining the Group's commitment to quality, service, innovation and customer relationships.

The Group has maintained its commitment to improving manufacturing efficiencies, supporting the effective management of cost of sales. Key initiatives included the digital production upgrade, which provides real-time performance monitoring to enhance shopfloor productivity, targeted capital investment to improve manufacturing processes, and the initial implementation of a paperless production system. Together, these initiatives delivered operational efficiencies which enabled a reduction of 10 direct labour roles, resulting in direct labour cost savings of approximately £0.3m. These ongoing initiatives are helping to enhance productivity, strengthen operational resilience and ensure the business remains scalable.

Gross profit margin increased by 20 bps to 44.9% from 44.7% in FY2025. The increase in gross margin in FY2026 to 44.9%, compared with 42.9% in FY2024, represents a further step forward and highlights the effectiveness of the Group's cost focused and operational improvement initiatives. This trend provides a strong platform for future performance as the Group continues to focus on scalable growth, efficiency and sustainable margin improvement.

Gross profit margin %

Overhead costs

The continued focus on disciplined cost management has supported further efficiencies across administrative functions and warehousing and distribution, helping to protect operating margins while preserving the flexibility required to support the business and future growth.

Distribution costs have increased marginally by £0.1m to £2.9m (2025: £2.8m) reflecting the net impact of inflationary pressures across the cost base and the benefit of the operational savings delivered through the Group's ongoing efficiency initiatives. The increase largely reflected inflationary pressure on indirect labour and higher outbound freight costs. This was consistent with wider market conditions, with the logistics sector continuing to experience elevated costs across labour, fuel and carrier networks.

The impact of inflation has, however, been partially mitigated by the implementation of the Group's Warehouse Management System (WMS) in June 2025. This key system and process led investment has begun to drive efficiencies, including improved pick efficiency, enhanced pick accuracy, more transparent space management and better inventory control. Following implementation, the associated labour efficiencies were phased in during the remainder of the year and resulted in a reduction of 2 warehouse roles by the year end. As this reduction was delivered progressively after the WMS went live, the benefit is not fully reflected in the statutory average employee numbers for the year. The full-year benefit of these savings is expected to be realised in the next financial year. The Group will continue to focus on improving warehouse productivity, optimising freight and carrier arrangements, and maintaining strong cost discipline, while ensuring that service levels to customers remain robust.

Administrative expenses rose by £0.7m to £18.6m (2025: £17.9m), primarily reflecting inflationary pressure across the Group's indirect labour base, together with the impact of higher Employer National Insurance Contributions arising from recent government policy changes. The combined impact of these labour-related increases amounted to approximately £0.6m. The increase in admin costs also reflects targeted investment in people to support the Group's organic growth strategy. This investment has been focused on strengthening the front end of the business, including commercial, customer-facing and R&D functions, in addition to sales and key account management resource. These roles are intended to enhance the Group's ability to develop customer relationships, support growth, identify new opportunities and ensure the business remains agile in a fast-moving market. The total investment in additional capability amounted to approximately £0.4m during the year. To help offset these cost pressures, the Group deployed a range of cost-saving initiatives across the overhead base. These initiatives to date have delivered approximately £0.3m of indirect cost benefit during the year. Additionally, the change of auditors has resulted in further savings of £0.1m.

Operating profit and EBITDA

Operating profit decreased by £0.8m to £2.7m (2025: £3.5m), principally reflecting the increase in administrative costs outlined above.

Despite the cost pressures, the Group remained profitable and cash generative. EBITDA for the year was £4.2m (2025: £5.1m), lower than the prior year, but continued to demonstrate the resilience of the business model and the Group's ability to generate operating cash flow while investing in the capabilities required to support future growth. Please see page 19 for how EBITDA is calculated. The resulting impact led to a decrease in profit before tax of 19.3% to £2.8m (2025: £3.5m).

Tax

The Group's effective tax rate for the period was 25.9% (2025: 29.9%). 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.

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 £2.1m for the year ended 31 March 2026 (2025: £2.5m).

Earnings per share

The diluted earnings per share decreased to 3.04p (2025: 3.29p). Share options that were out of the money have been excluded from the diluted earnings per share calculation for the current year as their inclusion would be anti-dilutive in accordance with IAS 33.

Research and development

The Group undertakes significant research and development activities (R&D) to identify and deliver new product formats, improved formulations to existing products and compliance with increasing regulatory demands. The spend in the year on qualifying research and development for corporation tax relief, including amounts that have been capitalised was £0.9m (2025: £0.6m).

The Group's principal focus in R&D is maintenance and development of brands and products in its existing markets and product ranges. As market and consumer demands continue to increase the Group now develops ranges which involve greater innovative development and claims substantiation which has changed the nature of our research and development activities over recent years. One impact of this industry step change 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 £3.2m (2025: £3.0m). Although the Group remained profitable during the year, year-end cash balances did not increase at the same rate as earnings, primarily due to the timing of working capital movements. In particular, strong sales activity towards the end of the financial year, including a number of large sales in March, resulted in an increase in trade debtors at the balance sheet date. These amounts were not yet due for collection at year end and are expected to convert into cash in the normal course of business after the reporting date.

Inventory

Inventory on hand decreased by £0.1m to £8.8m (2025: £8.9m) during the year to March 2026 reflecting the Group's controlled approach to stock management and focus on aligning inventory with customer demand and production requirements. The Group will continue to monitor inventory levels closely, and improve stock turn, reducing slow-moving lines, managing out redundant lines quickly and ensuring that stockholding remains appropriate for the scale and mix of the business.

Return on Capital Employed (ROCE)

ROCE decreased by 350 bps from 12.9% to 9.4% (see page 19) primarily as a result of the reduction in operating profit. The Group remains committed to improving returns over the medium term through cost control, margin enhancement and more efficient use of capital. Importantly, the investments made during the year are expected to strengthen the Group's commercial capability, support future revenue growth and improve operating leverage as volumes increase.

Net gearing

The Group has continued to reduce its debt exposure with net gearing of negative 4% (2025: negative 1.7%). Net cash on hand has increased by £0.2m to positive £3.2m (2025: £3.0m). Please refer to the section on Key Performance Indicators on page 18 where they are defined.

Dividend

The Directors propose a final dividend for the year ended 31 March 2026 of 0.55 pence per ordinary share (2025: 0.50 pence per ordinary 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 Board's objective to align future dividend payments to future underlying earnings and cash requirements of the business. The total dividend paid in the year ended 31 March 2026 was £0.3m (2025: £0.3m).

Qadeer Mohammed
Chief Financial Officer

10 July 2026

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 3-4.

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

The original business was established as Creightons Ltd in 1953 to manufacture and supply 'Fine English Toiletries'.

Its initial focus was contract manufacturing for other branded businesses. This developed significantly from 1976 onwards with the launch of The Body Shop, when Creightons became one of the early suppliers to the retailer. 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.

As part of its strategy to broaden its retail customer base, the Company acquired the Peterborough-based Potter and Moore Innovations business in 2003, an established Private Label manufacturing and distribution business with a strong retail customer base. Two further site developments followed: the disposal of Creightons' original site in Storrington, West Sussex in 2005, and the acquisition of the business and assets of the Broad Oak Toiletries site in Tiverton, Devon in early 2016. The Tiverton acquisition further extended the Group's product and customer reach, while adding manufacturing capacity and capability.

From 2010 onwards, the Group began developing its own in-house brand capabilities, initially under the Creightons name and primarily entering the UK market through the discount sector. This continued to grow alongside the Private Label business for a number of years before the Group progressed a series of brand acquisitions. These began with the Balance Active Formula brand in June 2019 and were followed by the acquisitions of Emma Hardie Ltd and Brodie & Stone Ltd during the year ended March 2022.

On 31 March 2025, the Company, now renamed Potter & Moore PLC, delisted from the Main Market and transferred to AIM.

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 manufactured conform to EU regulation No. EU 1223:2009 and the equivalent UK regulations, which applies to toiletries and cosmetic products. Both manufacturing sites hold appropriate accreditations to conform to this regulation.

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. 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. As mentioned in the Chief Financial Officers' review, this revenue stream will be incorporated within the Private Label revenue stream reflecting the fact that contract manufacturing is no longer considered a standalone strategic priority for the business.

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.

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. Moving forward contract manufacturing will not be structured separately due to the deprioritisation of this business stream. The Company will focus efforts on Private Label and own brand, where longer term customer relationships and value can be created.

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.

Significant resources in developing new products ensures 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 3 to 4 and the Chief Executive statement on pages 6 to 11 for the Group's primary focus on strategy, objectives and future developments.

KEY PERFORMANCE INDICATORS

Management and monitoring of performance

The Directors are mindful that although Potter & Moore 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.

During the year, the Board placed increased emphasis on environmental, social and governance considerations as part of its strategic decision-making and performance framework. Environmental and operational KPIs were enhanced to support efficiency improvements and emissions reduction initiatives, while a continued focus on ethical governance and responsible supply chain management reinforced the Group's commitment to high standards of business conduct.

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.

SALES
£53.8m

2025: £54.1m

Revenue shows the performance of the business.

GROSS MARGIN
44.9%

2025: 44.7%

Gross margin % (revenue less cost of goods sold, over revenue) indicates production and purchasing efficiencies.

PROFIT AFTER TAX FOR THE YEAR
£2.1m

2025: £2.5m

Profit for the year shows the return to shareholders.

OPERATING PROFIT
£2.7m

2025: £3.5

Operating profit before exceptional items (gross profit less operating expenses) shows profit earned from the normal business operations.

OPERATING MARGIN
5.0%

2025: 6.5%

Operating profit margin represents the profit generated from normal trading activities as a percentage of revenue, after operating costs but before exceptional items.

EBITDA
£4.2m

2025: £5.1m

EBITDA (Earnings before Interest, Tax, Depreciation & Amortisation) provides a reflection of the operating profitability of the business.

RETURN ON CAPITAL EMPLOYED
9.4%

2025: 12.9%

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 (INCLUDING LEASE LIABILITIES)
(4.0%)

2025: (1.7%)

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
£3.2m

2025: £3.0m

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
£8.8m

2025: £8.9m

Inventorying levels shows the working capital currently invested in inventory. High levels indicate lock up of working capital.

* Refer to the page 1 for KPI highlights

EBITDA

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

	2026 £000	2025 £000
Operating Profit	2,692	3,531
Depreciation	1,203	1,401
Amortisation	350	183
Exceptional items – Impairment	-	-
EBITDA	4,245	5,115

NET GEARING

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

	2026 £000	2025 £000
Total Lease liabilities	675	1,152
Total Borrowings	1,908	2,100
Less cash on hand	3,630	3,659
Total net borrowings	(1,047)	(407)
Net equity attributable to the equity shareholders of the parent Company	25,928	24,223
Net gearing %	(4.0%)	(1.7%)

RETURN ON CAPITAL EMPLOYED

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

	2026 £000	2025 £000
Operating Profit before exceptional items	2,692	3,531
Net Equity	25,928	24,223
Total Lease liabilities	675	1,152
Total Borrowings	1,908	2,100
Return on Capital Employed	9.4%	12.9%

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 1.

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 and term loan 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 2026 the invoicing financing is in a surplus position of £11,000 (2025: £8,000) as the facility is not being utilised. The operations have generated sufficient cash to improve its liquidity. At 31 March 2026 the Group has not utilised its overdraft facility (2025: £Nil). 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 3.75% (2025:4.5%) 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.

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.

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, in accordance 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 Directors regularly engage with institutional shareholders, particularly following the announcement of the full-year and half-year results, to ensure that their expectations are fully understood by the Board. The shareholders are further informed through regulatory announcements, website disclosures and the annual report and accounts. 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 serve a broad range of customers, from premium department stores to value-focused discounters, benefiting from strong retailer demand for innovative, ingredient-led products at competitive price points, while our owned brands operate as a separate revenue stream with their own distinct customer base. Through the combined expertise of the Group's commercial and technical teams, we aim to provide a product offering suited to the needs of our customers. The Group works collaboratively with customers to ensure fair trading arrangements are in place and to identify shared opportunities for sales growth, supporting mutual growth in revenues and profitability. The Group also recognises the growing importance of effective engagement with end consumers who purchase through a range of digital channels, achieved through targeted digital marketing, data-led insights, strong social media presence, and seamless e-commerce experiences.

Employees

The Directors recognise the essential role that employees play in the success of the Group and are committed to strengthening workforce engagement through regular briefings, direct communications via text messages and ongoing dialogue with employee representatives through works councils. The Group fosters an open and inclusive culture where employees are encouraged and supported to develop and progress within the business.

Suppliers

Raw material and component prices constitute the significant proportion of the cost of goods sold 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 further detailed in the Streamlined Energy and Carbon Reporting disclosures on pages 25 to 30.

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 & Committee structure • Appointment of Chief Financial Officer • Re-establishment of the Nomination Committee	During the year, the Board approved changes to its composition and committee structure, including the appointment of a Chief Financial Officer and the re-establishment of the Nomination Committee. These changes enhance the breadth of skills and experience within the Board and strengthened governance arrangements. They also support effective succession planning, ensuring leadership continuity and long-term value creation for the benefit of all stakeholders.
Refinement of strategy	During the year, the Board refined the Company's strategy with a clear focus on long-term sustainable success. Strategic development was a prominent agenda item throughout the annual cycle, including a dedicated strategy day where the Board reviewed and challenged management's proposals and later approved a forward-looking five-year strategy plan. In developing and refining the strategy, the Board considered the long-term implications of its decisions and the interests of key stakeholders, to ensure the strategy supports sustainable growth and value creation over the long term. For more information on the Company's strategy, please refer to the Chairman's and CEO's statements.
Greater focus on non-financial KPIs as part of strategy	During the year, the Board placed increased emphasis on environmental, social and governance considerations as part of its strategic decision-making and performance framework. Environmental and operational KPIs were enhanced to support efficiency improvements and emissions reduction initiatives, while a continued focus on ethical governance and responsible supply chain management reinforced the Group's commitment to high standards of business conduct. Employee awareness of sustainability considerations was supported by oversight from the ESG Committee. Together, these actions demonstrate the Board's commitment to integrating non-financial considerations into the long-term strategy, promoting sustainable value creation and delivering positive outcomes for stakeholders.
Risk Register	The Company has developed its risk register which is reviewed by the Audit and Risk Committee and the Board on a regular basis, to ensure it has been updated with current risks, new risks and to ensure that appropriate controls have been put in place. The Group has continued to invest in new software and resources to minimise the risk of anyone accessing its 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. Annual penetration tests are carried out by a third party with any vulnerabilities highlighted and resolved.
Dividend policy	The Group agreed a prudent final dividend payment for the year ended 31 March 2026. This is consistent with the Directors' objective to align future dividend payments to the underlying earnings and cash requirements of the business and the need to be prudent about utilisation of cash resources.
Renewal of Bank Facilities	The Group renewed its bank facilities during the year. This provided appropriate levels of funding and financial flexibility to support ongoing operations and future growth, ensuring the Group remains well positioned to meet its obligations and continue to operate for the benefit of all stakeholders.
IT Investment and Digital Transformation	As part of its commitment to long-term operational efficiency, resilience and stakeholder value, the Group made further improvements to its IT infrastructure. The Director of Business Systems and Improvement was supported by a dedicated team to drive the strategic use of technology, including artificial intelligence, and to further enhance the Group's cyber security framework. Key initiatives delivered during the year included the successful implementation of a new Warehouse Management System, the roll-out of a paperless production reporting system, across the Peterborough and Tiverton sites, and implementation of an online artwork management software. These investments demonstrate the Board's ongoing focus on continuous improvement, operational effectiveness and the sustainable delivery of value to all stakeholders.
Renewal of Tiverton site lease	During the year, the Board approved the renewal of the Tiverton site lease, recognising the importance of the site to the Group's operations and long-term capacity plans. In reaching its decision, the Board considered the financial commitments and level of flexibility provided by the revised terms, the continued employment of colleagues based at the site, and the requirement to maintain service levels for customers. The Board also took into account the impact on local suppliers and the wider community and considered environmental and compliance factors associated with the ongoing operation of the premises. The renewal supports business continuity and the delivery of the Group's strategy.

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

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 CFD 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 2026 and 31 March 2025.

	Group 2026		Company 2026	
	Female	Male	Female	Male
Directors, including Non-Executive Directors	2	7	2	7
Senior Managers	2	3	-	-
Other employees	222	147	-	-

	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	-	-

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.

CLIMATE RELATED FINANCIAL DISCLOSURE (CFD)

YEAR ENDING 31ST MARCH 2026

Potter & Moore 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.

Potter & Moore PLC's Climate-related Financial Disclosures (CFD) is a sustainability information statement: setting out risks and opportunities that Potter & Moore PLC is exposed to as a result of climate change. Pages 25 to 30 covers the work completed to ensure consistency with the CFD recommendations and sets out the activities that have taken place at Potter & Moore PLC during the financial year ending 31st March 2026.

Board Oversight of Climate Related Risks and Opportunities

The Board is responsible for providing strategic guidance in respect of Potter & Moore 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 CFD 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 26

- CROs identified by the CFD Working Group were reviewed and the risks were built into the Company risk register.
- In the 2025 Carbon Disclosure Project (CDP) disclosure cycle, Potter & Moore PLC retained its B score 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. We also completed the forests module, gaining a C score. Achieving a C indicates the organisation is aware of how its business operations impact the environment and climate change but has not yet taken significant action to reduce or manage those impacts. Our ability to progress this is limited by the supply chain due to the complexity of oleo chemical manufacture.
- All of the electricity purchased in this financial year is certified under the Renewable Energy Guarantees of Origin (REGO) scheme.
- Both sites remain accredited to ISO 14001:2015 - Environmental management systems accreditation.
- Continue to support customers with transparent information when answering their queries in relation to ESG topics.

Focus Financial year ending 31st March 27

- Presently our reduction targets were generated using SBTi tools. The ESG committee will review and recommend whether to use SBTi to validate the reduction targets.
- Continue with the CDP climate and forests module in the 2026 disclosure cycle.
  - Review the availability of information relating to water related climate issues in the supply chain.
- Continually review CROs where required.
- Maintain transparency with customers on climate related matters by continuing to complete their questionnaires and answer their queries.

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

Potter & Moore 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 2028), medium (2032) and long-term (post 2032 - 2050) time horizons.

Consideration was given to the likelihood (time horizon) of the risk impacting Potter & Moore 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 climate risks and their primary financial impacts are in the table below and remain unchanged from the previous financial year.

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 opportunities and 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	4	3	Medium-term	12
Resource efficiency	Develop a more energy efficient building	Reduced indirect (operating) costs	4	3	Medium-term	12

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 aligned 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.
- Potter & Moore 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.
- We have expanded our supply base for materials derived from cocoa and shea, where there have been shortages and price increase due to poor crops caused by adverse weather conditions. The use of these materials in new projects is risk assessed.
- 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.
- Continue to develop a carbon management strategy aligned with the CFD recommendations and evaluating setting science-based emission aligned reduction targets.
- We continue to utilise and support the CDP, which helps us quantify our climate related risks.
- The number of customer requests on climate related information continues to increase, for example Ecovardis. 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)

Potter & Moore 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.
- Annual review of the business continuity plan in relation to climate related issues.

Medium Term

- 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.
- Understand suppliers' preparedness for future wind, drought, heat stress, flooding, and sea level rise risks.
- 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.
- Develop a more energy efficient building.
- The purchase of certified renewable electricity through the REGO scheme.

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 and packaging technologists are researching 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, based around the Company risk register. 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 wherever possible, are integrated into the financial planning, purchasing 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 continues to work extremely hard to respond to all customer requests for information regarding climate change and climate related issues. Expertise within the 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 continue to build a database which will track all of our Green House Gas (GHG) data, which will also include supplier data where available.
- RSPO palm oil. Potter & Moore 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 2026 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.
- During the financial year ending 31st March 2026, we used 276.1 tonnes of total PCR plastic out of a total of 1009.6 tonnes – 27.3%. Whereas during the financial year ending 31st March 2025, we used 255.8 tonnes of total PCR plastic out of a total of 1100.4 tonnes – 23.2%, an increase in actual PCR of 4.1%.
- 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.

The EarthScan review identified the main physical risk to be 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 continue to experience larger extremes of temperature at both factories resulting in intense cold snaps in the winter months and higher temperatures in the summer months.

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 aligned emissions reduction targets. Currently we have committed 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.

Scope 1 emissions from natural gas have increased marginally from 521.7 tonnes CO2e (FY25) to 554.4 tonnes CO2e in FY26. Weather variability in the previous year has led to an increase in the amount of natural gas used across the group.

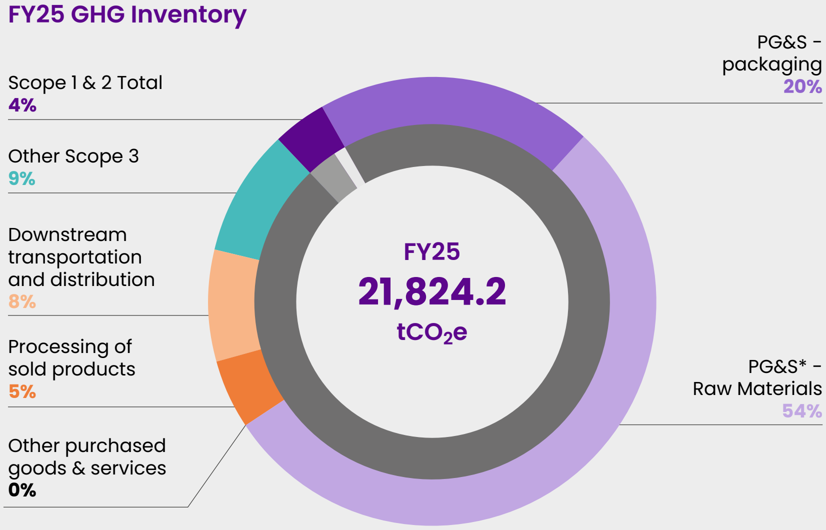
Whereas the move to REGO certified electricity and an overall reduction in electricity usage of 5.3% across all sites has enabled a reduction in scope 2 (MB) GHG emissions to zero.

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 2025. 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. 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.

Total emissions in FY25 totalled 21,824.2 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 CO_2e.

Scope 3 emissions total 20,995.8 tCO2e, accounting for 96.2%. The most impactful areas of Potter & Moore PLC's value chain are, purchased goods and services, accounting for 16,286.0 tCO_2e and services including emissions from packaging and raw materials, and the downstream transportation and distribution of finished products accounting for 1685.0 tCO_2e. These key areas account for almost 85% of the scope 3 inventory total.

FY25 GHG Inventory



*PG&S - Purchased Goods and Services

		Emissions (tCO_2e)			
Scope	**Category**	**FY25**	**FY24**	**FY23**	**FY22**
Scope 1	Natural gas	521.7	498.8	534.2	629.0
	Gas Oil	0.8	0.3	1.0	-
	HFCs	-	4.1	12.3	12.5
	Company Vehicles	0.2	0.3	0.2	-
Scope 2	Electricity (LB)	305.8	334.9	361.6	435.1
Scope 1 & 2 Total		828.5	838.4	909.3	1,076.6
Scope 3	Purchased goods and services	16,286.0	18,048.9	15,040.1	35,225.8
	Raw Materials	11,746.5	12,157.8	10,947.9	30,235.8
	Packaging	4,399.8	5,749.5	3,966.0	4,861.7
	Other Purchased Goods and Services	139.7	141.6	126.2	128.3
	Downstream transportation and distribution	1,684.9	1,529.5	1,745.0	1,651.9
	Customer Retailing	1,190.1	1,213.0	1,293.6	1,274.9
	Client Distribution	494.8	316.5	451.4	377.0
	Third party upstream transportation	1,028.8	889.0	638.2	1,010.9
	Capital goods	166.7	75.3	215.0	321.3
	Employee commuting	263.3	288.1	334.1	310.7
	End of life treatment of sold products	140.0	185.2	54.8	67.6
	Processing of sold products	1,046.2	1,007.7	857.5	342.1
	Fuel- & energy-related activities	187.1	192.2	218.8	152.1
	Waste generated in operations	158.2	213.0	155.9	111.7
	Business Travel	34.5	28.4	37.0	11.5
Scope 3 Total		20,995.8	22,457.3	19,296.4	39,205.5
Total GHG Emissions		21,824.2	23,295.6	20,205.7	40,282.2

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, using data taken from the Company's internal accounting systems and high-level environmentally extended input output ("EEIO") factors to estimate associated GHG emissions from financial spend information. In the FY 24/25 Potter & Moore 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

Potter & Moore 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	FYE2026	FYE2025	FYE2024	FYE2023	FYE2022
Reduction of scope 1 and 2 emissions	Reduce tonne CO_2e scope 1 and 2 emissions by 42% by 2030 from 2022 base year	568.6 (52% reduction vs FYE2022)	744.9	838.4	909.4	1,076.6
Reduction of Scope 3 emissions	Reduce tonne CO_2e scope 3 emissions by 25% by 2030 from the 2022 base year	*Calculated a year in lieu*	20,995.8 (46.4% reduction vs FYE2022)	22,457.2	19,296.3	39,205.6
Renewable electricity	100% renewably sourced by 2025	100%	51%	0%	0%	0%
Use of RSPO palm	>99% from RSPO sustainable sources by 2025	99.9%	99.9%	99.9%	99.9%	99.6%
Recycled plastic content	30% recycled plastic (tonne) by FY2030/31	27.2%	23.2%	19.5%	14.2%	9.8%

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. 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 10 July 2026 and signed on its behalf by:

Philippa B E Clark
Chief Executive Officer

GOVERNANCE REPORT

IN THIS SECTION

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 2026.

The Corporate Governance statement set out on pages 42 to 45 forms part of this report.

The Strategic Report on pages 3 to 30 provides a fair review of the Group's business for the year ended 31 March 2026 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 37 covers Disabled Persons practice.

The Strategic Report on page 30 covers the Going concern policy.

Dividends

The Directors propose a final dividend for the year ended 31 March 2026 of 0.55 pence per ordinary share (2025: 0.50 pence per ordinary share). The total dividend paid in the year ended 31 March 2026 was £0.34m (2025: £0.31m).

Annual UK energy consumption and Greenhouse Gas emissions

The Companies Act 2006 (Strategic Report and Directors' Report) Regulation 2018 requires Potter & Moore 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 2026.

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, fugitive emissions from air conditioning units 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.

Energy (kWh)	FY26	FY25	% change
Natural gas	3,023,409	2,852,242	6.0%
Other fuels	5,002	3,154	58.6%
Company Vehicles	–	946	-100.0%
Electricity	1,398,829	1,476,720	-5.3%
Business travel	58,420	131,772	-55.7%
Total energy	**4,485,660**	**4,464,834**	**0.5%**
Emissions (tCO_2e)			
Scope 1 – Natural gas	554.4	521.7	6.0%
Scope 1 – Other fuels	1.2	0.8	62.0%
Scope 1 – Refrigerant gases	–	–	–
Scope 1 – Company Vehicles	–	0.2	-100.0%
Scope 2 (LB)* – Electricity	247.6	305.8	-19.0%
Scope 2 (MB) – Electricity	–	222.3	-100.0%
Scope 3 – Business travel	14.2	33.1	-57.1%
Total SECR emissions (MB)	**569.8**	**778.1**	**-26.9%**
Emission intensity ratio (MB)			
Intensity metric (costs of sales)	30.03	29.88	0.5%
Emissions intensity (MB) (tCO_2e / cost of sales)	**18.9**	**26.0**	**-27.3%**
Emission intensity ratio (LB)*			
Total SECR Emissions (LB)*	**817.4**	**828.4**	**-1.3%**
LB Emissions intensity (tCO_2e / cost of sales)*	**27.2**	**28.8**	**-4.5%**

* included for comparison

Potter & Moore 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 schedules have been optimised to maximise line efficiency and minimise unnecessary energy consumption.
- Compressors are maintained to operate at peak efficiency, supported by regular air leak inspections to prevent wastage.
- Timer-controlled systems continue to be used to ensure the efficient operation of warm rooms.
- Lagging is maintained on chiller and steam pipework to reduce heat loss and overall energy demand.
- All external lighting remains under timer and photocell control to avoid unnecessary usage.
- Space heaters are programmed to switch off during unoccupied periods, with regular reviews of ambient temperature settings to ensure optimal programming.
- Dedicated energy monitoring systems are in place to track consumption across high-usage machinery.
- An ongoing staff education programme promotes energy-saving behaviours and best practice across the business.
- From 1st October 2024, electricity suppliers have moved to a REGO-backed 100% renewable electricity tariff.

Methodology

Activity data have been converted into equivalent energy and GHG emissions using factors published by the UK Government in 2025. Electricity and natural gas disclosures have been calculated based on metered kWh consumption taken from supplier fiscal invoices. 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 only.

Refrigerant gas emissions were calculated using data taken from HVAC servicing records in FY26 and no leaks were reported. Fuel consumption for the sprinkler pumps is based on litres of diesel purchased during the reporting period. Grey fleet has been calculated been based on mileage; however, the fuel and type of vehicle was unknown therefore an average factor has been used.

Capital structure

The issued share capital is detailed in note 25. Potter & Moore 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 QCA 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 40 to 45. 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 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.

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:

Philippa B E Clark (Chief Executive Officer)

Qadeer Mohammed (Chief Financial Officer) – appointed 01 May 2025

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 (Non-Executive Director)

Jemima C Bird (Non-Executive Director)

BOARD OF DIRECTORS

Paul Forster
NON-EXECUTIVE CHAIR

Date of appointment: 11 February 2015

Paul was appointed Non-Executive Chair of the Board Director in March 2024. He was previously made a Non-Executive Director in April 2021 after retiring from his full-time Executive role as Group Finance & Commercial Director. Paul has been with the Potter & Moore Innovations business (the Group's principal trading 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.

Philippa Clark
CHIEF EXECUTIVE OFFICER

Date of appointment: 11 February 2015

Pippa was appointed as Group Managing Director in March 2024 and then Chief Executive Officer in January 2025. She has worked within the industry for 25+ 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 Potter and Moore 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.

Qadeer Mohammed
CHIEF FINANCIAL OFFICER

Date of appointment: 1 May 2025

Qadeer joined Potter and Moore in October 2022 as Director of Finance and was appointed as Chief Financial Officer in May 2025. He previously served as Finance Director at a private manufacturing business for more than 2 years, prior to which he spent 6 years in practice at MHA MacIntyre Hudson. He qualified as a Chartered Accountant in 2017 and holds a BA Hons degree (2:1) in Finance, Accounting and Management from the University of Nottingham.

Martin Stevens
DEPUTY GROUP MANAGING DIRECTOR

Date of appointment: 11 February 2015

Martin 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 R&D, Quality Assurance, Production and Procurement. Martin has been Technical Director at Potter & Moore Innovations Ltd (the Group's principal trading business) and Potter and Moore PLC for the past 26 years. He was appointed Group Managing Director of Manufacturing in 2022 including responsibility for climate-related risks and opportunities.

Nicholas O'Shea
NON-EXECUTIVE DIRECTOR

Date of appointment: 17 May 2001

Nicholas was the Company Secretary and has been a Director since 2001. A Maths and 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 accountant, and is currently Finance Director with several privately owned SMEs as well as an investment management company in the City.

William Glencross
NON-EXECUTIVE DIRECTOR

Date of appointment: 1 July 2005

William has had many years sales, marketing and general management experience in the cosmetics and toiletries industry. This experience also extends across both branded and Private Label sectors, having been Sales & Marketing Director and then Managing Director of Potter & Moore (the Group's principal trading business), 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 as an Executive Director in 2005, transitioning to a Non-Executive Director upon his retirement as an Executive Director in 2006.

Brian Geary
NON-EXECUTIVE DIRECTOR

Date of appointment: 7 March 2024

Brian was appointed as a Non-Executive Director in 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. He is also the Managing Director and Chair of Antrim Hills Spring Water, a branded and contract manufacturing business in soft drinks and sports nutrition.

Paul Watts
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of appointment: 29 January 2025

Paul 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 previously served as a Director and the Treasurer of the QCA. Paul is Chair of the Company's Audit and Risk Committee.

Jemima Bird
INDEPENDENT NON-EXECUTIVE DIRECTOR

Date of appointment: 31 March 2025

Jemima has over 30 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 a Non-Executive Director at Pinewood Technologies Group PLC (formerly Pendragon PLC) and Headlam Group PLC. She has previously held non-executive roles at Revolution Bars Group PLC as well as Carpetright PLC. Jemima is the Founder and CEO of Hello Finch, a marketing agency business, founded in 2013. Jemima is Chair of the Company's Remuneration Committee and Nomination Committee.

Principal activity

The Company is incorporated and registered in England and Wales, with registered number 01227964. Its shares are traded on the AIM Market of the London Stock Exchange.

The Company is the ultimate holding Company of the Group. The principal activities of the Group during the period under review are detailed in the Strategic Report. The business review has been considered within the Strategic Report.

Directors' indemnity

The Group provides, subject to the provisions of UK legislation, an indemnity for Directors and officers of the Group in respect of liabilities that they may incur in the discharge of their duties or in the exercise of their power, including any liability related to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the Group.

Restrictions on transfer of securities in the Company

There are no restrictions on transfer of securities in the Company.

Voting rights and securities carrying special rights

The holders of ordinary shares are entitled to one vote per share at the Company's general meetings. No person holds securities in the Company carrying special rights with regard to control of the Company.

Change of control

The Company is not aware of any person who directly owns or controls the Company, or of any arrangements whose operations may give rise to a change in control of the Company.

Statutory information contained elsewhere in the annual report

Information required to be part of this Directors' Report can be found elsewhere in the annual report and is incorporated into this report by reference, as indicated below:

financial results and dividends,	pages 60 to 100;
growth and development plan,	pages 10 to 11;
research and development,	page 9;
Streamlined Energy and Carbon Reporting disclosures,	pages 25 to 30;
corporate governance statement,	pages 40 to 45;
directors' names and biographies,	pages 34 to 35;
directors' interests in shares,	page 53;
related party transactions,	page 98;
statement of engagement with suppliers, customers and others in a business relationship with the Company,	page 22;
employee engagement,	page 22
employee share schemes,	pages 96 to 97;
financial risk management, including credit, interest rate, foreign exchange and liquidity risks,	pages 91 to 94;
financial instruments,	note 21, pages 91 to 94;
share capital,	note 25, page 96;
treasury shares,	note 8, page 79;
events subsequent to the year-end date,	note 35, page 100; and
branches outside the UK,	page 88.

Substantial shareholdings

As at 31 March 2026, the Company had been notified of the following substantial interests, being 3% or more of the ordinary shares in issue:

Shareholder	Number of shares	% holding
Schroders PLC	7,550,000	11.0%
Mr & Mrs B Geary	7,050,323	10.3%
Mr W. McIlroy (including Oratorio Developments Ltd)	5,469,275	7.9%
GPIM Limited	4,491,500	6.5%
Gavin and Sian Smith	2,239,435	3.3%

There have been no notified changes in the substantial shareholdings during the period between 31 March 2026 and 30 June 2026.

Policy on employment of disabled people

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.

Political donations

The Company made no political donations during the year.

Going concern

Following appropriate enquiries, and as outlined in the going concern assessment on page 30, the Directors remain confident that the Group has sufficient resources to continue operating for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

During the financial year under review, the Company changed its external auditor to Saffery LLP. Further details are set out in the Audit and Risk Committee report on pages 46 to 47.

Saffery LLP has expressed its willingness to continue in office as auditor and a resolution to re-appoint them will be proposed at the forthcoming AGM.

Approval

This Directors' Report was approved on behalf of the Board on 10 July 2026.

Philippa Clark
Chief Executive Officer

10 July 2026

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and Company 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;
- make judgements and accounting estimates that are reasonable and prudent;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the 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 comply with the requirements of the Companies Act 2006.

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

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

Responsibility statement

We confirm to the best of our knowledge:

- 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 or loss of the Company; and
- 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 or loss of the group; and
- 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.

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.

On behalf of the Board

Paul Forster
Non-Executive Chair

10 July 2026


T-ZONE
SWIPE & SLAY
TEA TREE + WITCH HAZEL
OIL CONTROL
40 CLEANSING PADS
USE ME
INGREDIENTS
T-ZONE
SWIPE & SLAY
TEA TREE + WITCH HAZEL
OIL CONTROL
40 CLEANSING PADS

GOVERNANCE REPORT

Chair's introduction to corporate governance

Following the end of the financial year under review, the Board agreed to change the Company's name from Creightons PLC to Potter & Moore PLC to better reflect the identity by which many of the Group's customers and all of its retail partners and trading stakeholders already recognise the business, and to enhance brand clarity and market recognition.

On behalf of the Potter and Moore PLC Board, I am pleased to present our corporate governance report for FY26. This section outlines the governance structures we have in place and describes the steps we take to uphold the high standards expected of a publicly listed company.

The Company transitioned from the Main Market to the AIM Market in March 2025. The Company followed the UK Corporate Governance Code while being listed on the Main Market and reported on its compliance in the annual report and accounts for the year ended 31 March 2025. The Directors considered the corporate governance and procedures that would be appropriate for the Company following its admission to AIM and selected the QCA Code as its chosen corporate governance code. The financial year ended 31 March 2026 was the Company's first year reporting against the QCA Code.

The Directors consider the QCA Code to provide the Company with an effective framework that supports the maintenance of robust governance standards, helping the organisation strengthen its existing governance culture as it works to build a successful and sustainable business for all stakeholders.

Role of the Chair and Governance Responsibilities

As Chair, my role is to ensure that the Company operates with strong governance and that the Board functions effectively. I lead the Board, oversee the Group's governance framework, together with the Executive Directors maintain open engagement with shareholders, and make sure Directors receive the timely, high-quality information they need to make well-informed decisions. I am also responsible for promoting a culture of integrity, transparency and accountability, and for ensuring that each Director contributes fully to our discussions and oversight. While the Board as a whole is responsible for the Company's long-term success, I have responsibility for overseeing our governance approach, ensuring it remains appropriate for the scale of the business and that it is aligned with the expectations of our shareholders.

Alignment of Governance with Our Purpose and Strategy

Our governance framework underpins delivery of our strategy through robust oversight, effective risk management and transparent reporting. It also fosters our people-focused culture, ensuring that our values of Quality, Innovation and Service are reflected in Board considerations, leadership conduct and decision-making across the Group. Please refer to the Chairman and CEO statement for more information on the Group's strategy.

Application of the QCA Code

Following the Company's move from the Main Market to the AIM Market in March 2025, the Board has chosen to adopt the 2023 version of the QCA Code, recognising it as the most suitable governance framework for a business of our scale and profile. We are fully committed to comply with the QCA Code and its ten principles. Further detail on how we apply each principle is provided on pages 42 to 45. The Board has applied all ten principles of the QCA Code throughout the period, and explains in this report where its approach differs from the Code's expectation.

The Board believes that applying the principles of the QCA Code supports the Company's ability to achieve sustainable success over the medium to long term strategy and is supportive of its purpose. In particular, it supports the development of a well-balanced, effective board and committee structure, comprising individuals with the right mix of skills and experience, and strengthened by diverse perspectives. This enables constructive challenge balanced by support for the executive team as they construct and deliver the Group's strategy, in line with shareholder expectations. More information on the Company's purpose can be found on page 16.

Role of the Board and its Committees

The Board is responsible for setting the Group's long-term strategy and monitoring how the business performs against it, while also overseeing corporate governance and key risks. In delivering this strategy, the Board ensures that decisions are made in a way that reflects the Group's culture and values. As part of its responsibilities, the Board carefully considers the impact of its decisions on all stakeholders and acts in the best interests of the Company and its shareholders as a whole. Further information can be found in our Section 172 statement on page 22. The Board has a schedule of matters reserved to it which can be found on the Company's website. The matters reserved include strategy setting, approval of the budget and major capital expenditure, and approval of material contracts, inter alia.

The Board convenes at least five formal meetings a year, with additional meetings held as required. Its work is supported by the Audit and Risk, Remuneration and Nomination Committees, with further details and terms of reference available on the Company's website. Clear reporting lines and defined responsibilities ensure that board and committee discussions remain focused and effective. Further details of the Committees' work can be found in their respective reports on pages 46 to 49.

Board Structure

The Board appointed Qadeer Mohammed to the Board as a Chief Financial Officer on 1 May 2025. There were no further changes to the board or committee memberships during the year.

For further information on our Board members, please refer to the biographies on pages 34 to 35.

Governance Developments During the Year

During FY26, the Company made strong progress in enhancing its governance practices. Key developments included:

- Adoption of the 2023 QCA Code and review of our governance framework, ensuring that it reflects the latest expectations for AIM-listed companies. This supports continued alignment with best practice and provides a clear structure for how governance principles are applied across the business.
- Enhancement of risk management processes, including further development of the risk register and strengthened cyber security testing. These improvements help ensure that emerging risks are identified early, managed proactively, and that the Company remains resilient in the face of increasing cyber threats.
- Completion of a Board and Committee evaluation exercise, which helped identify current strengths and areas of development. These insights showcase the Board's commitment to continuous growth and ensure the Board remains well-equipped to oversee the Company's future growth.
- Creation of a formal board skills matrix, providing a clearer picture of the collective capabilities of the Board and highlighting any gaps as the business evolves. This enables more informed decisions around future appointments and training, contributing to a balanced and effective Board.

Together, these developments have contributed to a more effective Board and a more advanced governance framework across the Company.

Evolution of Governance in Response to Growth, Regulation and Stakeholder Expectations

Potter and Moore PLC continued to adapt its governance framework during FY26 to reflect the evolving needs of the business and its stakeholders. Key areas of progress included:

- Regulatory change: Enhancements in data protection and cyber security were incorporated into board and committee oversight.
- Shareholder expectations: Reporting transparency, communication practices with shareholders were further strengthened following investor feedback.
- Best-practice developments: Re-establishing Nomination Committee, succession planning and reporting quality were improved following thorough reviews and governance benchmarking.

Paul Forster
Non-Executive Chair of the Board

10 July 2026

QCA Code Disclosures as part of the Corporate Governance Statement

The Board recognises the importance of good corporate governance and its responsibilities to the Group's stakeholders. The Board is committed to further enhancing the Company's corporate governance framework as the organisation continues to develop.

The Board believes that the QCA Code provides the most appropriate governance framework for the Group and will continue to review its policies and procedures the support its governance. The Company sets out below how it complied with the ten key principles of the 2023 QCA Code during the year.

1. Establish a purpose, strategy and business model which promote long-term value for shareholder

The Board has redefined the Company's purpose supported by strategy and business model to deliver long-term shareholder value. The Company's strategy is to deliver profitable growth. Please see CEO's statement.

Further details on the Company's purpose, strategy and business model are included in the Group Strategic Report.

The principal risks and key challenges to the execution of the Company's strategy and its business model are outlined on pages 20 to 21.

2. Promote a corporate culture that is based on ethical values and behaviours

The Board recognises the importance of establishing and maintaining a positive corporate culture based on ethical values and behaviours. The Company is committed to maintaining the highest standards of integrity, transparency, and accountability and conducting all its business with honesty and ethical standards, ensuring that professionalism and fairness guide every business interaction and relationship. These values are essential to the delivery of the Company's purpose, strategy and business model, and are outlined further on pages 16 to 17.

The Board recognises the importance of maintaining integrity throughout all operations processes and monitors ongoing suppliers' performance through regular due diligence exercises. The Group is subject to a number of external ethical audits covering employee practices and supplier performance with any identified issues actively followed up. The Company adheres to its Modern Slavery, and Human Trafficking Statement, which can be found on its website.

3. Seeking to understand and meet shareholder needs and expectations

The Company is dedicated to fostering transparent and open communication with its shareholders, ensuring that its purpose, strategy, business model and performance are clearly understood. The Board places significant importance on maintaining open lines of communication with shareholders and engaging with them in a way that is meaningful to them, aiming to understand their perspectives. In making decisions, the Board carefully considers the interests of stakeholders and the long-term implications of those decisions.

The Directors regularly engage with institutional shareholders, particularly following the announcement of the full-year and half-year results, to ensure that their expectations are fully understood by the Board. This communication activity is led by the Chief Executive Officer and the Chief Financial Officer. Additionally, the Company's AGMs provide a valuable forum for direct interaction between the Board and shareholders.

The Board is always open to addressing shareholder enquiries and welcomes feedback from key stakeholders. The Company's website includes all annual reports, investor presentations and regulatory news service announcements and provides a designated email address for shareholder questions and requests.

4. Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Board carefully considers the interests of shareholders and all relevant stakeholders in accordance with section 172 of the Companies Act 2006. More information on the Company's engagement with its principal stakeholders, including customers, employees, suppliers, communities, and shareholders, is detailed on page 22.

A comprehensive overview of the Company's social and environmental responsibilities can be found on page 25. Streamlined Energy and Carbon Reporting disclosures can be found on pages 32 to 33.

5. Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

Effective risk management is critical to executing the Company's strategy and requires a robust framework for identifying, managing, and mitigating the principal risks. The Company has implemented a risk register that is regularly discussed at the Audit and Risk Committee meetings before being brought for review by the Board. The maintenance of the risk register further strengthens the Company's risk management processes.
Further details on the principal risks and uncertainties identified by the Company, including the Company's governance around climate-related risks and opportunities, and key procedures to ensure effective internal controls are outlined on page 47.

The Board is responsible for establishing and maintaining the Company's system of internal controls, with the Audit and Risk Committee supporting the Board in fulfilling its responsibilities in this area. This includes but is not limited to strategic planning, the approval of annual budgets, regular monitoring of performance against budget (including thorough investigations of significant variances), management of capital expenditure, and the maintenance of accurate accounting records. The Audit and Risk Committee regularly considers the auditor's independence, in particular ahead of the Company's year-end audit.

Further information on activities of the Audit and Risk Committee relating to risk management and internal controls during the year and following year-end can be found in the Audit and Risk Committee Report on pages 46 to 47.

6. Maintain the board as a well-functioning, balanced team led by the chair.

The Board comprises the Non-Executive Chairman, the Chief Executive Officer, the Chief Financial Officer, the Group Deputy Managing Director, and five Non-Executive Directors, two of whom are considered independent.

The Board regularly reviews its structure and that of its committees to ensure the right skills and experience are maintained. As noted in the Chairman's statement, Nomination Committee Report on pages 48 to 49 and under Principle 8 below, the Board has reviewed its size and will take steps to align it more with the scale of the Company.

Biographies of each of the Board members and their individual skills can be found on pages 34 to 35.

The Board has concluded that Paul Watts and Jemima Bird are independent in character and judgment. The rest of the Non-Executive Directors are considered to be non-independent.

As a result, the Board does not meet the QCA Code's recommendation for at least half of the Board to be independent Non-Executive Directors, however, it meets the recommendation of having at least two independent Non-Executive Directors on the Board. The Company does not currently have a senior independent director but the Board review the need for one on a regular basis.

The Board meets at least five times a year, with additional meetings held as required to review performance, accounting developments and other significant matters, including major project approvals. A formal schedule of matters reserved for the Board is available on the Company's website under Corporate Governance.

Each Director dedicates sufficient time to their role to meet both individual and collective responsibilities. The Board is notified of any external commitments or interests to ensure potential conflicts are managed appropriately. Any changes are reported and, where necessary, approved. All Directors stand for re-election at the AGM.

The Board is supported by an Audit and Risk Committee, a Remuneration Committee and a Nomination Committee, with further details available on the Company's website, including the terms of reference for each committee. The Audit and Risk Committee and Remuneration Committee comprise a majority of independent Non-Executive Directors.

- The Audit and Risk Committee is chaired by Paul Watts, with members Jemima Bird and Bill Glencross, and meets at least three times a year and otherwise as required.
- The Remuneration Committee comprises and is chaired by Jemima Bird, with members Paul Watts and Brian Geary, and meets not less than twice a year and at such other times as required.
- The Nomination Committee is chaired by Jemima Bird, with members Paul Watts, Brian Geary and Paul Forster, and meets not less than once a year and at such other times as required.

Board and Committee Attendance

The table below details the scheduled meetings attended by each Director in office during the year under review, set against the maximum number of meetings available to them from 1 April 2025 to 31 March 2026.

Director	Position	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee
Paul Forster	Non-Executive Chair	5/5	-	-	2/2
Pippa Clark	Chief Executive Officer	5/5	-	-	-
Qadeer Mohammed*	Chief Financial Officer	5/5	3/3	-	-
Martin Stevens	Executive Director	4/5	-	-	-
Brian Geary	Non-Executive Director	5/5	-	3/3	2/2
Bill Glencross	Non-Executive Director	5/5	3/3	-	-
Nick O'Shea	Non-Executive Director	5/5	-	-	-
Paul Watts	Non-Executive Director	5/5	3/3	3/3	2/2
Jemima Bird	Non-Executive Director	5/5	3/3	3/3	2/2

*Appointed 1 May 2025

7. Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities.

On AIM admission, the Company updated its governance policies, including matters reserved to the Board and the Committee terms of reference, to reflect the AIM Rules and the QCA Code recommendations. The Board considers the Company's governance structures to be appropriate for its size, complexity and risk profile and reviews these regularly to ensure they remain effective as the business evolves.

To ensure continuous development and to stay informed about market trends and corporate governance issues, the Board receives training from the Company's Nominated Adviser and the Company Secretary. In addition, all Directors have the ability to seek independent professional advice to support the execution of their duties, should the need arise, at the Company's expense.

The Board has established Audit and Risk, Remuneration and Nomination Committees, with formally delegated duties and responsibilities. The Board also delegates specific responsibilities to senior management. This is governed by a delegated authority matrix.

Audit and Risk Committee

The Audit and Risk Committee oversee financial reporting, internal controls, risk management, auditor independence and compliance with the AIM Rules and UK Market Abuse Regulation. Further details can be found in the Audit and Risk Committee Report on pages 46 to 47.

Remuneration Committee

The Remuneration Committee is responsible for the Company's Remuneration Policy and the remuneration of Executive Directors, the Chairman and senior management. The Remuneration Committee has engaged FIT Remuneration Consultants to assist with a review of the Company's remuneration framework, including a review of the Remuneration Policy, and ensure its practices are efficient and effective.

Further details can be found in the Director's Remuneration Report on pages 49 to 53.

Nomination Committee

The Nomination Committee oversees Board composition, succession planning and leadership development, ensuring an appropriate balance of skills, experience and diversity. Further details can be found in the Nomination Committee Report on page 48.

8. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement.

Recognising the importance of regular assessments to ensure continued effectiveness and alignment with best governance practices, the Company undertook a formal evaluation of the Board and its Committees in March 2026, facilitated by the Company Secretary, One Advisory.

The review was carried out through a series of director questionnaires, facilitated through a third-party platform. The performance review was designed to evaluate the Board's effectiveness and foster continuous improvement. The findings were shared with the Board and its Committees and discussed at the March 2026 Board meeting.

This evaluation focused on key areas such as the Company's purpose and strategy, board composition and dynamics, board and committee responsibilities, and overall effectiveness.

The results arising across all evaluations fell under the following themes:

- Purpose and strategy: the responses indicated that most participants considered it necessary for Board meetings to place a greater emphasis on strategic matters.

  Talent and culture: the responses indicated that a more effective framework for succession planning and an enhanced approach to culture monitoring was desirable.
- Board composition and dynamics: the responses indicated that a majority of the Board members believed that the size of the Board should be reviewed to align it more with the scale of the Company.

  Some of the key recommendations to the Board were as follows:
- Purpose and strategy: prioritisation of strategic discussions at the top of the agenda to set a forward-looking tone; integration of regular deep-dive sessions on key strategic themes at Board meetings, and inviting external advisors where appropriate.
- Talent and culture: ensuring robust succession plans are implemented for all critical roles to ensure coverage of the talent pipeline.
- Board composition and dynamics: phased reduction of the Board to be a workstream undertaken by the Nomination Committee, and utilisation of the completed skills matrix to consider skills gaps when evaluating board size and restructure.

The Company intends to commission an externally facilitated review at an appropriate point in the future, though the specific timing has not yet been determined.

The Nomination Committee is responsible for succession planning for Board and senior management positions. The Nomination Committee maintains a skills matrix that assists with a review of board composition and succession plans. Further details of the Nomination Committee's work on succession planning can be found in the Nomination Committee Report on page 48.

9. Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture.

The Remuneration Policy facilitates the recruitment and retention of talent, aligns remuneration with the Company's shareholder and wider stakeholder requirements and promotes the long-term growth of shareholder value. The Remuneration Committee regularly reviews the Policy and its application to ensure it is fit for purpose and aligns with the Company's purpose, strategy and culture, as well as the Company's stage of development.

The Company reviewed its remuneration framework during the year under review with assistance from FIT Remuneration Consultants, to ensure that the framework in place supports the delivery and attainment of the Company's purpose, business model, strategy, and culture.

The work undertaken during the year and the current version of the Remuneration Policy can be found in the Directors' remuneration report on pages 49 to 53.

10. Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders.

The Company discloses on its website and within its annual report and accounts how the Company is governed. Further details on the Company governance, including reflections on the challenges experienced in the year under review, can be found in the Group Strategic Report on page 4. The Audit and Risk Committee Report on page 46, the Directors' remuneration report on page 49 and the Nomination Committee Report on page 48 outline the structure, responsibilities and governance of each committee.

The Board is dedicated to transparent communication with all shareholders. This communication occurs primarily through regulatory announcements, website disclosures, the annual report and accounts and the AGM. The Group's website is regularly updated in adherence with AIM Rule 26, to keep stakeholders informed. Further information on our stakeholder engagement can be found in the Section 172 Statement on page 22.

The Board has committed to engaging with shareholders if a resolution at a general meeting receives 20% or more votes against it. In such cases, the Company will seek to understand the reasons behind the result and, where appropriate, take appropriate action.

All resolutions at the 2025 AGM were passed, and votes on all resolutions were conducted by poll to ensure full shareholder representation. The Board noted a significant proportion of votes cast against in relation to resolutions regarding the Directors' general power to allot relevant securities, disapplication of pre-emption rights and share buyback. The Board is committed to determining the sentiment of all of its major shareholders and has engaged with investors to fully understand their views.

Notices for general meetings together with both the Company's annual and interim reports and other governance-related materials are available on the Shareholder Documents page of the website.

AUDIT AND RISK COMMITTEE REPORT

Committee membership and meetings

The Committee comprises a majority of independent Non-Executive Directors. I (Paul Watts) Chair the Committee and its other members are Jemima Bird and Bill Glencross. The CFO and relevant members of the finance team also attend our meetings by invitation. We also meet with the Group's external auditor to review the audit plan and audit findings, and we hold separate discussions with the lead audit partner without management present. The Company Secretary acts as secretary to the Committee.

I am considered to have recent and relevant financial experience, given my background as an audit assurance partner, specialising in listed companies. The other Committee members also bring valuable experience and perspectives to our work. Bill Glencross has deep knowledge of the business and the industry that is necessary to operate successfully in our sector. Jemima Bird has retail experience working with many of the UK's leading high street brands, and has held numerous executive commercial, marketing and operations positions as well as non-executive roles.

The Committee meets at least three times a year and otherwise as required. Details of the Committee members' attendance at our meetings can be found on page 43.

The Committee's role

The Committee's responsibilities include:

- monitoring the integrity of the Group's financial statements, including its annual and half-yearly reports and any other formal statements relating to its financial performance;
- reviewing significant financial reporting issues and judgements;
- reviewing and challenging accounting policies;
- reviewing the effectiveness of the Group's internal control and risk management systems;
- overseeing the relationship with the external auditor, including advising on their appointment, agreeing the scope of the audit and reviewing the audit findings;
- reviewing the adequacy and security of whistleblowing arrangements and ensuring proportionate and independent investigation of any matters; and
- considering at least annually the need for an internal audit function.

A full list of the Committee's responsibilities can be found in its terms of reference, which are available from the corporate governance section of the Company's website.

Activities of the Committee during the year and following year-end

Risk Management

Following the Company's move to the AIM market, the Committee updated the Company's risk register which is reviewed at each Committee meeting to discuss any changes to the current risks and to ensure that emerging risks are identified in a timely manner. The risk register is regularly brought for review to the Board.

Details on the principal risks and uncertainties identified by the Company and key procedures to provide effective internal controls are outlined on pages 20 to 21.

During the year, the Committee undertook a comprehensive review of the Company's insurance arrangements to ensure that the level of cover remained appropriate to the Company's risk profile.

Financial reporting and significant judgements

One of the Committee's key responsibilities is to consider the significant areas of complexity, judgement and estimation that have been applied in preparing the financial statements for the year under review. For the year ended 31 March 2026, the key areas were as follows:

Inventory provision

An estimate is required in determining the value of any provisions held against inventory. In determining this provision, the Directors 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 was assessed and reviewed for future usage as part of the inventory provision calculation.

Future demand was based on forecast built up from product level demand by customer. This forecasted demand where possible was built on historic actual sales to end consumer based on the previous three months adjusted for seasonal trends and known new listings or discontinuations.

Impairment review

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. The reviews involve significant levels of management estimations and judgements. The Group considered overall impairment of goodwill and in particular impairment of brand values.

The value of goodwill in the accounts for the financial year ended 31 March 2025 was £1,575k. £1.245m arose as part of a business acquisition of Brodie and Stone and £0.33m related to the investment in Potter and Moore Innovations Limited (PMI) in March 2003. PMI was profitable in FY26 and is forecasted to be profitable in future years. Similarly, Brodie and Stone brands exhibited strong performance in the financial year and are forecasted to continue driving brand value. The Board concluded that there was no impairment of goodwill in the year.

Weighted Average Cost of Capital (WACC)

The impairment models applied a discount rate based on the WACC with the WACC calculation reviewed by the auditor as part of the audit. Management concluded that a post-tax discount rate of 10.85% was appropriate.

Other estimates

In addition to the above, the Company considered other estimates, including deferred tax.

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. The Group prepared budgets on the basis that it is to generate future taxable profits and it is believed that tax losses will be recoverable.

Internal controls and internal audit

The Board recognises the importance of continually enhancing the Group's financial reporting and strengthening the effectiveness of internal controls. During the year, the Committee evaluated whether to establish an internal audit function and determined that, given the Group's current size and stage of development, the cost would outweigh the benefits. We will keep this under regular review as the Group evolves.

The Committee receives an internal controls update as a standing agenda item at every meeting and regularly assesses the effectiveness of the existing procedures which we believe are appropriate for the nature and scale of the Group's operations. A regular review of the Group's policies and procedures framework takes place to ensure conformity with required regulations and needs of the Group.

External auditor

During the year, the Board appointed Saffery LLP as the Group's new external auditor following an audit tender process. The handover from the outgoing auditor, Forvis Mazars LLP, was completed in a timely and orderly manner, with no issues arising during the transition. Saffery presented its Audit Completion Report to the Committee, providing an opportunity to review the progress of the audit, discuss key areas of focus and to address any questions. The Committee was informed that the audit had proceeded smoothly with only minor recommendations made.

Looking at the current financial year, the Committee expects to maintain its focus on the Group's principal risk management areas, while continuing to work closely with both the auditors and the finance team on the preparation and review of published financial results.

The auditor typically attends two Committee meetings each year, during which we consider:

- the audit plan for the full-year results, including planning materiality and the auditor's assessment of key audit risks; and
- the auditor's findings arising from the audit.

Each year, the Committee receives a report from the auditor confirming their independence, which we assess and challenge where appropriate. We do not operate a formal policy on the provision of non-audit services, any such engagements would be considered on a case-by-case basis. In practice, we do not invite the auditor to tender for consultancy work, and no non-audit services were provided during FY26. The Committee is therefore satisfied that the auditor continues to operate independently.

Committee performance review

A formal performance review was conducted for the Committee, as part of a combined review with the Board and other Committees. Further information on the performance review can be found in the Corporate Governance Statement on page 44.

FY27 priorities

For the year ahead, the Committee will continue to focus on the effective oversight of financial reporting, risk management and internal controls, with a sustained and enhanced emphasis on risk oversight. This will include targeted deep-dive reviews into selected principal and emerging risks to ensure they are well understood, appropriately mitigated and aligned with the Company's strategic objectives.

Paul Watts
Audit and Risk Committee Chair

10 July 2026

NOMINATION COMMITTEE REPORT

Taking into account the Company's needs and stage of development, the Board re-established the Nomination Committee in 2025 to place greater focus on board composition and succession planning for Directors and other senior executives. Prior to this, following the Company's transition to the AIM market, these responsibilities had been overseen directly by the Board. Following the move to AIM and the concentrated period of governance activity this entailed, the Chair asked the Remuneration Committee Chair to chair the Nomination Committee for FY26. This was a time-limited and pragmatic arrangement, consistent with the spirit of the QCA Code, to ensure appropriate independent oversight during a period of intensive board activity.

Committee membership and meetings

I am the Committee Chair and the other members are Paul Watts, Paul Forster and Brian Geary. The CEO and CFO also attend our meetings by invitation. The Company Secretary acts as secretary to the Committee.

The Committee meets at least once a year and otherwise as required. We held two meetings in FY26. Details of the Committee members' attendance at our meetings can be found on page 43.

The Committee reviewed the time commitment required of board members and is satisfied that the Chair and Non-Executive Directors have sufficient capacity to fulfil their roles. Directors are informed of the expected time commitment on appointment. While the Committee has not set formal limits on external appointments, it reviews any additional roles to ensure they do not impact a Director's ability to meet their obligations to the Company.

The Committee's role

Our role is described in detail in our terms of reference, which are available on the corporate governance section of the Company's website. In summary, our key responsibilities are to:

- regularly review the board structure, size and composition, including skills, knowledge, experience and diversity;
- consider succession planning for directors and other senior executives, including the skills and expertise the Board will need in the future;
- identify and nominate candidates when board vacancies arise, taking into account the skills, knowledge, experience and diversity on the Board;
- review the results of the performance review process related to the board composition;
- review the time commitment of Non-Executive Directors to ensure they can effectively carry out their duties; and
- make recommendations on re-appointing non-executive directors at the end of their term and for the annual re-election of directors by shareholders.

Board composition and diversity

During the year, the Committee assessed the composition of the Board and incorporated this topic into the annual performance review questionnaires. We also considered the balance of independent directors on the Board. Our conclusion was that the current board size is not aligned with the scale of the Company. The Committee will therefore work towards agreeing a phased reduction in board size, while ensuring that the Board continues to operate effectively and retains the appropriate balance of skills and experience.

The Board does not have a formal policy on diversity and inclusion. The Board recognises the importance of diversity and the value that varied experiences and perspectives bring to effective governance. Diversity is fully considered in all board appointments, as well as in succession planning for both the Board and the senior leadership team.

Succession planning

The Committee reviewed succession planning at board level and received a presentation from management on succession planning for the senior leadership team. A skills matrix has been developed to highlight any skill gaps and support succession planning for future board composition. We concluded that the current Board demonstrated strong coverage across the core skills and expertise areas required by the Company, while also recognising the overall board size and the extended tenure of certain Directors.

Committee performance review

We conducted a formal performance review of the Board and its Committees. In addition to identifying the need to review board size, the assessment highlighted succession planning for key management roles as an area for improvement. Further information on the performance review can be found on page 44. The Company intends to commission an externally facilitated review at an appropriate point in the future, though the specific timing has not yet been determined.

FY27 priorities

In FY27, we will focus on addressing the size of the Board and will continue to advance succession planning at board level. The Committee will also further evaluate the organisation's future leadership requirements to ensure the business is well supported as it continues to grow. With the most intensive period of transition now behind the Company, the Chair will resume his role as Chair of the Nomination Committee from FY27. In relation to any matter where the Chair has or may have a conflict of interest, the Remuneration Committee Chair will lead that process in lieu of a Senior Independent Director, in accordance with the intent of the QCA Code.

Jemima Bird
Nomination Committee Chair

10 July 2026

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. Jemima Bird served as Chair of the Remuneration Committee throughout the year ended 31 March 2026, having been appointed to the role on 31 March 2025. The current members of the Committee are Jemima Bird, Paul Watts, and Brian Geary (Non-Executive Director).

I am pleased to introduce the Directors' remuneration report for the year ended 31 March 2026. This report is divided into three sections, being:

- this **Annual Statement**, which summarises the work of the Committee, remuneration outcomes in the year ended 31 March 2026 and how the Remuneration Policy will be operated for the year ending 31 March 2027;
- the **Directors' Remuneration Policy Report**, which summarises the Company's Remuneration Policy; and
- the **Annual Report on Remuneration**, which discloses how the Remuneration Policy was implemented in the year ended 31 March 2026.

Consistent with best practice for a Company of our size, and noting Principle 9 of the QCA Code, the Directors' Remuneration Report - i.e. the Annual Statement, Annual Report on Remuneration and Directors' Remuneration Policy will be taken to the 2026 AGM for shareholder approval by way of advisory vote.

The auditor is not required to report to the shareholders on the Directors' Remuneration report.

Corporate governance

Throughout this report, we aim to provide shareholders with the necessary information to understand our remuneration strategy and how it links with Group performance. As an AIM listed company, we are not required to provide all of the information included in this report. However, we provide disclosures in addition to those which are required under the AIM Rules on a voluntary basis, to enable shareholders to understand and consider our remuneration arrangements.

Committee Membership

- Jemima Bird - Independent Non-Executive Director (Committee Chair from 31 March 2025)
- Paul Watts - Independent Non-Executive Director
- Brian Geary – Non-Executive Director

Approach to Remuneration

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 Executive Directors and senior executives include a basic annual salary, performance related bonus and the potential for share awards. The remuneration packages for independent Non-Executive Directors are based on annual fees.

Key responsibilities and terms of reference

The role of the Committee is to:

- Set and review the implementation of the Directors' 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.
- Ensure that the contractual terms and payments made on termination are fair to the individual and the Company and that failure is not rewarded
- Maintain a dialogue with shareholders when setting the remuneration of senior Executives and Board members

Non-Executive Directors do not have any personal interests in the matters to be decided by the Committee other than as shareholders, nor any potential conflicts of interest arising from cross-directorships and no day-to-day involvement in the running of the Company. The Executive Directors and other senior personnel may be invited to attend meetings when appropriate to provide advice. However, no Director is present or takes part in discussions concerning their own remuneration.

Business Context

The Group continues to undergo 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 where possible. The impact is positive operating profits and cash generation over the period and places the Group in a strong position to generate profitable growth as revenues increase.

Remuneration Policy Implementation for the year ended 31 March 2026

In respect of the year ended 31 March 2026:

- Base salaries for the CEO, Deputy Group MD and CFO (appointed to the Board on 1 May 2025) were £150,000, £130,000 and £130,000 respectively;
- Pension and Benefit provision remained unchanged;
- Annual bonuses were awarded to the CEO, Deputy Group MD and CFO which equated to 7%, 8.1% and 8.9% of their respective salaries. Details of the performance targets and assessment are set out in the Annual Report on Remuneration.
- No share awards were granted to Executive Directors.

Changes to the Remuneration Policy

Following a review of the Policy, which is presented overleaf, the Committee has made the following changes:

- The introduction of shareholding guidelines in line with best practice;
- The introduction of market consistent malus and clawback provisions;
- A formalisation of the share award grant policy (including annual award limits); and
- The removal of the ability to grant share awards to Non-Executive Directors in the normal course of business.

Implementation of the Policy for the year ending 31 March 2027

In respect of the year ending 31 March 2027, the Committee intends to operate the Remuneration Policy as follows:

- Base salaries from 1 April 2026 will be as follows:

Director	Salary from 1 April 2026
CEO	£200,000
Deputy Group MD	£133,250
CFO	£133,250

Following a review of the CEO's role and responsibilities, AIM market data and a desire to ensure that there is an appropriate differentiation between the CEO salary and the salary of the other Executive Directors, the Committee agreed to increase the CEO's salary from £150,000 to £200,000 from 1 April 2026. While this salary remains below median against similarly sized AIM listed companies, the Committee retains the discretion to move the salary closer to market over time subject to a positive assessment of Company and individual performance. Base salaries for the Deputy Group MD and CFO were increased from £130,000 to £133,250 in line with the average workforce increase.

Pension and Benefit provision remains unchanged;

- Annual bonus potential will be set at a maximum of 75% of salary and based on a combination of financial and operational/strategic targets; and
- The Committee will consider the grant of share awards to Executive Directors to the extent that this is considered appropriate during the year ending 31 March 2027.

Engagement with shareholders

We encourage our shareholders and representative bodies to engage with the Remuneration Committee at any time to help inform the Committee's decision-making process. The Remuneration Committee intends to consult with major shareholders when any significant change in the structure or scale of Directors' remuneration.

Concluding remarks

As a Committee, we recognise the need to foster strong relations with our shareholders and encourage open dialogue. As such, I will be available for discourse with institutional investors concerning the Company's approach to remuneration. We look forward to receiving your support at our forthcoming AGM.

Jemima Bird
Chair of the Remuneration Committee

10 July 2026

Directors' Remuneration Policy Report

The Company's Remuneration Policy is that the remuneration packages of the Executive Directors should be sufficiently competitive to attract, retain and motivate those Directors to achieve the Company's long-term strategic objectives, including the creation of sustainable shareholder returns, without making excessive payments. The annual performance related bonus rewards Executive Directors for delivering our short-term financial and operational goals. The long-term focus of our strategy is supported through our use of share-based awards.

Component	Purpose and link to strategy	Operation	Maximum	Performance
Base salary	To provide an appropriate level of fixed income to recruit and retain talent	Base salaries are reviewed annually considering: • 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	n/a	n/a
Benefits	Recruitment and retention of Executives through the provision of cost-effective benefits package.	Offered in line with market practice. Benefits that may be provided include, health insurance, life assurance for the Executive and family members.	n/a	n/a
Pension	Designed to enable an Executive Director to generate an income in retirement and to provide a competitive remuneration package.	Participation in a defined contribution scheme and/or via a cash supplement.	Workforce aligned	Not applicable
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. Awards may be subject to malus/clawback provisions at the discretion of the Committee.	75% of salary	Sliding scale financial and/or personal and/or ESG and/or strategic targets
Share awards	Share awards are designed to incentivise and align Executive Directors and employees with the delivery of shareholder value through sustainable share growth and dividend payments.	Awards may be structured as conditional awards, nil cost, nominal cost or market value share options with vesting normally contingent on continued service over a period of three years. Dividend equivalents may be awarded to the extent awards vest. Awards may be subject to malus/clawback provisions at the discretion of the Committee.	100% of salary albeit actual awards to Executive Directors may be lower than this	Performance targets/ underpins may be applied linked to financial and/or share price and/ or strategic and/or ESG performance
Shareholding guidelines	To align the financial interests of the Executive Directors with those of the Group's shareholders.	Executive Directors are expected to build a shareholding in the Group over time by retaining at least 50% of the net of tax share awards which vest.	100% of salary	Not applicable
Non-Executive Directors	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.	Fees are reviewed annually and may be amended to reflect changes in the market and in responsibilities. Any additional time commitments in excess of the contracted time will be paid pro-rata on a per diem basis. The Committee recommends the remuneration of the Chair to the Board. Fees paid to Non-Executive Directors are determined and approved by the Board as a whole. 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. Legacy Executive Directors may receive group Health Insurance cover if where provided previously. Consistent with best practice, Non-Executive Directors will not normally be eligible to receive share awards.	n/a	n/a

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.

Discretion

The Committee may apply discretion when considering the amounts earned under incentive arrangements to ensure outcomes are fair and appropriate in light of the overall performance of the Group, health and safety performance, broader stakeholder experience and any exceptional factors.

Service contracts and letters of appointment

The Company's policy is for all of the Executive Directors to have rolling service contracts that provide for a 6-month notice period. All Non-Executive Directors are subject to re-election annually by shareholders.

Annual Report on Remuneration

Directors' remuneration for the year ended 31 March 2026

The table below sets out total remuneration for Directors for the year ended 31 March 2026.

	Notes	Salary/ fees £'000	Taxable benefits £'000	Pension £'000	Annual Bonus £'000	Total remuneration 2026 £'000	Total remuneration 2025 £'000
Executive Directors							
P Clark		150	1	8	10	169	205
M Stevens		130	2	11	10	153	190
Q Mohammed	1	119	–	4	10	133	-
Non-Executive Directors							
P Forster	3,4	36	3	–	–	39	48
N O'Shea		25	–	–	–	25	25
W Glencross	3	25	3	–	–	28	27
B Geary		25	–	–	–	25	25
P Watts	2	35	–	–	–	35	6
J Bird	5	35	–	–	–	35	-
Former Directors							
W McIlroy	6	–	–	–	–	–	17
Total		**580**	**9**	**23**	**30**	**642**	**543**

Notes:
1. Mohammed Qadeer was promoted to the Board on 1 May 2025 as Chief Financial Officer
2. Paul Watts was appointed to the Board on 29 January 2025.
3. 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.
4. The pension earned by Mr Forster relates to his membership of the Group Pension scheme, which continued following his retirement as an Executive.
5. Jemima Bird was appointed to the Board on 31 March 2025.
6. William McIlroy stepped down from the Board on 10 December 2024.

Pension Provision

Pension provision in respect of the year ended 31 March 2026 was as follows:

- CEO: Fixed Pension Contribution of £12,774 plus an additional 3% of salary in line with all employees of the Group.
- Deputy Group MD: Fixed Pension Contribution of £8,978 plus 3% of salary in line with all employees of the Group.
- CFO: Fixed Pension Contribution of £27,544 plus 3% of salary in line with all employees of the Group.

Annual bonus awards for the year ended 31 March 2026

Annual bonuses were awarded to the CEO, Deputy Group MD and CFO which equated to 7%, 8.1% and 8.9% of their respective salaries. Details of the performance targets and assessment are set out below:

Share awards

No share awards were exercised by Directors during the year ended 31 March 2026 (2025: Nil). There is a vesting period of 3 years for all share options. The share options are 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' shareholdings

The Directors who held office during the year ended 31 March 2026 had the following beneficial interests in the 1p ordinary shares of the Company:

	Shares		Share Options				
			Exercise period of 2021 - 2028	Exercise period of 2023 - 2030	Exercise period of 2024 - 2031	Exercise period of 2025 - 2032	
			Exercise price 26.80p	Exercise price 36.00p	Exercise price 97.73p	Exercise price 30.17p	
Director	Number of shares 31 March 2026	Number of shares 31 March 2025	Vested	Vested	Vested	Vested	Total Options held
P Clark	893,758	851,818	500,000	200,000	-		700,000
M Stevens	993,758	993,758	218,060	100,000	-		318,060
Q Mohammed	-	-	-	-	-	150,000	150,000
P Forster	951,318	951,318	300,000	100,000	-		400,000
N O'Shea	125,945	125,945	135,000	-	-		135,000
W Glencross	86,000	86,000	131,500	-	-		131,500
B Geary	7,050,323	7,050,323	-	-	-		-
P Watts	160,000	-	-	-	-		-
J Bird	206,664	-	-	-	-		-

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

Payments for loss of office

No payments for loss of office were paid or payable to any Director during the year ended 31 March 2026 (2025: £Nil).

Approval

The Directors' remuneration report was approved by the Board and signed on its behalf by:

Jemima Bird
Chair of the Remuneration Committee

10 July 2026

FINANCIAL STATEMENTS

IN THIS SECTION

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POTTER & MOORE PLC

Opinion

We have audited the financial statements of Potter & Moore PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2026 which comprise consolidated income statement and consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated cash flow statement, company cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101, Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the group and of the parent company as at 31 March 2026 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent 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 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.

Our approach to the audit

We tailored the scope of the audit work to ensure we obtained sufficient, appropriate evidence to support our opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls and the industry in which the group operates.

The group consists of 11 legal entities of which 6 are incorporated in the United Kingdom. The remaining entities are incorporated in Australia, Germany, the Republic of Ireland, China and the United States of America. The results of these companies are consolidated into the group financial statements.

Potter & Moore PLC has provided guarantees to certain subsidiaries under section 479C of the Companies Act 2006. Accordingly, those subsidiaries are exempt from statutory audit requirements and were not subject to local statutory audits. Audit procedures were performed over material balances, transactions and disclosures within each component to obtain sufficient appropriate audit evidence that the Group financial statements give a true and fair view for the year ended 31 March 2026. Audit procedures were also performed over the consolidation process and the associated consolidation adjustments as part of the Group audit.

For the purposes of the group audit, each legal entity was assessed as a separate component. However, Potter & Moore Innovations Limited and Emma Hardie Limited were considered together for revenue testing due to their shared finance system and common control environment. The parent company, Potter & Moore PLC, was subject to a full-scope audit, whilst limited-scope audit procedures were performed on the principal trading entities, Potter & Moore Innovations Limited and Emma Hardie Limited.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed risk of management override of internal controls, including evaluating whether there was any indication of bias or override of controls by the Directors that represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) 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.

Key Audit Matter	How our scope addressed this matter
Revenue recognition The group recognised revenue of £53,849k for the year ended 31 March 2026 (2025: £54,066k). The group operates across multiple product lines and sales channels, which increases the risk of inappropriate recognition, particularly around cut off at the year end Given the fast moving nature of goods, volume of transactions and the judgment involved in determining the appropriate point of recognition, there is a higher inherent risk that revenue may be recognised before performance obligations have been satisfied. Due to the significance of revenue to the group and other users of the financial statements, we consider this to be a key audit matter.	Our audit procedures included the following: • We assessed the appropriateness of the revenue recognition policy including reviewing the underlying transactions against the requirements of against IFRS 15. • We performed substantive testing on a sample of transactions across the main trading entities being Potter and Moore Innovations Limited and Emma Hardie Limited. We traced entries from the invoice listing, maintained outside of the accounting system, to proof of delivery and the subsequent nominal posting. • We conducted cut off testing on a sample of entries post year end for both of the main trading entities. We ensured that the revenue recognition for each sample was aligned with the date of delivery, being the date that the customer takes control of the goods. • We performed procedures on the closing trade debtors, including tracing samples to delivery notes and cash receipts giving further comfort over the recognition of revenue in the correct period. • We evaluated the revenue disclosures in the financial statements for compliance with relevant standards, including verifying the split of turnover by geography and revenue stream. Based on our audit procedures, we have not identified any material misstatements arising from the recognition of revenue, and we are satisfied the accounting policies are appropriate and in line with IFRS 15
Carrying value of brand intangibles The group recognises brand intangibles of £6,147k as at the balance sheet date of 31 March 2026 (2025: £6,147k). These assets have an indefinite useful life and as such are subject to annual impairment reviews under IAS 36. The valuation of these assets requires management to make significant judgments about future cash flows, growth rates, and discount rates. These assumptions are inherently subjective and sensitive to changes in market conditions and business performance. Deu to the significance of these brand intangible assets to the group at year end, we consider this to be a key audit matter.	Our audit procedures included the following: • We reviewed management's assessment of the carrying value of each cash generating unit and challenged the inclusion of specific assets and liabilities to ensure the basis was consistent with the calculation of the value in use and in line with IAS 16. We also reviewed the mathematical accuracy of the models provided by management. • We reviewed management's calculation of the value in use of each cash generating unit and identified the key assumptions within. We challenged key assumptions such as forecast revenue growth, margins, and discount rates, with reference to external market data and historical performance. • We performed sensitivity analyses to evaluate the impact of changes in key assumptions such as revenue growth, cashflows and margins to understand the headroom within each brand and the trigger point for any potential impairment. We also performed a stand back review to consider any indications of management bias in the assumptions or methodology. • We assessed the adequacy of disclosures relating to intangible assets and impairment testing within the financial statement to ensure that appropriate detail had been included regarding the key assumptions and relevant sensitivities. Based on our audit procedures, we have not identified any material misstatements arising from the carrying value of brand intangible assets.
Valuation and existence of inventory The group recognises inventory of £8,803k as at the balance sheet date of 31 March 2026 (2025: £8,872k). Inventory is subject to valuation risks, particularly around obsolescence, slow moving stock, and ensuring items are recorded at the lower of cost and net realisable value. The diverse product ranges and subsidiaries increase complexity in applying consistent costing and provisioning policies. Due to the significance of inventory to the group at year end, we consider this to be a key audit matter.	Our audit procedures included the following: • We attended stock counts at three key sites within the business to observe the physical stock count procedures and considered whether the process and controls were appropriate, documented and followed. We also performed independent test counts to verify the accuracy of the counts.. We reconciled the stock counts to the year-end stock listing to ensure the counts were performed from the same population. • We assessed the physical condition of the stock and reviewed for any signs of impairment at year end. • We performed detailed substantive procedures on a sample of stock items at year end, split across raw materials, work in progress (WIP) and finished goods. We determined whether inventory is being held at an appropriate value through comparing cost to supplier invoices for raw materials and comparing cost to net realisable value using recent selling prices for finished goods. • For items of WIP and finished goods which contain absorbed overheads and elements of labour, we reviewed the allocation of overheads in line with IAS 2 and verified the absorption rate being applied. • We obtained managements policy for the provisioning of slow moving and obsolete inventory items and assessed whether the policy is consistent with prior years and appropriate. We performed a recalculation of the provision based on the policy and challenged management assumptions on usage periods and useful lives. We also conducted an aging analysis to identify slow-moving or obsolete items and reviewed post year end sales for evidence of stock with low demand compared to budget. Based on our audit procedures, we have not identified any material misstatements arising from valuation and existence of inventory.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of misstatements and in forming our opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider materiality to be magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, as set out below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the financial statements as a whole.

We determined group overall financial statement materiality to be £540,000 (company: £180,000) based on 1% of revenue. This was initially based on prior year results and assessed to be appropriate based on final current year figures. Revenue was assessed as the key driver of the business and the most prevalent performance indicator for the user of the financial statements, and therefore an appropriate metric upon which to base materiality.

Performance materiality is used to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds over materiality. Performance materiality was set at 60% of planning materiality for both the group and the individual entity. We also set a level of triviality based on 5% of planning materiality; any uncorrected audit differences below these levels were not reported to the Audit and Risk Committee, unless warranted under qualitative grounds.

Conclusions relating to going concern

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

- Obtaining, critically appraising and assessing for arithmetical accuracy the directors' formal going concern assessment, including the group's cash flow forecasts for the period to 30 September 2027 and considering the completeness and accuracy of the future cash flows assessed against historical results and existing contractual arrangements;
- Considering the reasonableness of assumptions used by the directors in the preparation of the cash flow forecast which included comparing the 2025 actual results to the forecasts made in the prior year;
- Understanding the assumptions applied in the directors' sensitivity analysis applied to the base case scenario to derive their blended downside scenario, including assumptions around revenue growth, funding options and cost management opportunities, and comparing these to historical trends and market data, applying further sensitivities where appropriate;
- Reviewing the adequacy of disclosures made within the financial statements on the going concern basis of preparation; and
- Discussing events after the reporting date with the directors to assess their impact on the going concern assumption.

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 or 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.

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 the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of 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, 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 the light of the knowledge and understanding of the group and the parent company and their 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 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.

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 group and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent 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 group and parent company 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.

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. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operate.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006, the AIM Rules for Companies and UK Tax legislation

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

As group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at group and component level according to their particular circumstances. Our communications included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the group financial statements in addition to our risk assessment.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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 our report

This report is made solely to the parent 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.

Ross Lomas (Senior Statutory Auditor)
for and on behalf of Saffery LLP

Statutory Auditors
Westpoint
Peterborough Business Park
Lynch Wood
Peterborough
PE2 6FZ

10 July 2026

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Revenue	4,5	53,849	54,066
Cost of sales		(29,667)	(29,913)
Gross profit		24,182	24,153
Distribution costs		(2,870)	(2,763)
Administrative expenses		(18,620)	(17,859)
Operating profit		2,692	3,531
Other income – Research and Development Expenditure Credit (RDEC)		215	127
Finance costs	9	(117)	(161)
Finance income	9	32	-
Profit before tax		2,822	3,497
Taxation	10	(730)	(1,045)
Profit / (Loss) for the year attributable to the equity shareholders		**2,092**	**2,452**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Profit / (Loss) for the year	2,092	2,452
Items that may be subsequently reclassified to profit and loss:		
Exchange differences on translating foreign operations	(66)	7
Other comprehensive income for the year	(66)	7
Total comprehensive income for the year attributable to the equity shareholders	**2,026**	**2,459**

Earnings per share

	Note	Year ended 31 March 2026	Year ended 31 March 2025
Basic	12	3.05p	3.58p
Diluted*	12	3.04p	3.29p

*Share options that were out of the money have been excluded from the diluted weighted average number of shares calculation for the year ended 31 March 2026 as their inclusion would be anti-dilutive in accordance with IAS 33.

CONSOLIDATED BALANCE SHEET

	Note	31 March 2026 £000	31 March 2025 £000
Non-current assets			
Goodwill	13	1,575	1,575
Other intangible assets	14	6,481	6,434
Property, plant and equipment	15	4,488	4,658
Right-of-use assets	16	658	1,242
		13,202	**13,909**
Current assets			
Inventories	18	8,803	8,872
Trade and other receivables	19	13,993	11,697
Corporation tax repayable		82	-
Cash and cash equivalents	20	3,630	3,659
		26,508	**24,228**
Total assets		**39,710**	**38,137**
Current liabilities			
Trade and other payables	22	9,352	8,854
Corporation tax payable	22	–	9
Lease liabilities	23	256	447
Borrowings	24	197	190
		9,805	**9,500**
Net current assets		**16,703**	**14,728**
Non-current liabilities			
Deferred tax liability	31	1,847	1,799
Lease liabilities	23	419	705
Borrowings	24	1,711	1,910
		3,977	**4,414**
Total liabilities		**13,782**	**13,914**
Net assets		**25,928**	**24,223**
Equity			
Share capital	25	701	700
Share premium account		2,036	2,024
Merger reserve		2,476	2,476
Treasury shares	8	(576)	(576)
Other reserves		(211)	(211)
Translation reserve		(32)	34
Retained earnings		21,534	19,776
Total equity attributable to the equity shareholders of the parent Company		**25,928**	**24,223**

These financial statements were approved by the Board of Directors and authorised for issue on 10 July 2026. They were signed on its behalf by:

Qadeer Mohammed
Chief Financial Officer

COMPANY BALANCE SHEET

	Note	31 March 2026 £000	31 March 2025 £000
Non-current assets			
Investment in subsidiaries	17	1,353	1,346
Investment property	15	2,850	2,889
		4,203	**4,235**
Current assets			
Trade and other receivables	19	3,509	4,011
Cash and cash equivalents	20	5	42
		3,514	**4,053**
Total assets		**7,717**	**8,288**
Current liabilities			
Trade and other payables	22	55	54
Corporation tax payable	22	4	56
Borrowings	24	197	190
		256	**300**
Net current assets		**3,258**	**3,753**
Non-current liabilities			
Deferred tax liability	31	6	-
Borrowings	24	1,711	1,910
		1,717	**1,910**
Total liabilities		**1,973**	**2,210**
Net assets		**5,744**	**6,078**
Equity			
Share capital	25	701	700
Share premium account		2,036	2,024
Merger reserve		2,476	2,476
Treasury shares	8	(576)	(576)
Capital redemption reserve		18	18
Other reserves		(236)	(236)
Retained earnings		1,325	1,672
Total equity attributable to the equity shareholders		**5,744**	**6,078**

The Company's loss after tax for the year was £13,000 (2025: loss £43,000). 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 10 July 2026. They were signed on its behalf by:

Qadeer Mohammed
Chief Financial Officer

Company registration number 01227964

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital (note 25) £000	Share premium account £000	Merger reserve £000	Treasury shares £000	Other reserves £000	Translation reserve £000	Retained earnings £000	Total equity £000
At 1 April 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 profit 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**
Comprehensive income for the year								
Profit for the year	–	–	–	–	–	–	2,092	2,092
Exchange differences on translation of foreign operations	–	–	–	–	–	(66)	–	(66)
Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**–**	**(66)**	**2,092**	**2,026**
Contributions by and distributions to owners								
Exercise of options	1	12	–	–	–	–	–	13
Share-based payment charge (note 26)	–	–	–	–	–	–	7	7
Dividends paid (note 11)	–	–	–	–	–	–	(341)	(341)
Total contributions by and distributions to owners	**1**	**12**	**–**	**–**	**–**	**–**	**(334)**	**(321)**
At 31 March 2026	**701**	**2,036**	**2,476**	**(576)**	**(211)**	**(32)**	**21,534**	**25,928**

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 merger reserve arose on the acquisition of the Emma Hardie and Brodie & Stone businesses during the financial year ended 31 March 2022 through the issue of shares as consideration. In accordance with section 612 of the Companies Act 2006 (merger relief), the difference between the nominal value of the shares issued and the value attributed to the investment acquired is recognised in the merger reserve.

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.

COMPANY STATEMENT OF CHANGES IN EQUITY

	Share capital (note 25) £000	Share premium account £000	Merger reserve £000	Treasury shares £000	Capital redemption reserve £000	Other reserves £000	Retained earnings £000	Total equity £000
As at 1 April 2024	700	2,024	2,476	(576)	18	(236)	1,986	6,392
Comprehensive loss 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	–	–	–	–	–	–	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**
Comprehensive income for the year								
Loss for the year	–	–		–	–	–	(13)	(13)
Total comprehensive income for the year	**–**	**–**		**–**	**–**	**–**	**(13)**	**(13)**
Contributions by and distributions to owners								
Exercise of options	1	12	–	–	–	–	–	13
Share based payment charge (note 26)	–	–	–	–	–	–	7	7
Dividends paid (note 11)	–	–	–	–	–	–	(341)	(341)
Total contributions by and distributions to owners	**1**	**12**	**–**	**–**	**–**	**–**	**(334)**	**(321)**
At 31 March 2026	**701**	**2,036**	**2,476**	**(576)**	**18**	**(236)**	**1,325**	**5,744**

CONSOLIDATED CASH FLOW STATEMENT

	Note	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Profit from operations		2,692	3,531
Adjustments for:			
Depreciation on property, plant and equipment	15	767	956
Depreciation on right of use assets	16	436	445
Amortisation of intangible assets	14	350	183
(Profit)/Loss on disposal of Right of Use assets	6	-	(12)
Loss on disposal of PPE	6	6	34
Share based payment charge	26	7	36
		4,258	**5,173**
(Increase)/Decrease in inventories	18	69	(647)
(Increase)/Decrease in trade and other receivables	19	(2,296)	(1,179)
Increase/(Decrease) in trade and other payables		498	589
Cash generated from operations		**2,529**	**3,936**
Taxation paid		(559)	(1,030)
Net cash generated from operating activities		**1,970**	**2,906**
Investing activities			
Purchase of property, plant and equipment	15	(480)	(429)
Purchase of intangible assets	14	(397)	(243)
Proceeds from sale of assets		-	10
Bank interest received	9	15	-
Corporation tax interest received	9	17	-
Net cash used in investing activities		**(845)**	**(662)**
Financing activities			
Proceeds on issue of shares	25	13	-
Principal paid on lease liabilities	23	(507)	(507)
Repayment of amounts borrowed	30	-	(34)
Repayment on term loan	30	-	(611)
Interest paid on term loan	30	-	(18)
Repayment on mortgage loan facility	30	(192)	(187)
Interest paid on mortgage loan facility	30	(61)	(66)
Dividends paid to owners of the parent		(341)	(307)
Net cash used in financing activities		**(1,088)**	**(1,730)**
Net increase in cash and cash equivalents		**37**	**514**
Cash and cash equivalents at start of year		3,659	3,138
Effect of foreign exchange rate changes		(66)	7
Cash and cash equivalents at end of year		**3,630**	**3,659**

COMPANY CASH FLOW STATEMENT

	Note	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Profit from operations		55	79
		55	**79**
Adjustments for:			
Depreciation on property, plant and equipment	15	39	211
		94	**290**
Decrease/(Increase) in trade and other receivables	19	502	363
Increase in trade and other payables	22	1	-
Cash generated from operations		**597**	**653**
Taxation paid		(53)	(72)
Net cash generated from operating activities		**544**	**581**
Investing activities			
Net cash generated from investing activities		–	-
Financing activities			
Proceeds of share issue	25	13	-
Repayment on mortgage loan facility	30	(192)	(186)
Interest paid on mortgage loan facility	30	(61)	(66)
Dividends paid to owners of the parent	8	(341)	(307)
Net cash used in financing activities		**(581)**	**(559)**
Net change in cash and cash equivalents		**(37)**	**22**
Cash and cash equivalents at start of year		**42**	**20**
Cash and cash equivalents at end of year		**5**	**42**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

1. GENERAL INFORMATION

Potter & Moore PLC (the "Company") is incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on page 101.

The Company is a public company whose shares are admitted to trading on the AIM market of the London Stock Exchange. The Company transferred from the Main Market of the London Stock Exchange to AIM on 31 March 2025.

The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 3 to 30.

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 2026 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 2026.

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 is currently assessing the impact of IFRS 18 'Presentation and Disclosure in Financial Statements', which is effective for accounting periods beginning on or after 1 January 2027. IFRS 18 is expected to result in changes to the presentation and disclosure of information within the Group's financial statements, including the presentation of the statement of profit or loss and related disclosures.

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.

Going concern

Whilst the Group has faced a number of challenges due to the current economic climate, it has maintained a stable level of performance as a result of the actions taken by management, as explained in the Chairman's Statement, CEO Statement and CFO statement on pages 3 to 15. The resilience of the Group's business model, strong customer relationships and the benefits of initiatives implemented in prior years have enabled the Group to navigate challenging market conditions and deliver a consistent performance for the year ended 31 March 2026.

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 (CFD) 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.

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.

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.

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.

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 rate 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.

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 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 scrappage 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 if;

- 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
- intention to complete the project and to use or sell the resulting asset
- ability to use or sell the resulting intangible asset
- 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.

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.

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 the effective rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

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.

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.

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 (CFD) 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

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 £8,803,000 (2025: £8,872,000). This is net of provisions of £1,271,000 (2025: £1,398,000) 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. No indicators of impairment were identified and no impairment was recognised in either the current or prior year.

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 4% 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.

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 higher than the carrying amounts, and therefore no impairment was required.

Key assumptions used in this assessment are as follows:

Brand	Discount Rate (Pre-tax)	Growth Rate
Brodie and Stone	11.92%	28% in FY27, 4% in FY28 to FY30 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.

Please see above for the key assumptions used in the assessment. Further detail is set out in note 14. No impairment was recognised in the current or prior year following the annual impairment review. 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.

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 March 2026 £000	Year ended 31 March 2025 £000
Sales of goods	56,708	56,838
Settlement discounts	(43)	(71)
Contracted retailer commitments	(1,506)	(1,278)
Royalties & commissions	(114)	(4)
Retailer promotional support	(1,196)	(1,419)
Revenue	**53,849**	**54,066**

The sales generated by each revenue stream are;

	Year ended 31 March 2026 £000's	Year ended 31 March 2025 £000's
Branded products	18,306	18,176
Private Label	31,766	29,154
Contract manufacturing	3,769	6,720
Other	8	16
Total	**53,849**	**54,066**

5. BUSINESS AND GEOGRAPHIC SEGMENTS

In the year ended 31 March 2026, the Group had two customers that exceeded 10% of total revenue, being £9.0m and £8.8m respectively (2025: one customer being £11.4m).

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 is attributed to countries based on the location of the customer. The United Kingdom is the Group's country of domicile. Revenue attributable to the United Kingdom and to foreign countries in the total shown below, with oversea revenue further analysed by country.

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
UK	43,387	45,828
Overseas	10,462	8,238
Total	**53,849**	**54,066**

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

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Denmark	3,642	2,590
Saudi Arabia	1,752	1,656
Ireland	1,515	1,025
United States of America	1,177	357
Vietnam	568	774
Germany	448	348
China	319	52
Nigeria	304	349
South Africa	106	164
New Zealand	99	40
Georgia	90	11
Latvia	79	95
Chile	29	218
France	29	87
Australia	23	66
United Arab Emirates	17	110
Ecuador	0	21
Other	265	275
Total	**10,462**	**8,238**

6. OPERATING PROFIT

Operating profit for the Group is stated after charging:

	Note	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Net foreign exchange (gain)		(273)	(241)
Cost of inventories recognised as expense		29,941	30,154
Write downs of inventories recognised as an expense		340	1,319
External research and development costs		595	402
Depreciation of property plant and equipment			
Owned assets	15	767	956
Right-of-use assets	16	436	445
Loss on disposal of PPE		6	34
(Gain)/Loss on disposal of Right of Use assets		-	(12)
Amortisation of intangible assets (included in administrative expenses)	14	350	183
Staff costs	7	14,925	14,332
Auditor’s remuneration		95	195

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

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Audit services		
Fees payable to the Company's auditor for the audit of the parent Company and the consolidated financial statements	95	195

Operating profit for the Company is stated after charging:

	Note	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Depreciation of property plant and equipment			
- Owned assets	15	39	211

7. STAFF COSTS

The average number of employees (including Directors) was:

	Year ended 31 March 2026 Number	Year ended 31 March 2025 Number
Management	8	8
Administration	115	105
Production	256	265
Total	**379**	**378**

Their aggregate remuneration comprised:

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Wages and salaries	12,913	12,675
Social security costs	1,650	1,250
Pension contributions	355	371
Share based payment charge	7	36
Total	**14,925**	**14,332**

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 2026 (2025: nil).

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 Potter & Moore 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.

During the year to March 2023, the Company agreed a buy back of 1,600,000 Consideration Shares for an aggregate consideration of £576,000. The consideration was based on the price of 36p per ordinary share being the on-market price at the time of the transaction. The Buyback took place on 26 September 2022.

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 Potter & Moore 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.

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

No impairments were recognised in the year ended 31 March 2026 (2025: £Nil).

Please refer to note 13 and note 14.

Brand value

The fair value of brand intangible assets acquired on acquisition of Emma Hardie Limited and Brodie and Stone International Limited amounted to £0.6m 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.

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.

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FOR THE YEAR ENDED 31 MARCH 2026

9. FINANCE INCOME AND FINANCE COSTS

	Group		Company	
	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Finance income				
Interest income on bank deposits	15	-	-	-
Corporation tax interest received	17	-	-	-
Total finance income	**32**	**-**	**-**	**-**

	Group		Company	
	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Finance costs				
Interest on bank overdrafts and loans	-	15	-	-
Interest on mortgage	61	66	61	66
Interest on lease liabilities	56	80	-	-
Other Interest	-	-	-	-
Total finance costs	**117**	**161**	**61**	**66**

10. TAXATION

	Group		Company	
	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Current tax				
Current tax on profit for the year	696	1,070	5	56
Adjustments in respect of prior years	(14)	(7)	(3)	-
Total current tax	**682**	**1,063**	**2**	**56**
Deferred tax (see note 31)				
Originations and reversal of temporary differences	28	(43)	3	-
Deferred tax not previously recognised	-	-	-	-
Adjustment in respect of prior years	20	25	3	-
Total deferred tax	**48**	**(18)**	**6**	**-**
Total	**730**	**1,045**	**8**	**56**

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

	Group		Company	
	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Profit / (Loss) before taxation	2,822	3,497	(5)	20
Tax using the UK corporation tax rate of 25%	706	874	(1)	5
Fixed asset differences	17	63	9	53
Tax effect of expenses that are not deductible in determining taxable profit	7	15	-	-
Income not subject to tax	-	-	-	(2)
Additional deduction for R&D expenditure	(7)	-	-	-
Adjustments in respect of prior years	(14)	(7)	(3)	-
Adjustments in respect of prior years (deferred tax)	20	25	3	-
Deferred tax credited directly to equity	-	(20)	-	-
Deferred tax not recognised	8	52	-	-
Tax relief on exercise of share options	2	43	-	-
Other permanent differences	(9)	-	-	-
Total expense	**730**	**1,045**	**8**	**56**

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 31 March 2026 £000	Year ended 31 March 2025 £000
Deferred tax		
Excess tax deductions related to share-based payments on exercised options	-	(20)
Total	**-**	**(20)**

11. PAYMENTS TO SHAREHOLDERS

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Final dividend paid – 0.50 pence (2025: 0.45 pence) per ordinary share	341	307
Total dividend paid in year – 0.50 pence (2025: 0.45 pence) per ordinary share	341	307
Proposed – 0.55 pence (2025: 0.50 pence) per ordinary share	376	349

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FOR THE YEAR ENDED 31 MARCH 2026

12. EARNINGS PER SHARE

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

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Earnings		
Profit attributable to the equity holders of the parent Company	2,092	2,452

	Year ended 31 March 2026 Number	Year ended 31 March 2025 Number
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	68,493,160	68,435,383
Effect of dilutive potential ordinary shares relating to share options*	330,768	6,205,687
Weighted average number of ordinary shares for the purposes of Adjusted Earnings per share (2024: for the purpose of Diluted Earnings per share)	68,823,928	74,641,070
Basic earnings per share – including exceptional items	3.05p	3.58p
Diluted earnings per share	3.04p	3.29p

* Share options that were out of the money have been excluded from the diluted weighted average number of shares calculation for the year ended 31 March 2026 as their inclusion would be anti-dilutive in accordance with IAS 33.

13. GOODWILL

	Goodwill £000
Cost	
At 1 April 2024	2,893
At 31 March 2025 and 31 March 2026	**2,893**
Accumulated Impairment/Derecognition	
At 1 April 2024	1,318
At 31 March 2025 and 31 March 2026	**1,318**
Carrying value	
At 1 April 2024	1,575
At 31 March 2025	**1,575**
At 31 March 2026	**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.

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 reduction in the growth rate to 2.21% in forecast cash flows would reduce the headroom to nil.
- A 12.21% discount rate would reduce the headroom to nil.
- A terminal value growth rate of negative 0.1% would reduce the headroom to nil.

14. OTHER INTANGIBLE ASSETS

Group

	Computer software £000	Intellectual property £000	Product development costs £000	Brands £000	Total £000
Cost					
At 1 April 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**
Additions – internally developed	124	-	273	-	397
At 31 March 2026	**499**	**10**	**4,492**	**10,596**	**15,597**
Accumulated amortisation					
At 1 April 2024	291	-	3,843	4,449	8,583
Amortisation for the year	21	-	162	-	183
At 31 March 2025	**312**	**-**	**4,005**	**4,449**	**8,766**
Amortisation for the year	23	-	327	-	350
At 31 March 2026	**335**	**-**	**4,332**	**4,449**	**9,116**
Carrying value					
At 1 April 2024	**66**	**10**	**151**	**6,147**	**6,374**
At 31 March 2025	**63**	**10**	**214**	**6,147**	**6,434**
At 31 March 2026	**164**	**10**	**160**	**6,147**	**6,481**

Brand

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

Brand value carrying amount	As at 01 April 2025 £000	Impairment £000	As at 31 March 2026 £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.

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.

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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.

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.

15. PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY

Group

	Freehold land and buildings £000	Plant and machinery £000	Fixtures and fittings £000	Computers £000	Total £000
Cost					
At 1 April 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**
Additions	-	211	119	150	480
Disposals	-	(16)	-	-	(16)
Transfer from Right of use assets	-	453	-	-	453
At 31 March 2026	**4,038**	**7,274**	**1,772**	**675**	**13,759**
Accumulated depreciation					
At 1 April 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**
Depreciation for the year	39	512	137	79	767
Disposals	-	(10)	-	-	(10)
Transfer from Right of use assets	-	330	-	-	330
At 31 March 2026	**1,188**	**6,291**	**1,324**	**468**	**9,271**
Carrying value					
At 1 April 2024	**3,100**	**1,517**	**467**	**135**	**5,219**
At 31 March 2025	**2,889**	**1,167**	**466**	**136**	**4,658**
At 31 March 2026	**2,850**	**983**	**448**	**207**	**4,488**

Company

	Investment Property £000
Cost	
At 1 April 2024	4,038
At 31 March 2025 and 31 March 2026	**4,038**
Accumulated depreciation	
At 1 April 2024	938
Depreciation for the year	211
At 31 March 2025	**1,149**
Depreciation for the year	39
At 31 March 2026	**1,188**
Carrying value	
At 1 April 2024	**3,100**
At 31 March 2025	**2,889**
At 31 March 2026	**2,850**

On 16 October 2019, Potter & Moore 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.

The depreciation charge for the year was £39,000 (2025: £211,000). The reduction compared with the prior year reflects the completion of depreciation on the older component of the property acquired by the Group, to which £861,000 of the purchase price had been allocated. This component was depreciated over its estimated remaining useful life of five years and became fully depreciated in the prior year. Accordingly, the current year depreciation charge relates solely to the remaining components of the property with longer estimated useful lives.

16. RIGHT-OF-USE ASSETS

Group

	Leasehold Property £000	Plant and machinery £000	Total £000
Cost			
At 1 April 2024	944	1,363	2,307
Additions	-	595	595
Disposals	-	(33)	(33)
At 31 March 2025	**944**	**1,925**	**2,869**
Additions	-	10	10
Disposals	-	(55)	(55)
Transfer to Property, Plant and Equipment	-	(453)	(453)
At 31 March 2026	**944**	**1,427**	**2,371**
Depreciation			
At 1 April 2024	571	643	1,214
Depreciation for the year	165	280	445
Disposals	-	(32)	(32)
At 31 March 2025	**736**	**891**	**1,627**
Depreciation for the year	165	271	436
Disposals	-	(20)	(20)
Transfer to Property, Plant and Equipment	-	(330)	(330)
At 31 March 2026	**901**	**812**	**1,713**
Carrying value			
At 1 April 2024	**373**	**720**	**1,093**
At 31 March 2025	**208**	**1,034**	**1,242**
At 31 March 2026	**43**	**615**	**658**

17. INVESTMENT IN SUBSIDIARIES

Company

	Investments £000
Cost	
As at 1 April 2024	1,325
Additions	36
At 31 March 2025	**1,361**
Additions	7
At 31 March 2026	**1,368**
Impairment charge	
At 1 April 2024	15
Impairment for the year	-
At 31 March 2025	**15**
Impairment for the year	-
At 31 March 2026	**15**
Carrying value	
As at 1 April 2024	1,310
At 31 March 2025	**1,346**
At 31 March 2026	**1,353**

Potter & Moore 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.

Details of the Group's subsidiaries at 31 March 2026 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	91310000MAD4WDYHX6	China	f	100%
Creightons Limited	16931158	England	a	100%

All Companies listed above are subsidiaries of Potter & Moore PLC 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, DO7 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 Potter & Moore 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.

18. INVENTORIES

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
Raw materials	3,185	3,202	-	-
Work in progress	762	920	-	-
Finished goods	4,856	4,750	-	-
Total	**8,803**	**8,872**	**-**	**-**

Inventories with a carrying value of £8,803,000 (2025: £8,872,000) have been pledged as security for the Group's bank overdrafts. No amounts were outstanding under the overdraft facility at 31 March 2026. Directors believe that net realisable value approximates to fair value. Inventories are stated net of provisions of £1,271,000 (2025: £1,398,000).

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
Financial assets				
Trade receivables	13,288	11,100	–	–
Amounts receivable from subsidiaries	–	–	3,487	3,988
Non-financial assets				
Prepayments and other receivables	705	597	22	23
Total	**13,993**	**11,697**	**3,509**	**4,011**

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 2026 was £13,288,000 (2025: £11,100,000). 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	
	2026 £000	2025 £000	2026 £000	2025 £000
Trade receivables:				
Current	12,454	9,505	–	–
1 - 30 days	750	1,465	–	–
31 – 60 days	17	42	–	–
61 – 90 days	20	37	–	–
91 + days	96	92	–	–
Less impairment allowance	(49)	(41)	–	–
Total	**13,288**	**11,100**	**-**	**-**

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
Amount due from Group Companies:				
Current	–	–	221	130
1 - 30 days	–	–	50	71
31 – 60 days	–	–	50	29
61 – 90 days	–	–	103	123
91 + days	–	–	3,063	3,635
Less impairment allowance	–	–	–	–
Total	**-**	**-**	**3,487**	**3,988**

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FOR THE YEAR ENDED 31 MARCH 2026

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

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
At 1 April 2025	41	21	-	-
Debit/(Credit) in current year income statement	8	20	-	-
At 31 March 2026	**49**	**41**	**-**	**-**

Expected Credit Loss Provision (IFRS 9)

Trade receivables at 31 March 2026 amounted to £13,337,000 before impairment (2025: £11,141,000). Of this balance £787,000 (2025: £1,544,000) was overdue at the balance sheet date but not credit impaired. The majority of overdue balances relate to amounts less than 30 days past due and are collected shortly after the reporting date. Overdue status does not automatically indicate default. The proportion of trade receivables at 31 March 2026 that were overdue for payment was 5.9% (2025: 13.9%).

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 receivables are considered credit impaired where it is unlikely that the customer will settle the outstanding balance in full.

Although the Group has both UK and overseas trade receivables, the risk characteristics, historical loss experience, and payment patterns are sufficiently similar to assess all balances collectively as a single portfolio for expected credit loss purposes.

The ageing profile of trade receivables is as follows:

	Group 2026			Group 2025		
Ageing category	£000	% of total	Provision £000	£000	% of total	Provision £000
Current	12,454			9,505		
1 - 30 days	750			1,465		
31 - 60 days	17			42		
61 – 90 days	20			37		
91 + days	96	51%	49	92	45%	41
At 31 March	**13,337**		**49**	**11,141**		**41**

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. At 31 March 2026, the expected credit loss provision was £49,000 (2025: £41,000) which primarily relates to balances aged over 90 days, to which a higher loss rate is applied.

20. 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. An analysis of the amounts at the year-end is as follows:

	Group		Company	
	2026 £000	**2025 £000**	**2026 £000**	**2025 £000**
Cash at bank and in hand	3,232	3,336	5	42
Sterling equivalent of deposit denominated in Australian dollars	10	22	-	-
Sterling equivalent of deposit denominated in Euros	174	167	-	-
Sterling equivalent of deposit denominated in US dollars	214	134	-	-
Total	**3,630**	**3,659**	**5**	**42**

As at the 31 March 2026, the invoice finance facility has not been utilised to fund the on-going activities of the business.

21. FINANCIAL INSTRUMENTS AND TREASURY RISK MANAGEMENT

Financial instruments

The company's principal financial instruments comprise trade receivables, cash and cash equivalents, trade payables, lease liabilities, and mortgage borrowings. These financial instruments arise directly from the company's operations and financing activities.

Trade receivables and cash at bank are held to collect contractual cash flows and are measured at amortised cost in accordance with IFRS 9. Expected credit losses are provided where necessary.

Trade payables, lease liabilities, and mortgage borrowings are also measured at amortised cost using the effective interest method. Lease liabilities are accounted for in accordance with IFRS 16 Leases, and mortgage borrowings are initially recognised at fair value less directly attributable transaction costs.

The carrying amounts of these financial instruments approximate their fair values due to the short-term nature of the assets and liabilities, or fixed contractual terms.

The company is exposed to credit, liquidity, and interest rate risks in the normal course of business. These risks are managed as part of the company's overall risk management framework and are considered low and not material.

Financial assets

Financial assets are recognised in the Statement of financial position within the following headings. These are measured at amortised cost in accordance with IFRS 9 and are detailed below.

	Group		Company	
	2026 £000	**2025 £000**	**2026 £000**	**2025 £000**
Trade and other receivables	13,288	11,100	3,487	3,988
Cash and cash equivalents	3,630	3,659	5	42
Total	**16,918**	**14,759**	**3,492**	**4,030**

Financial liabilities

Financial liabilities are recognised in the Statement of financial position within the following headings. These are carried at amortised cost using the effective interest rate method in accordance with IFRS 9 and are detailed below.

At 31 March 2026

	Group				
	Less than 6 months £000	**Between 6 months and 1 year £000**	**Between 1 and 5 years £000**	**Over 5 years £000**	**Total £'000**
Trade payables	5,626	–	–	–	5,626
Accruals	2,697	–	–	–	2,697
Lease liabilities	144	112	419	–	675
Loan	98	99	856	855	1,908
Total	**8,565**	**211**	**1,275**	**855**	**10,906**

At 31 March 2025

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

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 following is the maturity analysis of the undiscounted cash flows:

At 31 March 2026

	Group				
	Less than 6 months £000	**Between 6 months and 1 year £000**	**Between 1 and 5 years £000**	**Over 5 years £000**	**Total £'000**
Trade payables	5,626	–	–	–	5,626
Accruals	2,697	–	–	–	2,697
Lease liabilities	159	124	447	–	730
Loan	126	126	1,010	900	2,162
Total	**8,608**	**250**	**1,457**	**900**	**11,215**

At 31 March 2025

	Group				
	Less than 6 months £000	**Between 6 months and 1 year £000**	**Between 1 and 5 years £000**	**Over 5 years £000**	**Total £'000**
Trade payables	5,585	–	–	–	5,585
Accruals	2,354	–	–	–	2,354
Lease liabilities	252	252	754	11	1,269
Loan	126	126	1,010	1,153	2,415
Total	**8,317**	**378**	**1,764**	**1,164**	**11,623**

The Group manages its working capital requirements through overdrafts and invoice finance facilities. These facilities were renewed in January 2026 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 2026 the Group had available £5,682,000 (2025: £6,193,000) 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 3.5 years of the loan. As this mortgage is fixed rate, principal and interest obligations are known and predictable, which reduces liquidity risk.

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 2026 all trade debtors (2025: 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. As a result, the maximum loss on any customer default is limited to the uninsured portion of the receivable, being 10% of the invoiced value (net of VAT). This exposure is reflected in the expected credit loss provision disclosed in note 19.

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 2026 year end is reflected within the interest rate and foreign currency risk which are discussed further below.

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, 8.5 years remaining, secured on the property with an interest rate of 3.04% fixed for the first 10 years, 3.5 years remaining, of the loan, therefore reducing the interest rate risk. The interest charge on the mortgage for the year ended 31 March 2026 was £61,000 (2025: £66,000). As the mortgage is fixed rate, it is not subject to interest rate sensitivity for the remaining fixed term.

On 3 September 2021, the Group took out a term loan of £3,000,000 to fund part of the purchase of the acquisitions during 2022. The term loan was 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 FY 25. The interest charge on the term loan for the period to 31 March 2025 was £17,000. A 1% increase in the interest rate during the prior year would have resulted in an additional charge of £5,900 on the term loan only. As a result of repaying the loan in full in the prior year, there was no outstanding balance on the loan at the year end. The repayment of the loan 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 £8,500 (2025: £12,000). 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

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 1.2% (2025: 0.3%) of the Group's income is denominated in US dollars and 0% (2025: 1%) in Euros. Approximately 4% (2025: 3%) of the Group's expenditure is denominated in US dollars and 5% (2025: 4%) in Euros.

Foreign currency sensitivity

A 5% strengthening of sterling would result in a £183,000 (2025: £142,000) increase in profits and equity. A 5% weakening in sterling would result in a £202,000 (2025: £157,000) 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 2026 or 31 March 2025.

22. TRADE AND OTHER PAYABLES AND CORPORATION TAX

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
Trade payables	5,626	5,585	–	–
Social security and other taxes	1,029	915	5	4
Accruals	2,697	2,354	15	15
Amounts payable to subsidiary undertakings	–	–	35	35
Corporation tax payable	–	9	4	56
Total	**9,352**	**8,863**	**59**	**110**

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	
	2026 £000	2025 £000	2026 £000	2025 £000
Amounts payable under leases				
Current liabilities				
Within one year	256	447	–	–
Total current lease liabilities	**256**	**447**	**–**	**–**
Non-current liabilities				
Between two to five years	419	702	–	–
After five years	–	3	–	–
Total non-current lease liabilities	**419**	**705**	**–**	**–**
At 31 March 2026	**675**	**1,152**	**–**	**–**

	Group 2026 £000	Group 2025 £000
At 1 April 2025	1,152	984
New lease	10	595
Disposal	(37)	–
Interest expense	57	80
Lease payments	(507)	(507)
At 31 March 2026	**675**	**1,152**

The Group expensed to the consolidated income statement and incurred a cash outflow of £70,000 (2025: £126,000) 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.

24. BORROWINGS

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
Current liabilities				
Borrowings under mortgage and loan repayable within one year	197	190	197	190
Total current lease liabilities	**197**	**190**	**197**	**190**
Non-current liabilities				
Borrowings under mortgage and loan repayable between two to five years	856	830	856	830
Borrowings under mortgage repayable after more than five years	855	1,080	855	1,080
Total non-current lease liabilities	**1,711**	**1,910**	**1,711**	**1,910**
Total	**1,908**	**2,100**	**1,908**	**2,100**

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 was 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 was £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 2026 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 invoice finance facility is secured on the trade receivables and a floating charge on all of the assets of the Group.

25. SHARE CAPITAL

	Ordinary shares of 1p each	
	£000	Number
At 1 April 2024	700	70,035,383
Issued in the year	-	-
At 31 March 2025	700	70,035,383
Issued in the year	1	91,940
At 31 March 2026	**701**	**70,127,323**

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 £13,000 (2025: £Nil).

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			
	2026		2025	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Outstanding at the beginning of the period	4,357,360	47.34p	7,184,760	39.70p
Exercised in the period	(91,940)	15.96p	0	0
Lapsed in the period	(240,000)	61.75p	(2,827,400)	28.41p
Outstanding at the end of the period	4,025,420	47.23p	4,357,360	47.34p

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

Granted	Exercise period	Number	Exercise price
Oct-18	2021 – 2028	1,792,920	26.80p
Jul-20	2023 – 2030	600,000	36.00p
Mar-21	2024 – 2031	810,000	74.50p
Nov-21	2024 - 2031	522,500	97.73p
Dec-22	2025 – 2032	300,000	30.17p
Outstanding at the end of the period		4,025,420	47.23p

In the year to 31 March 2026, 91,940 (2025: Nil) share options exercised were exercised during the period. The options outstanding at 31 March 2026 had a weighted average exercise price of 47.23p, and a weighted average remaining contractual life of 3.7 years.

The number of currently exercisable share options at 31 March 2026 is 4,025,420 (2025: 3,502,360).

The weighted average exercise price of current exercisable options is 20.52p.

No share options were granted during the year ended 31 March 2026 (2025: Nil).

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 2026							
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 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)	-	-	-	-	-	-	-	-

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 £7,000 (2025: £36,000) 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 £355,000 (2025: £372,000) and cash contributions were £355,000 (2025: £373,000). The amount outstanding at the year end was £69,000 (2025: £69,000).

28. CAPITAL COMMITMENTS

	Group		Company	
	2026 £000	**2025 £000**	**2026 £000**	**2025 £000**
Contracts placed for future capital expenditure not provided for in the financial statements	184	175	-	-

29. RELATED PARTY TRANSACTIONS

Transactions between the parent Company and its subsidiaries

The amounts owed by and to subsidiary Companies are:

	2026 £000	2025 £000
Amounts receivable from subsidiary undertakings	3,487	3,988
Amounts payable to subsidiary undertakings	(35)	(35)

During the year ended 31 March 2026 the Company charged rental charges of £350,000 (2025: £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 31-Mar 2026 £000	Year ended 31-Mar 2025 £000
Charges for Company secretarial services	-	(2)

As at the reporting date an amount of £Nil (2025: £2,116) 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 49 to 53.

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 Directors' Remuneration Report on pages 49 to 53.

	Year ended 31-Mar 2026 £000	Year ended 31-Mar 2025 £000
Salaries and other short term benefits	612	449
Total	**612**	**449**

30. NOTES SUPPORTING THE CASH FLOW STATEMENT

Group

Analysis of changes in net debt

	Overdraft £000	Mortgage £000	Loan £000	Total £000
At 1 April 2025	-	2,100	-	2,100
Cash outflow – principal	-	(192)	-	(192)
Cash outflow – interest	-	(61)	-	(61)
Interest accruing	-	61	-	61
At 31 March 2026	**-**	**1,908**	**-**	**1,908**

	Overdraft £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**

The mortgage balance pertains specifically to the Company.

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

31. DEFERRED TAX

The movement in deferred tax provision is analysed as follows.

	Group £000
At 1 April 2024	1,798
Recognised in the income statement - other	(19)
Recognised directly through equity	20
At 31 March 2025	**1,799**
Recognised in the income statement - other	48
Recognised directly through equity	–
At 31 March 2026	**1,847**

Deferred tax is represented by:

	Year ended 31 March 2026 £000	Year ended 31 March 2025 £000
Capital allowances in advance of depreciation	606	595
Share based payments	–	(8)
Acquisitions	1,410	1,410
Other temporary differences	(169)	(198)
Net deferred tax liability	**1,847**	**1,799**

The rate of corporation tax from 1 April 2025 was 25%, (2025: 25%). Deferred tax balances at the reporting date are measured at 25% (2025: 25%).

	Accelerated tax depreciation PPE £000	Provision £000	Share based payment £000	Acquisitions £000	Losses carried forward £000	Total £000
At 1 April 2025	595	(72)	(8)	1,410	(126)	1,799
Charged to profit	11	29	8	–	–	48
At 31 Mar 2026	**606**	**(43)**	**-**	**1,410**	**(126)**	**1,847**

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.

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FOR THE YEAR ENDED 31 MARCH 2026

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 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**

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:

	2026	2025
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	3,000	3,350

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 (2025: £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 (2025: £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 Potter & Moore 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 2026.

35. EVENTS AFTER THE REPORTING PERIOD

On 21 April 2026, the Company changed its name from Creightons PLC to Potter & Moore PLC. This was a non-adjusting event occurring after the reporting date of 31 March 2026. The change of name did not have any impact on the Group's financial position, performance or cash flows for the year ended 31 March 2026.

DIRECTORS AND ADVISERS

Directors

Paul Forster	Non-Executive Chairman
Philippa B E Clark	Chief Executive Officer
Qadeer Mohammed	Chief Financial Officer (Appointed 1 May 2025)
Martin Stevens	Deputy Group Managing Director
William T Glencross	Non-Executive Director
Nicholas DJ O'Shea	Non-Executive Director
Brian Geary	Non-Executive Director
Paul Watts	Non-Executive Director
Jemima C Bird	Non-Executive Director

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Designed and printed by: perivan perivan.com

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