Creightons Plc   Annual Report 2021

Registered Number 1227964

Contents **Page**

Financial highlights

- Revenue increased by 28.9% to £61.6m (2020: £47.8m).
- Operating profit increased by 43.7% to £5.4m (2020: £3.8m).
- Operating profit margin of 8.8% (2020: 7.9%).
- A tax charge of £0.8m (2020 - £0.4m) equates to an effective tax rate of 16.2% (2020: 10.8%).
- The profit after tax for the year has increased by £1.1m to £4.3m (2020: £3.2m).
- The profit increase has improved the fully diluted earnings per share to 5.89p (2020: 4.34p).
- Balance sheet remains strong after significant investment in working capital, product development and fixed assets to support growth.
- Net cash on hand (cash and cash equivalents less short-term element of obligations under finance leases and borrowings) is £6.2m (2020: £2.8m).
- Proposed final dividend 0.50p per ordinary share (2020: 0.50p).

Operational highlights

- Sales growth momentum maintained despite the impact of Covid:
  - Our own branded sales (excluding hygiene products) have grown by 16.0%.
  - Hygiene Related product delivered sales of £14.6m.
  - Sales of retailer own label products decreased by 6.0%.
  - Contract sales declined by 7.6%.
  - Total overseas sales have reduced by 3.9% to £6.9m (2020: £7.2m).
- Successful transitioning of brands with higher price point products and wider retail distribution.
- Cash on hand increased despite significant investment in working capital, product development and plant & equipment to support the business growth.
- Brexit – Impact of Brexit on operations has not been significant.
- Covid 19 - impact in the period;
  - Significantly increased sales of hygiene products under our Pure Touch Brand.
  - Reduced sales to customers whose operations were impacted during the shutdowns around the world. This has largely impacted on sales to contract customers, although there has been a smaller impact on private label sales.
  - No impact on year-end debtor provisions, stock provisions increased to reflect the surplus stock on the market of hygiene products.
  - Higher operational costs arising on creating a safe working environment, which totalled £1.6m

Group strategic report

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

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

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

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

The strategic report discusses the following areas:

- Chairman's statement
- The business model
- A fair review of the Group's business
- Strategy and objectives and future developments
- Key performance indicators
- Principal risks and uncertainties
- Section 172 statement
- Corporate and social responsibility
- Going concern

Chairman's statement

The Group has continued its recent expansion with growth of 28.9%, supported by the sales from hygiene related products and the brand acquired in 2019, resulting in sales of £61.6m for the year ended 31 March 2021 (2020: £47.8m). This has driven a 43.7% increase in operating profit to £5,393,000 (2020: £3,754,000).

Revenue

The fact that overall sales growth is not reliant on one business stream illustrates the resilience of our business model. Covid-19 has had both positive and negative impacts on sales, with sales of hygiene related products contributing £14.6m in the period (2020: £0m). Group sales have been negatively impacted across private label and contract sales streams, decreasing by £1.4m (6.0%) and £1.0m (7.6%) respectively. Branded sales increased by 157.2% in the period, with the Pure Touch hygiene brand delivering £14.6m of sales. Sales growth of our branded products was driven by higher retail position brands such as Feather & Down, which continues to perform with current customers and extended distribution, and The Curl Company with wider distribution in both the UK and overseas. There has been a significant improvement in direct to consumer sales which now contribute £1.4m of total sales (2020: £0.5m). The discount sector continues to be a competitive market with many of the customers moving away from brands to focus on their private label offering.

The Group's total overseas business, including the Australian subsidiary and non-own branded customers, reduced by 3.9% to £6.9m (2020: £7.2m).

Margin and cost of sales

Our gross margin was 40.6% for the year ended 31 March 2021 (2020: 42.2%). Whilst sales mix has been a contributor to the margin reduction there are some additional Covid-19 related costs in this year which have impacted on margin. As trade normalises these are not expected to be a feature. The additional costs in the year include increases in:

- direct labour costs associated with supporting staff through their isolation and additional payments to those who worked on our sites through the viruses two peaks.
- procurement and import freight costs associated purchasing and air-freighting scarce materials to meet the exceptional demand for hygiene products. Whilst we increased sales price in recognition that these costs would be higher than normal the actual costs were higher than anticipated.
- container costs to import materials from the Far East in the last 4 months of the year.
- stock provisions for excess materials as demand for hygiene products reduced rapidly following the easing of the first lockdown.
- Third party sub-contractor costs used to expand production quickly to meet the demand for hygiene products.

We have benefited from the economies of scale generated by sales growth, continued improvements in productivity and the successful re-sourcing of many raw materials during the year that have helped to offset the impact of the margin reduction and increases in the minimum wage. The re-sourcing exercise is ongoing and continues to contribute to margins.

Distribution costs and Administrative expenses

Distribution costs have increased by 37.0% to £3,353,000 (2020: £2,447,000), predominantly driven by organic growth but also due to the decision to outsource the warehousing and distribution of our finished goods to a third-party logistics provider. This process is complete and was critical in enabling the Group to deliver current future sales growth.

Group strategic report (continued)

Chairman's statement (continued)

Administrative expenses have increased by 16.1% (2020: 14.3%) in the year as the Group has invested in increased resources as it builds a team capable of delivering the growth anticipated for the future. These costs include £753,000 of Covid-19 costs which are expected to be reduced as the impact of the virus reduces. We will continue to manage our overhead cost base requirements to ensure they are aligned with the anticipated sales levels of the Group.

Research and Development

The Group invests significant resources in research and product development. As the Group has developed its business towards more leading-edge products, the nature of the research and development has become more sophisticated.

EBITDA

The Group has generated Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of £6,942,000 (2020: £5,116,000). This represents an increase of £1,826,000 (35.7%) which illustrates the ability of the Group to generate profits to support future expansion.

Tax

The Group's tax charge for the year was £837,000 (2020: £384,000) which equates to a rate of 16.2% (2020: 10.8%). The effective rate of tax is significantly less than the standard rate of 19.0% (2020: 19.0%). The main reason for this reduction is the R&D relief claims for the current year of £206,000 (2020: £213,000) and the reduction due to the tax charge associated with share options exercised in the period of £66,000 (2020: £148,000).

Profit after tax

The Group's profit after tax has increased by 36.8% to £4,334,000 for the year ended 31 March 2021 (2020: £3,168,000).

Earnings per share

The diluted earnings per share of 5.89p (2020: 4.34p) is an increase of 35.7%.

Working capital

Net cash on hand (cash and cash equivalents less short-term element of obligations under finance leases and borrowings) is £6,155,000 (2020: £2,764,000). The Group generated £6,190,000 (2020: £6,612,000) from operating activities. This cash resources will enable the group to take advantage of future opportunities to expand the business.

Return on Capital Employed

The Group has continued to increase its Reserves, and has also increased its Return on Capital Employed from 19.0% to 22.4%. The Group continues to look for opportunities to invest in brands that will help drive faster growth in profits.

Net gearing

Net gearing of negative 13.8% (2020: 5.6%) has decreased by 19.4% in the year following the property purchase in 2020 and improved profitability and cash generation in 2021.

Dividend

The Board proposes a final dividend of 0.50 pence per ordinary share, subject to approval at the AGM, (2020: 0.50 pence). This is in line with the directors' intention to align future dividend payments to the future underlying earnings and cash requirements of the business. Together with the interim dividend of 0.15 pence per share paid last December, the total dividend paid for the year ended 31 March 2021 is 0.65 pence (2020: 0.65 pence).

Covid-19 statement

Whilst the Group has faced a number of challenges since the outbreak of Covid-19 and has incurred significant costs associated with managing the risks associated with Covid-19, it has also found opportunity to deliver hygiene product types sought by consumers and health care providers during the pandemic. In particular, the Company has been able to introduce its Pure Touch brand of hand sanitisers and hand washes, incorporating a new patent-pending anti-viral cream and to expand sales of hygiene products in our existing ranges. The key impacts of Covid-19 on the business are;

- Sales – increased hygiene sales and reduced sales to those customers adversely impacted by Covid lockdown restriction.
- Operating margins – outsourcing production, higher raw material and inward freight costs.
- Supporting employees and keeping the workplace secure - additional costs included in margin and in overheads.

Many of these costs have been reduced over the early months of the current financial year, commencing April 2021, as Covid-19 infection rates have fallen. On the basis that these levels remain low we anticipate these costs will be significantly lower in the current financial year.

Group strategic report (continued)

Chairman's statement (continued)

Brexit

Brexit has occurred and will result in some increased long-term costs associated with the regulatory management and import and export administration. These will not materially impact on the Group's performance.

Conclusion

The Board believes that the strong customer relationships and robust financial position has enabled the Group to manage the current crisis and is well placed to proactively manage new challenges and take advantage of any new opportunities that may arise.

I would like to take this opportunity to thank every one of the Group's employees for the hard work and effort both during and after the year-end. It has been commendable how they have responded to the speed of change required and pressures associated with these exceptional times. I would also like to thank our customers and suppliers that have responded positively through this challenging period.

William McIlroy
Chairman, 20 July 2021

Group strategic report (continued)

The business model

The principal activity of the Group is the development, marketing and manufacture of toiletries and fragrances, 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 - 5.

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

A fair review of the Group's business

History

Creightons Plc was registered in 1975 to continue the business of manufacturing and marketing toiletries made exclusively from natural products first established in 1953. It created a number of proprietary brands, although it focused mainly on private label and contract manufacturing. It was listed on the London Stock Exchange in 1987. The Group consolidated its manufacturing at the Potter and Moore Innovations plant in Peterborough following the acquisition of the Potter and Moore business in 2003 and disposal of the Storrington site in 2005. The Group acquired the business and assets of the Broad Oak Toiletries site in Tiverton in February 2017 further increasing the Group's sales reach in terms of product and premium customers and adding to manufacturing capability and capacity. In June 2019 the Group bought the Balance Active Formula brand.

The first dividend for nearly 20 years was paid in 2015 and now as a result of the improved profitability the Company also made the decision to maintain its declared dividends to a total of 0.65p in the year to March 2021 (2020: 0.65p).

Operating Environment

The toiletries sector principally encompasses products for haircare, skincare, bath & body and male grooming. 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 internet 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, although increasing 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.

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

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

- our own branded business which develops, markets, sells and distributes products we have developed and own the rights to or brands we have licensed. These sales are increasingly made direct to consumers. All stock is manufactured to forecast. Key brands include Feather and Down, Balance Active and The Curl Company.
- private label business which focuses on high quality private label products for major high street retailers and supermarket chains, with the majority of stock manufactured to forecast.
- contract manufacturing business, which develops and manufactures products on behalf of third-party brand owners and typically manufactured to order.

In the year to 31 March 2021 the Group generated significant sales of hygiene related products which are not expected to repeat to the same extent in future years. These sales reflect the ability of the Group to utilise its capability and operational flexibility to maximise opportunities as they arise.

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

Group strategic report (continued)

The sales generated by each sales stream are;

	2020/21	2019/20	Movement
	£000's	£000's	
Owned products	11,980	10,324	Increase of 16.0%
Private label	22,751	24,198	Decrease of 6.0%
Contract	12,275	13,279	Decrease of 7.6%
Hygiene products	14,587	-	Increase of 100.0%
Other	12	7	Increase of 71.4%
Total	**61,605**	**47,808**	Increase of 28.9%

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.

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 toiletries, skincare, hair care, fragrances and home fragrance. 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 IFRS requirements.

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

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

Strategy, objectives and future developments

The primary objective of the Group is to deliver an adequate and sustainable return for shareholders whilst guarding against commercial risks. We aim to deliver this by pursuing the following broad strategies:

- Expand our customer base across all three sales streams (private label, contract and brands) within the UK and increasingly overseas.
- Invest in our Business to Consumer business to take advantage of the change in consumer purchasing patterns.
- Continuously review, develop and enhance our product offering to meet the consumers' requirement for high quality excellent value products and thereby help our customers grow their businesses.
- Ensure that we exceed our customers' expectations for first rate quality products and excellent customer service and use this to expand opportunities within our existing customer base.
- Manage our gross and net margins through efficient product sourcing, continuously improving production efficiencies, asset management and cost control.
- Make fully appraised investment in brands that will help us maintain and grow our business and create brand value, which can be crystallised through disposals to third parties.
- Develop our staff and skill base to meet all of the needs of the business and ensure all employees are rewarded, through profit related bonuses and share options, for their contribution to the success of the business.

The process for outsourcing the warehousing and distribution of the finished goods to a third-party logistics provider is complete. This has been, and will continue to be, key to allow the Group to deliver sales growth.

Research and development

The Group undertakes significant research and development to identify new brands, proprietary products and improved formulations to existing products that address expected market trends to maximise the Group's market share and deliver new opportunities for growth. The spend in the year on research and development was £832,000 (2020: £862,000).

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

Group strategic report (continued)

Key performance indicators

Management and monitoring of performance

Your directors are mindful that although Creightons Plc is a UK Listing Authority "premium" listed company, but given its size many of the 'big business' features common in premium listed 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 stock holding efficiencies, ensuring high levels of customer service and eliminating overhead inefficiencies. This report has been prepared with that in mind and is commensurate with the size of the Group's business.

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

The Board regularly monitors performance against several key financial indicators, including gross margin, overhead cost control, cash/borrowing and stocking 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 shows the growth of the business.
- Gross margin % (revenue less cost of goods sold, over revenue) indicates production and purchasing efficiencies.
- Operating profit (gross margin less operating expenses) shows profit earned from the normal business operations.
- Profit for the year shows the return to shareholders.
- EBITDA (Earnings before Interest, Tax, Depreciation & Amortisation) provides a reflection of the operating profitability of the business.
- Return on capital employed (Operating profit/Employed Capital + Long & short term debt) ensures that the business generates sufficient returns to pay for its cost of capital.
- Net Gearing (Total net debt/Shareholders' funds) shows the extent to which operations are funded by lenders versus shareholders.
- Net cash on hand shows the immediately available cash for use in operating activities or available for investments.
- Stocking levels shows the working capital currently invested in inventory.

	2020/21	2019/20	Movement
Sales	£61,605,000	£47,808,000	Increase of 28.9%
Gross Margin	40.6%	42.2%	Decrease of 1.6%
Profit for the year	£4,334,000	£3,168,000	Increase of 36.8%
Operating profit	£5,393,000	£3,754,000	Increase of 43.7%
Operating margin	8.8%	7.9%	Improvement of 0.9%
EBITDA	£6,942,000	£5,116,000	Increase of 35.7%
Return on capital employed	22.4%	19.0%	Increase of 3.4%
Net gearing (including obligations under leases)	(13.8%)	5.60%	Decrease of 19.4%
Net cash on hand	£6,155,000	£2,764,000	Increase of 122.7%
Stocking levels	£8,318,000	£7,394,000	Increase of 12.5%

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

	2021	2020	Movement
	£000's	£000's	
Operating Profit	5,393	3,754	Increase of 43.7%
Depreciation	1,052	807	Increase of 30.4%
Amortisation	497	555	Decrease of 10.5%
EBITDA	6,942	5,116	Increase of 35.7%

Group strategic report (continued)

Key performance indicators (continued)

Return on Capital Employed is calculated by dividing Operating Profit by Capital Employed plus lease liabilities and borrowings. See below.

	2021	2020
	£000's	£000's
Operating Profit	5,393	3,754
Capital Employed	20,086	15,566
Lease liabilities	1,143	1,169
Borrowings	2,812	2,975
Return on Capital Employed	22.4%	19.0%

Health and Safety

There were 2 incidents involving employees or contractors on the Group's sites which were required to be reported to the Health & Safety Executive during the year (2020: 3). None of these resulted in adverse HSE reports or recommendations. All those involved have fully recovered and were 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 Covid-19 business risks facing the business over the past 16 months, the impact of Brexit, the economic situation and potential emerging risks, and their impact on costs and consumer purchases.

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 sale and lease back arrangements to support investments in fixed assets, and invoice financing and overdraft facilities for working capital. Further details are set out in Note 24.

At 31 March 2021 the invoicing financing is in a surplus position of £1,232,000 (2020: £336,000), due to cash received from customers immediately before the year end and not yet transferred to the bank account. At 31 March 2021 the Group had utilised £0 (2020: £554,000) of its overdraft facility.

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.

Quality

The Group treats quality as its key requirement for all products and strives to deliver quality 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.

Brexit

At a Group and business level we prepared for changes in legislation, trade agreements and working practices to take advantage of any opportunities arising and to mitigate risk associated with Brexit. The Group operates globally with significant direct and indirect trading relationships within the EU. The Group put mitigating actions in place including the registration of Potter & Moore Ltd based in Ireland as an EU base for recording regulatory information and a new subsidiary Creightons GmbH to trade directly with EU customers as required. Whilst the Brexit outcome did not result in any increase in duty costs, the resulting increased paperwork associated with importing and exporting to the EU incurred, by ourselves and our partners, will increase costs but the impact will be minimal. The potential for divergence in regulations between the UK and EU may prove a barrier to trade in the worst-case scenario and an increase in product development and compliance costs are expected. Brexit and trade barriers continue to be an integral part of the Group's ongoing risk management and review process, for which solutions to address the risks are identified and implemented.

Group strategic report (continued)

Principal risks and uncertainties (continued)

Credit risk

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 limits, apart from the Department of Health and Social Care, are within insured credit limits or they pay on a pro-forma basis.

Supplier sourcing and costs

We have worked closely with suppliers and used our improved Far East sourcing capabilities to expand our supply base to ensure that we can meet the demand from our existing and new customers. This has increased costs as high demand for scarce raw materials drove up prices and we increased the use of air freighting to ensure we could meet the increased demand for hygiene products. We managed these increased costs with our customers to mitigate the impact on the business.

Environmental protection standards

The Group's technical department continues to monitor all relevant environmental regulations that it must adhere to ensure continued compliance.

Cyber security

There has been an explosion in Cyber Security threats faced by all businesses in the past year. The Group has responded by a significant investment in new software and resources to minimise the risk of anyone accessing our systems and information. We have engaged in an ongoing training programme of employees to ensure that they are constantly aware of their role in protecting the business from all cyber security threats.

Covid-19

Like all businesses, Covid-19 continues to present significant risks to our customer base, supply chain and the infection risk faced by our employees. More details on the impact are disclosed in the Chairman's Statement on page 4.

The Group established a committee of senior executives which initially met on a daily basis to ensure that all aspects of the risks and opportunities associated with Covid-19 were addressed.

Amongst other actions, we have;

- Introduced a Covid-19 testing regime for all employees who cannot work from home,
- Increased use of PPE, re-laid out production lines and installed screens to ensure social distancing can be maintained,
- Expanded all cleaning regimes in our sites,
- Managed site access through new security and temperature testing processes,
- Minimised the risks associated with car sharing during the peak of the pandemic by providing our own transport for employees who cannot get to work by other means,
- Supported staff who continued to work in our sites through the pandemic and staff who were unable to work as they were required to isolate by topping up Furlough payments.

While these actions have increased our costs, they have ensured we can continue to service our customers and provide our workforce with as safe a working environment as possible. The Group utilised the Government's Furlough scheme for shielding employees. It also deferred paying approximately £990,000 of VAT in relation to March 2020, which is being repaid over 10 months commencing March 21. No further Government schemes were used.

Section 172 statement

This section serves as our section 172 statement. Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision-making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term. Whilst the importance of giving due consideration to our stakeholders is not new, we are explaining in more detail this year how the Board engages with our stakeholders to comply with the requirement to include a statement setting out how our Directors have discharged this duty.

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006.

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

Group strategic report (continued)

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
The Group's principal means of communicating with shareholders is through the Annual Report and Financial Statements. This is supported by bi-annual presentations to shareholders where attendees question the executive directors on the Groups' performance and direction. These sessions are available to view on the Company's website.

Customers
We work closely with all of our customers to ensure fair trading agreements in place and we strive to work closely to identify shared opportunities to increase sales to ensure mutual growth in sales and profits.

Employees
The Board continues to enhance its methods of engagement with the workforce. With thorough regular briefings, direct communications through text messages and regular meetings with employee representatives through works councils. The Group has a profit related bonus system which ensures our employees participate in the ongoing success of the business.

Suppliers
We aim to work responsibly with our suppliers. We monitor our suppliers' performance including adherence to our Modern Slavery and Human Trafficking Statement that sets out the steps taken to prevent modern slavery in our business and supply chains. We ensure all suppliers are treated fairly when negotiating trading terms, including prompt payment for goods and services.

Community
We are aware of the impact the business can have on the quality of life, environment and economy of those in the location in which the Company operates.

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
To assess and mitigate the risks associated with Brexit and the potential impact on the business	• *Establish a structure and procedures to mitigate the risks and manage the costs associated with imports from the EU.* • *Ensure all products and materials are registered in and meet the technical requirements of both the EU and UK to ensure all customers' needs are satisfied.* • *Re-organise sales to EU customers to minimise their risks and costs and ensure the smooth movement of goods and maximise sales opportunities for the benefit of all stakeholders.*
Choice of new auditors	*To ensure that the new auditors had the experience and competencies to meet the requirements of the group as it expands and ensure that the audited elements of the financial statements are materially accurate and can be relied upon by all stakeholders; employees, shareholders, lenders, customers and suppliers.*
Operational impact of Covid-19	*To identify the risks and opportunities associated with the Covid-19 pandemic and subsequent lock-down and:* • *Maximise opportunities to secure sales of hygiene related products to secure employment, shareholder value, meet customer and consumer demand and provide business for our suppliers.* • *Manage the risks by creating a safe and secure workplace for our employees so that the opportunities can be delivered.*
The decision to extend credit terms and payment plans with certain customers during the year, whilst closely monitoring these situations to manage the risk to the business	*Identified and supported customers where the Covid-19 lockdowns significantly impacted on their business with the aim of minimising the risk to their business and the consequential impact on our Group and its stakeholders. Extended the credit insurance policy to all customers with the exception to the Department of Health.*
Supplier communication	*Regular communication was maintained with suppliers and payments were unaffected by the Covid-19 pandemic.*
Effective employee engagement	*During the Covid-19 pandemic weekly newsletters were sent out to all employees together with regular briefings to all staff both on site and remotely.*
Investment in our online sales platforms	*To maximise the sales opportunities during the Covid-19 lockdowns as consumers moved to online purchasing to the benefit of all stakeholders.*
Share Options issues during the year	*Continue to incentivise the Group's employees, rewarding their loyalty and success, whilst also contributing to the growth of the business and thereby enhancing shareholder value over the long term.*
Dividend policy	*To reward all shareholders whilst protecting the long-term value of the company with a prudent dividend payment.*

Group strategic report (continued)

Section 172 statement (continued)

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

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. All employees are paid the National Living Wage Foundations earnings when bonuses are included and the Group is targeting to pay this in their basic earnings.

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 and this assessment forms part of bonus payments. 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. 98% 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.

The tables below show the number of employees by gender in the Group as at 31 March 2021 and 31 March 2020.

	Group 2021		Company 2021	
	Female	Male	Female	Male
Directors, including Non-executive Directors	1	6	1	6
Senior Managers	2	3	-	-
Other employees	343	194	-	-

	Group 2020		Company 2020	
	Female	Male	Female	Male
Directors, including Non-executive Directors	1	6	1	6
Senior Managers	2	2	-	-
Other employees	267	162	-	-

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.

Going concern

The directors are pleased to report that the Group continues to meet its debt obligations and expects to operate comfortably within its available borrowing facilities. The Group's cash on hand at 30 June 2021 is £6.4m. A reduction in revenue of 33%, which is significantly more severe than was seen in the first two months of the year ended March 2021, without management tackling current overhead levels, over the next 12 months, would not fully utilise this cash and the Group's available working capital resources. 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.

Group strategic report (continued)

This report was approved by the board of directors on 20 July 2021 and signed on its behalf by:

Bernard Johnson
Managing Director

Directors' report

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2021. The corporate governance statement set out on pages 19 to 21 forms part of this report.

The Strategic Report on pages 3 to 13 provides a fair review of the Group's business for the year ended 31 March 2021 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 7 covers the Groups Research and Development activities and on page 12 covers Disabled Persons practice.

The Strategic Report on page 12 covers the Going concern policy.

Dividends

The Directors propose a final dividend of 0.50 pence per ordinary share subject to approval at the AGM (2020: 0.50 pence). The 2020 final dividend of 0.50 pence per ordinary share and an interim 2021 dividend of 0.15 pence per ordinary share were paid during the year (2020: 0.65p).

Greenhouse gas (GHG) emissions

GHG emissions data for the year from 1 April to 31 March		
	Global tonnes of Co2e	
	2021	**2020**
Combustion of fuel and operation of facilities	621	513
Electricity, heat, steam and cooling purchased for own use	515	469
Total	**1,136**	**982**
Tonnes of Co2e per £m of cost of sales	*31.0*	*35.6*
	kWh used	
	2021	**2020**
	000's	**000's**
Energy consumption	5,568	4,601

We have reported on all of the emissions sources required under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulation 2008 as amended in August 2013. The reporting boundary used for the collation of the above data is consistent with that used for consolidation purposes in the financial statements. We have used GHG Protocol Corporate Accounting and Reporting Standard (revised edition), data gathered to fulfil our requirements under the CRC Energy Efficiency scheme, and emission factors from the UK Governments GHG Conversion Factors for Company Reporting 2019 to calculate the above disclosures.

The figures reported above relate to emissions and energy consumed in the United Kingdom.

The key sources for emissions are gas and electricity. We have not included Co2e emissions from Group employees' travel, which we consider immaterial.

The Group has set a target of reducing tonnes of Co2e per £m of cost of sales by 5% per annum (based on the figures reported in the year ended 31 March 2019 of 46.9 tonnes of Co2e per £m of cost of sales) over the 5 years ending 31 March 2023.

Capital structure

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

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

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

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

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, the UK Corporate Governance Code, the Companies Act and related legislation. The Articles themselves may be amended by special resolution of the shareholders. The powers of the directors are governed by the Companies Act 2006, the Articles of the Company and are detailed in the Corporate Governance statement on pages 19 to 21. Directors are required to retire upon the third anniversary of their last election.

Directors' report (continued)

Under the terms of resolution 7 at the 2020 AGM, the Company has the authority to issue without pre-emption rights 3,237,307 ordinary shares, being 5% of the issued share capital at that time. This authority expires after 15 months from its date of adoption (30 December 2021) or until the next AGM if sooner unless renewed. The directors will propose a resolution renewing this power based upon the new issued share capital.

Under the terms of resolution 8 at the 2020 AGM, the Company has the authority to purchase 1p ordinary shares up to a maximum aggregate nominal value of £32,373.07, being 5% of the issued share capital at that time, at no more than 105% of the average of the middle market quotations for ordinary shares for the five business days prior to the date of the purchase and the minimum price of 1p. This authority expires after 15 months from its date of adoption (30 December 2021) or until the next AGM if sooner unless renewed. The directors will propose a resolution renewing this power based upon the new issued share capital.

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.

Business Relationships

Our directors and employees foster great business relationships with all of our external stakeholders. Further information on the matter is included in the section 172 Statement on pages 10-11.

Employees

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

A large number of employees are members of the Group's Share Option scheme and can participate in the Group's success. All employees can earn up to 7.5% of their basic earnings in a Group wide bonus scheme as long as the Group has met its profit targets. This Bonus is paid twice per year and has been paid regularly in recent years.

The Strategic Report on page 10 covers how the directors have had regard to employee interests, including the effect of principal decisions taken by the Group during the financial year.

Directors

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

William O McIlroy (Executive Chairman and Chief Executive)
Bernard JM Johnson (Managing Director)
Philippa Clark (Deputy Managing Director)
Martin Stevens (Deputy Managing Director)
Paul Forster– (Non-executive Director from 01 April 2021 – formerly Group Finance & Commercial Director)
William T Glencross (Non-executive)
Nicholas DJ O'Shea (Non-executive and Group Company Secretary)

William McIlroy – Chairman and Chief Executive
Mr McIlroy is a major shareholder and has served on the Company's board since 2000 and been Chairman and Chief Executive since 2001. He has extensive knowledge and experience of the personal care industry. Since his appointment to the board, he has provided invaluable strategic direction and guidance to the Company, which has resulted in its recovery from a historically poor trading and funding position, leading to the delivery of sustained profit and earnings growth for over a decade.

Bernard Johnson - Managing Director
Mr Johnson has been the Company's Managing Director since 2002 and has been in similar senior positions with manufacturing businesses over the past 30 years, in many cases brought in on a rescue and recovery basis. He has overseen the turn-round and subsequent growth of the business during his time as Managing Director as well as managing the acquisition and integration of both the Potter & Moore Innovations business in Peterborough and more recently the Potter & Moore Devon business.

Philippa Clark – Deputy Managing Director
Ms Clark has worked within the industry for 21 years in a wide and extensive range of sales, marketing and commercial roles across private label, branded and contract businesses. In recent years she has headed up the development of the Creightons branded portfolio, growing and extending the reach of the Company's award-winning brands into multiple channels and international markets whilst also overseeing the development of the strengthening private label division of the business. She has held the position of Global Marketing Director since her appointment to the Board in 2015 and Deputy Managing Director since 8 July 2020.

Directors' report (continued)

Martin Stevens – Deputy Managing Director
Mr Stevens is a Chartered Chemist and has worked in the cosmetics industry for 33 years with extensive experience across the personal care and household sector in Research & Development, Quality Assurance, Production and Procurement. Martin has been Technical Director at Potter & Moore Innovations Ltd (the Company's principal trading business) and Creightons Plc for the past 14 years. He has previously been Technical Director of Norit Body Care Toiletries, Technical Director at the manufacturing division of AAH Pharmaceuticals Ltd, Chief Chemist at Columbia Products Co Ltd after initially entering the industry with L'Oreal working with brands such as Lancôme and Cacharel. Martin was appointed as Group Deputy Managing Director when he joined the Board in 2015.

Paul Forster – Non-executive Director - formerly Group Finance & Commercial Director
Mr Forster was appointed Non-executive Director on 01 April 2021 after retiring from his full time executive role as Group Finance & Commercial Director. Paul has been with the Potter & Moore Innovations business for 32 years, primarily working as Chief Financial Officer but also including spells overseeing manufacturing. Previously he was Finance Director of Beauty International Fragrance Ltd (BIF), who distributed the Coty fragrance range throughout Europe and the Far East. Prior to joining BIF Paul qualified as a Chartered Accountant with Touche Ross.

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

Nicholas O'Shea – Non-executive Director & Group Company Secretary
Mr O'Shea has been the company secretary for over 20 years and a director since 2001. A maths & chemistry graduate, he has a background in the toiletries and chemicals sectors having held senior financial positions in a number of world-wide businesses including Proctor & Gamble, Scott Paper and Omya Pluss-Stauffer. Mr O'Shea is a CIMA qualified management accountant, and he is currently CFO or finance director with several privately-owned SMEs as well as an investment management company in the City.

Director indemnities

There are no director indemnities.

Directors' insurance

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

Directors standing for re-election

Under the terms of the Articles, directors are required to retire on the third anniversary of their last election. William O McIlroy, Bernard JM Johnson, Philippa Clark, Martin Stevens and Paul Forster retire at the next annual general meeting at the end of their three-year term of office and, being eligible to do so, offer themselves for re-election.

Substantial shareholdings

At 31 March 2021 the company had been notified, in accordance with chapter 5 of the Disclosure and Transparency Rules, of the following substantial interests, being 3% or more of the ordinary shares in issue:

Shareholder	Number of shares	% held
Mr WO McIlroy (including Oratorio Developments Ltd)	16,219,275	25.01%
Mr & Mrs B Geary	6,273,427	9.67%
Mr BJM Johnson	5,087,884	7.85%
Messrs S & A Chandaria	3,500,000	5.40%
The Estate of Mr T Amies	2,580,000	3.98%
Mr B Dale	2,451,740	3.78%

There have been no sales of ordinary shares during the period between 31 March 2021 and 30 June 2021.

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

Financial instruments
The Group's financial risk management objectives and policies are discussed in Note 21 to the Consolidated Financial Statements on pages 64 to 66.

Directors' report (continued)

Resolutions to be proposed at the Annual General Meeting

The Board will be proposing the following resolutions at the AGM. The detailed wording of the resolutions is contained within the notice of the AGM. They have the support of all Board members, who will vote in favour of them with all their own shareholdings and those under their control, and with any discretionary proxies granted to them personally or in the capacity of chair of the meeting.

1. To receive and consider the Group's financial statements and reports of the directors and auditor for the year ended 31 March 2021.

2. To receive and approve the directors' remuneration report for the year ended 31 March 2021.

3. To approve the directors' remuneration policy as detailed in pages 22 to 29 of the directors' remuneration report.

4. To re-elect Mr William McIlroy, who is retiring by rotation under the provisions of Article 76 of the Articles of Association, who, being eligible, offers himself for re-election as a director of the company.

5. To re-elect Mr Bernard Johnson, who is retiring by rotation under the provisions of Article 76 of the Articles of Association, who, being eligible, offers himself for re-election as a director of the company.

6. To re-elect Ms Philippa Clark, who is retiring by rotation under the provisions of Article 76 of the Articles of Association, who, being eligible, offers herself for re-election as a director of the company.

7. To re-elect Mr Martin Stevens, who is retiring by rotation under the provisions of Article 76 of the Articles of Association, who, being eligible, offers himself for re-election as a director of the company.

8. To re-elect Mr Paul Forster, who is retiring by rotation under the provisions of Article 76 of the Articles of Association, who, being eligible, offers himself for re-election as a director of the company.

9. To approve the proposed final dividend of 0.50 pence per share.

10. To authorise the re-appointment of Mazars LLP as auditors following their appointment by directors to replace BDO LLP who resigned following the completion of 20 years' service as auditor to the Group.

11. To give authority to the directors to allot shares pursuant to Section 551 of the Companies Act 2006. This authorises the company for a period of up to 15 months, or until the next AGM if sooner, to allot 1p Ordinary Shares up to an aggregate nominal value of £216,174.14 being a further one third of the Company's present issued share capital as a rights issue.

12. As a special resolution, to grant a limited disapplication of the statutory pre-emption rights contained in Section 570 of the Companies Act 2006. This authorises the company for a period of up to 15 months, or until the next AGM if sooner, to allot 1p ordinary shares up to an aggregate nominal value of £32,426.12, being 5% of the Company's present issued share capital, without first offering them as a rights issue to existing shareholders.

13. As a special resolution, to give a limited power to the company to purchase its own shares. This authorises the company for a period of up to 15 months, or until the next AGM if sooner, to purchase 1p ordinary shares up to a maximum aggregate nominal value of £32,426.12 being 5% of the company's present issued share capital, at no more than 105% of the average of the middle market quotations for ordinary shares for the five business days prior to the date of purchase and the minimum price of 1p.

The resolution approved at the AGM on 30 September 2020 relating to the authorisation of the Company to purchase 1p ordinary shares up to a maximum 5% of the Company's issued share capital at that date remains in place and is unused.

Directors' confirmations

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

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

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

Directors' report (continued)

Viability statement

In accordance with the UK Corporate Governance Code 2018, the directors have assessed the viability of the Group over a longer period than the 12 months required by the 'Going Concern' provision. The Board conducted this review for a period of 3 years. In making this statement, the Directors have carried out a robust assessment of the Group's current position and prospects, the principal risks facing the business including COVID-19, the impact of sensitivity analysis, together with the Group's principal risks and uncertainties (outlined in the Strategic Report on pages 8-9).

The nature of the products manufactured by the Group, and the ability of the Group to flex production to meet changing demands, particularly hygiene related products, together with the gradual opening up of world economies has meant that the group has traded successfully through the current period.

The Group continues to be able to successfully manage employees, the supply chain and customers since March 2020, and considers the managing of all three relationships key in the medium term. The Group's customer mix includes customers that have also traded successfully through the lock-down and are likely to continue to do so in the future. The Group has maintained all key customer and supplier relationships post Brexit. These mitigate the risk of an unmanageable reduction in sales affecting the Group's long-term viability.

The Group continues to meet its debt obligations and expects to operate comfortably within its available borrowing facilities going forward.

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

Auditor

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

By order of the Board

Mr Bernard Johnson
Managing Director   20 July 2021

Corporate governance statement

Introduction

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

Compliance

The Listing Rules of the Financial Conduct Authority ("FCA'') require listed companies to disclose how they have applied the principles set out in the UK Corporate Governance Code (the "Code") issued by the Financial Reporting Council and whether or not they have complied with its provisions. The UK Corporate Governance Code is available on the Financial Reporting Council's website: www.frc.org.uk. The Board is committed to the principles set out in the Code but judges that some of the processes are disproportionate or less relevant to the company, given the relatively small size and minimal complexity of the business.

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

- No formal training programme is in place specifically for Non-executive Directors.
- The role of the Chairman and Chief Executive are combined.
- The non-executive directors are not limited to a period of office.
- There is no director considered by the board to be independent.
- The share options granted to directors have a vesting period of less than 5 years.

Regarding division of responsibilities The Code recommends that the Chairman of a listed company should not hold executive powers, and should be 'independent upon appointment' (provision 9). William McIlroy is both Chairman and Chief Executive Officer, he is also a major shareholder. The Board continues to believe that it is appropriate for William to be both Chairman and Chief Executive Officer due to his in-depth knowledge of the business. Nevertheless, the Board is attentive to the implications of combining the roles and therefore has ensured that safeguards are in place to protect independence and ensure that proper processes and controls are followed. These include: the independent judgement of the Non-Executive Directors, effective functioning committees and robust internal controls. The Board also operates a formal process of performance evaluation with the Chairman and Remunerations Committee regularly reviewing the performance of all members of the Board.

Additionally, the Chairman has been in place beyond nine years which the Board consider appropriate given the scale of the business.

The board has not been able to progress the selection or appointment process for a replacement NED for Mary Carney due to the Covid-19 pandemic. However, the board offered to continue Paul Forster's appointment as a Non-Executive Director following his retirement as an executive at the end of March 2021, and is pleased to report that he has accepted this offer. We believe this will enable Paul to continue to give the Company the valuable benefit of his years of experience in the industry and with the Company.

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

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

The Group does not have a formal diversity policy, which it does not consider appropriate given the scale of the business. The open management style ensures that everyone is given opportunities to progress regardless of age, gender, or educational background.

The Composition of the Board

Details of all the directors are set out below:

William McIlroy	Executive Chairman and Chief Executive
Bernard Johnson	Managing Director
Nicholas O'Shea	Group Company Secretary and Non-executive Director
William Glencross	Non-executive Director
Philippa Clark	Deputy Managing Director
Martin Stevens	Deputy Managing Director
Paul Forster	Group Finance & Commercial Director to 31 March 2021. Non-executive Director from 1 April 2021

Corporate governance statement (continued)

The Role of the Board

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

The Board has considered that the Group was too small for the distinction between Chairman and Chief Executive to be practical.

The Board considers it would be difficult to replace the existing Non-executive Directors with persons of similar competence, experience and understanding without incurring significant additional costs both in terms of executive search and then both the fees such new Non-executive Directors would expect and the cost of training them. Consequently, it feels that it remains appropriate for the existing Non-executive Directors to be nominated for re-election when their terms expire under the company's articles.

Both William McIlroy and Bernard Johnson continued with their roles with their service companies and Mr McIlroy has continued with his role with Oratorio Developments Ltd during the year. There has been no change in these commitments over the past year.

The Board reviews the risks that arise and continually reviews any emerging and ongoing risks and the outcomes are noted in the Strategic Report on pages 9 to 10. The impact of Covid-19, which was considered high risk is being managed by daily management meetings to manage the risks related to; employee safety, customer viability and supply chain. With regard to Brexit, considered a medium risk, a senior management team hold weekly meetings to address the changes required to meet the obligations, encompassing; imports from the EU, exports to the EU, regulatory processes and the financial impacts.

The directors have met as a full board on 6 occasions during the year, including meetings by telephone. The attendance at meetings held during the year to 31 March 2021 for each of the directors is as follows:

Director	Board meetings	Remuneration Committee	Audit Committee
William McIlroy	5		-
Bernard Johnson	5		-
Nicholas O'Shea	6	3	2
William Glencross	6	3	2
Philippa Clark	6	-	-
Martin Stevens	6	-	-
Paul Forster	6	-	-

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

Board Committees

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

Nomination Committee

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

The Group does not have a formal diversity policy in relation to appointments and succession planning, but consider that the open management style does not limit inclusivity.

The primary work during the period is the appointment of a Financial and Commercial Director, Eamon Murphy, to take over the operational functions previously undertaken by Paul Forster, who retired on 31 March 2021.

Remuneration Committee

The Remuneration Committee consisted of William Glencross, acting as chair, and Nicholas O'Shea. In determining policy for the Executive Directors, the committee has given due consideration to the Code. The remuneration packages are designed to attract, retain and motivate Executive Directors of the required calibre. The Committee reviews the appropriateness of all aspects of directors' pay and benefits by taking into account the remuneration packages of similar businesses.

Corporate governance statement (continued)

Directors' remuneration

The Executive Directors are salaried in their capacity as directors. Their management and operational services may be provided via service companies on a basic fee basis. Additional fees are contingent on the levels of pre-tax profits.

In addition, the Directors participate in a share option scheme. The Board believes that in accordance with the best practice provisions, this approach aligns the interests of shareholders and Directors.

Full details of directors' remuneration, shareholdings and share options are noted in the Directors' Remuneration Report on pages 22 to 29.

Internal control

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

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

The key procedures designed to provide effective internal controls are:

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

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

Audit Committee

The Audit Committee consisted of Nicholas O'Shea, acting as chair, and William Glencross. Its role is to:

- Monitor the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance and review significant financial reporting judgements contained therein;
- Review the Group's internal financial controls and the Group's internal control and risk management systems;
- Review whether it is appropriate to introduce an internal audit function;
- Make recommendations to the Board for a resolution to be put to the shareholders for their approval in general meetings on the appointment of the external auditor and the approval of the remuneration and terms of engagement of the external auditor;
- Review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements;
- Develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant guidance regarding provision of non-audit services by the external audit firm;
- Advise the Board on whether the annual report is fair, balanced and understandable and provides information necessary for the users to assess the Group's position and performance, business model and strategy;
- Report to the Board on how it has discharged its responsibility.

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

The Audit Committee pays particular attention to matters it considers to be important by virtue of their size, complexity, level of judgement and potential impact on the financial statements and wider business model. During the year, the committee undertook a comprehensive review of the Company's compliance with various regulations including those covering Market Abuse, with which they are satisfied that the Company is compliant in all materials aspects. The committee also reviews the management accounts and internal management reports on a regular basis.

During the year, the Audit Committee met to review the outcome from the 2020 audit, the plan for the 2021 audit and to agree the selection criteria to appoint a replacement to BDO LLP as Group auditors.

In respect of the appointment of the new auditor, Mazars LLP, the Audit Committee considered the following factors:

- The audit firm's experience in auditing companies listed on the UK stock markets, including Premium Market listings.
- The firm's experience in auditing similar businesses with international operations.
- The relevant experience of the firm and the proposed audit team.
- The independence of the audit firm.
- The appropriateness of the proposed audit processes.
- Value for money.

Directors' remuneration report

Relations with shareholders

The objective of the Board is to create increased shareholder value by growing the business in a way that delivers sustainable improvements in earnings over the medium to long term.

The Board considers the Annual General Meeting as an important opportunity to communicate with private investors in particular. Directors make themselves available to shareholders at the Annual General Meeting, at the presentation of full-year and interim results and on an ad hoc basis, subject to normal disclosure rules.

This report is on the activities of the Remuneration Committee for the year to 31 March 2021. It sets out the remuneration policy and remuneration details for the Executive and Non-executive Directors of the Company. It has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the "Regulations") as amended in August 2013.

The report is split into three main areas:
- Statement by the chair of the Remuneration Committee;
- Annual report on directors' remuneration (subject to audit); and
- Policy report.

The policy report was subject to a binding shareholder resolution at the 2020 Annual General Meeting and the policy took effect for the financial year beginning on 1 April 2020. The annual report on directors' remuneration provides details on remuneration in the period and some other information required by the Regulations. It will be subject to an advisory shareholder vote at the 2021 Annual General Meeting.

The Companies Act 2006 requires the auditor to report to the shareholders on certain parts of the directors' remuneration report and to state whether, in their opinion, those parts of the report have been properly prepared in accordance with the Regulations. The parts of the annual remuneration report that are subject to audit are indicated in that report. The statement by the chair of the Remuneration Committee and the policy report are not subject to audit.

Statement by the chair of the Remuneration Committee

The directors' remuneration report has been prepared on behalf of the Board by the Remuneration Committee. The current members of the Remuneration Committee are William Glencross, who is the Chairman of the Committee and Nicholas O'Shea who is a Non-executive Director, and acts as secretary to the committee.

The Remuneration Committee determines the remuneration of each Executive Director. During the year ended 31 March 2021, the Remuneration Committee agreed changes to the salaries of the Executive Directors in line with other employees, which became effective on 01 April 2021.

It is envisaged that the other remuneration components for Executive Directors for the year ended 31 March 2022 will be similar to those in place for the year ended 31 March 2021.

Annual report on directors' remuneration

<u>The information provided in this part of the Directors Remuneration Report is subject to audit</u>

The tables below represent the directors' remuneration for the years ended 31 March 2021 and 31 March 2020. These emoluments are normally paid in the year except for the bonus payments which are paid following the approval of the financial statements.

Executive directors' remuneration as a single figure

Director	Note	2021						
		Salary and fees	Annual bonuses	Pension	Share based payments	Total	Total Fixed Remuneration	Total Variable Remuneration
		£000's	£000's	£000's	£000's	£000's	£000's	£000's
WO McIlroy	**1**	26	265	-	-	**291**	26	265
BJM Johnson	**2**	92	133	-	-	**225**	92	133
P Clark		109	9	6	-	**124**	115	9
M Stevens		96	9	9	-	**114**	105	9
P Forster		70	9	3	-	**82**	73	9
Total		**393**	**425**	**18**	**-**	**836**	**411**	**425**

Directors' remuneration report (continued)

Annual report on directors' remuneration (continued)

Director	Note	2020						
		Salary and fees	Annual bonuses	Pension	Share based payments	Total	Total Fixed Remuneration	Total Variable Remuneration
		£000's	£000's	£000's	£000's	£000's	£000's	£000's
WO McIlroy	**1**	25	199	-	-	**224**	25	199
BJM Johnson	**2**	92	199	-	-	**291**	92	199
P Clark		92	8	4	-	**104**	96	8
M Stevens		86	8	9	-	**103**	95	8
P Forster		84	7	8	-	**99**	92	7
Total		**379**	**421**	**21**	**-**	**821**	**400**	**421**

The share based payment noted in 2021 and 2020 is the market value less the exercise price of the options which have vested during the respective year. No options met the 3 year vesting conditions in either year.

During the year ended 31 March 2021 the following share options were granted under the Creightons Plc Share Option Plan 2018, at an exercise price of 36p representing a discount of 14p from the market at the time of grant. The Board considered it appropriate to issue these shares at a discount in order to incentivise these directors and align their interests with those of the shareholders over the long term.

Director	Number of options over ordinary shares
P Clark	200,000
M Stevens	100,000
P Forster	100,000

Non-executive Directors' remuneration as a single figure

Director	Note	2021					
		Salary and fees	Taxable benefit	Share based payments	Total	Total Fixed Remuneration	Total Variable Remuneration
		£000's	£000's	£000's	£000's	£000's	£000's
NDJ O'Shea	**4**	17	-	-	17	17	-
W T Glencross		17	2	-	19	19	-
Total		**34**	**2**	**-**	**36**	**36**	**-**

Director	Note	2020					
		Salary and fees	Taxable benefit	Share based payments	Total	Total Fixed Remuneration	Total Variable Remuneration
		£000's	£000's	£000's	£000's	£000's	£000's
MT Carney	**3**	11	-	-	**11**	11	**-**
NDJ O'Shea	**4**	22	-	-	**22**	22	**-**
W T Glencross		16	2	-	**18**	18	**-**
Total		**49**	**2**	**-**	**51**	**51**	**-**

The share based payment noted in 2021 and 2020 is the market value less the exercise price of the options which have vested during the respective year. No options met the 3 year vesting conditions in either year.

Mr B Johnson waived £132,000 of his bonus entitlement of £265,000 in respect of the year ended March 2021, and in doing so, enabled the company to increase bonuses available for other employees with no adverse incremental impact on earnings.

Directors' remuneration report (continued)

Note

1 Mr McIlroy earned a salary of £26,000 with all other payments made to Mr McIlroy's service company, Oratorio Developments Ltd.

2 Mr Johnson earns a salary of £10,000 per annum with a service fee of £82,000 and any bonus payments made to his service company, Carty Johnson Limited.

3 Payments in respect of Ms Carney terminated on 19 November 2019 upon her death.

4 Mr O'Shea earned;

a. A salary of £8,000 for his services as a non-executive director from 01 October 2020.

b. For the period 1 April to 30 September 2020 a fee of £9,000 payments were made to Mr O'Shea's employer, Saxon Coast Consultants Limited, for all services.

5 All other directors' remuneration is paid directly to the individual directors.

Taxable benefits

The taxable benefit for Mr William Glencross relates to his membership of the Group's medical scheme, which commenced prior to him stepping down as an Executive Director.

Payments for loss of office

No Executive Directors left the Company during the year ended 31 March 2021 and therefore no payments in respect of compensation for loss of office were paid or payable to any director (2020: Nil).

Share options

During the year ended 31 March 2021 no options were exercised by directors. During the year ended 31 March 2020 the directors exercised share options as set out in the table below. Following Mary Carney's death the share options she held lapsed.

	Number of Options	Exercise price	Market value on date of exercise	Gain on exercise £000's
BJM Johnson	600,000	0.045p	0.29p	147
BJM Johnson	700,000	0.045p	0.44p	277
P Clark	200,000	0.045p	0.44p	79
P Forster	500,000	0.045p	0.44p	198

Three directors were awarded share options on 08 July 2020, these are shown in the table below and can be exercised between 2023-2030 at an exercise price of 36p, a discount of 14p from the market price at the time of grant. There is a vesting period of over 3 years. The share options were awarded to the directors as part of the Company's ongoing compensation and remunerations plans as a motivation for continuing to deliver success to the Group, its shareholders and employees. There are no service conditions associated with the award of the share options. No options were issued in the year ended 31 March 2020.

The Company has granted a further 200,000 share options to Ms Clark, a further 100,000 share options to both Mr M Stevens and Mr P Forster and another 600,000 to other employees under the Creightons Plc Share Option Plan 2018, all at an exercise price of 36p, a discount of 14p from the market at the time of grant (the "Grant").

Directors' shareholdings

The directors who held office at 31 March 2021 had the following beneficial interests in the 1p ordinary shares of the Company:

	At 31 March 2021					
	Shares	Share Options				
Director	Number of shares	Exercise period of 2017 -2024 price 5.50p Vested	Exercise period of 2019 -2025 price 4.50p Vested	Exercise period of 2021 -2028 price 26.80p Not vested	Exercise period of 2023 -2030 price 36p Not vested	Total Options held
Mr William O McIlroy	16,219,275	1,300,000	-	900,000	-	2,200,000
Mr Bernard JM Johnson	5,087,844	-	-	900,000	-	900,000
Mr Nicholas DJ O'Shea	100,000	-	-	150,000	-	150,000
Mr William T Glencross	67,500	-	-	150,000	-	150,000
Ms P Clark	651,818	-	200,000	600,000	200,000	1,000,000
Mr M Stevens	881,818	-	-	400,000	100,000	500,000
Mr P Forster	1,143,318	-	-	300,000	100,000	400,000

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

Directors' remuneration report (continued)

	At 1 April 2020				
	Shares	Share Options			
Director	Number of shares	Exercise period of 2017 -2024 price 5.50p Vested	Exercise period of 2019 -2025 price 4.50p Not vested	Exercise period of 2021 -2028 price 26.80p Not vested	Total Options held
Mr William O McIlroy	16,219,275	1,300,000	-	900,000	2,200,000
Mr Bernard JM Johnson	5,087,844	-	-	900,000	900,000
Mr Nicholas DJ O'Shea	100,000	-	-	150,000	150,000
Mr William T Glencross	67,500	-	-	150,000	150,000
Ms P Clark	651,818	-	200,000	600,000	800,000
Mr M Stevens	981,818	-	-	400,000	400,000
Mr P Forster	1,183,318	-	-	300,000	300,000

All of the above options relate to ordinary shares in Creightons plc. The market prices of these shares are included in the table below.

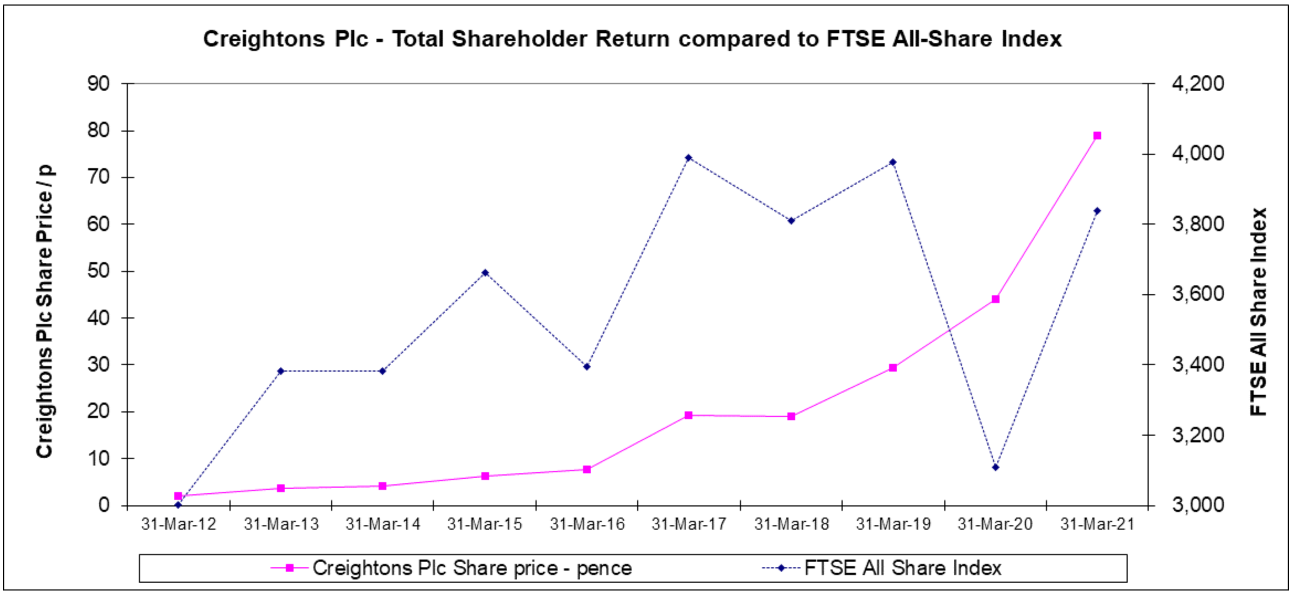
Market price		
At 31 March 2021	Lowest during period	Highest during period
79p	46p	86p

Mr McIlroy's holding noted above includes 14,450,000 (2020: 14,450,000) shares held in the name of Oratorio Developments Ltd, a private company of which Mr McIlroy is a Director and controlling shareholder.

<u>The information provided in this part of the Annual Report on remuneration is not subject to audit</u>

Performance graph and CEO remuneration table

The following graph shows the Group's performance, measured by total shareholder return, compared with the FTSE All-Share index, which the directors have always considered the most suitable comparator given the small number of quoted companies of a similar size in the Company's sector; and the typical portfolio style of management for most investors, meaning that investments in the Company would be compared against investment portfolios based on FTSE All-Share index performance.



Directors' remuneration report (continued)

Table of Historical Data

The table below sets out the remuneration of the highest paid director.

Year	Single figure of total remuneration £000's	Annual bonus pay-out against maximum %	Share option scheme exercised against maximum %
2021	291	100%	n/a
2020	291	100%	100%
2019	301	100%	0%
2018	177	100%	n/a
2017	170	100%	n/a
2016	156	100%	n/a
2015	47	100%	n/a
2014	29	100%	100%
2013	20	100%	n/a
2012	16	100%	n/a

Percentage change in remuneration of the executive directors

The table below shows the percentage increase in remuneration of the executive directors and the Group's employees as a whole between the years ended 31 March 2020 and 31 March 2021.

	Percentage increase in remuneration in 2021 compared with remuneration in 2020					
	W McIlroy	**B Johnson**	**P Clark**	**M Stevens**	**P Forster**	**Employees**
Salary and fees	4.0%	0.0%	18.5%	11.6%	(16.7%)	3.8%
All taxable benefits	n/a	n/a	50.0%	0.0%	(62.5%)	0.0%
Annual bonus	33.2%	(33.2%)	12.5%	12.5%	28.6%	10.3%
Total	**29.9%**	**(22.7%)**	**19.2%**	**10.7%**	**(17.2%)**	**4.3%**

Note:-
Paul Forster – working in a part time capacity for 2 months of the period to 31 March 2021.

Pay ratios

The table below sets out the ratio of the highest paid director to the median, 25th and 75th percentile full-time equivalent remuneration of the Groups employees.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile ratio
2021	Option B	14:1	14:1	12:1
2020	Option B	15:1	13:1	11:1

Option B under the reporting requirements has been chosen to identify the employees at the median, 25th and 75th percentiles as it provides the most effective method to identify the reference employees for calculation purposes. The reference employees pay has been calculated from their annual salary, bonuses and pension at the close of the financial year.

In line with the regulations, the following table sets out the total pay and benefits, and the salary element for the highest paid director and employees at each percentile.

	Base salary £000's	Total pay and benefits £000's
Highest paid director	26	291
75th percentile employee	22	25
50th percentile employee	19	21
25th percentile employee	18	20

Directors' remuneration report (Continued)

Relative importance of spend on pay

The table below shows the total expenditure of the Group for all employees compared to retained profits and distributions to shareholders for the years ended 31 March 2021 and 31 March 2020 and the year on year change.

	Year ended 31 March 2021	Year ended 31 March 2020	Change
	£000's	£000's	%
Employee costs	16,221	12,360	31.2%
Profit for the year	4,334	3,168	36.8%
Dividends paid	421	347	21.3%

Voting at general meeting

The Group is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to directors' remuneration, the reasons for any such vote will be sought, and any actions in response will be detailed here.

The following table sets out actual voting in respect of the approval of the Directors' Remuneration report and policy in respect of the year ended 31 March 2020:

Resolution	Number of votes cast for	% of votes cast for	Number of votes cast against	% of votes cast against	Total votes cast	Number of votes cast withheld
Directors' Remuneration Report	**24,586,715**	**99.97%**	**4,255**	**0.02%**	24,590,970	**2,319**
Directors' Remuneration Policy	**24,249,776**	**98.60%**	**293,705**	**1.19%**	24,543,481	**49,808**

Policy report

Remuneration Committee

The Board has established a Remuneration Committee to determine the remuneration of directors of the Company. The members of the Committee during the year and the prior year were Nicholas O'Shea and William Glencross. In determining the directors' remuneration, the Committee consulted the Chairman. There have been 3 meetings of the Committee during the period, attended by Mr Glencross and Mr O'Shea.

Policy on directors' 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 so as to promote the best interests of the Group and enhance shareholder value. The remuneration packages for executives and Executive Directors include a basic annual salary, performance related bonus and a share option programme. The remuneration packages for Non-executive Directors include a salary or fee. The Committee has reviewed the policy for the year ahead and has concluded that the key features of the remuneration policy remain appropriate.

In setting Executive Directors' remuneration, the Committee is mindful of the pay and conditions enjoyed by other employees. It considers revisions to their arrangements only when other employees' pay and conditions are also reviewed, and this is always done in the light of market conditions and overall Group performance. However, the Committee does not automatically increase the pay and conditions for directors in line with either inflation or at the same rate that those for other employees may be increased.

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

Salary and benefits

Executive Directors' salary and benefits packages are determined by the Committee on appointment or when responsibilities or duties change substantially, and are reviewed annually in line with those of employees. The last review was undertaken during 2020 and three of the Executive director's received pay increases and bonuses in line with other employees of the Group. The Committee considers that improved performance should be recognised by achievement of performance bonuses. Whilst no absolute maximum is prescribed, increases will take account of other salary increases across the group. However, in certain circumstances, including changing roles and responsibilities, market levels and individual and group performance, the committee will have discretion to award larger increases.

Directors' remuneration report (Continued)

Policy report (continued)

Pensions

Pension contributions for Executive Directors' are broadly in line with other employees. Contracts for Ms Clark, Mr Stevens and Mr Forster include contributions to an auto-enrolment pension and fixed defined contributions to previous pension schemes.

Directors' performance bonuses

Bonuses are used to reward contribution to the performance of the group, aligned to shareholder interests. Whilst no absolute maximum is prescribed the annual bonus is aligned to the performance of the group.

Both Mr McIlroy and Mr Johnson have contracts which provide for bonuses should the Group achieve profitability, and Mr McIlroy's also provides for a bonus should a complete or partial sale of the Group's toiletries business be achieved. The profit criterion was met in 2021, and as a consequence, provision for payment of the profit related performance bonus has been made in the financial statements, and will be paid as required by the contracts within one month of the approval and publication of these financial statements.

The contract for Mr McIlroy's services as a director provides for a bonus to be paid by the Company to Oratorio Developments Ltd in respect of the Group's net profits before tax at the rate of 12.5% in respect of net profits up to £50,000, 7.5% of net profits between £50,001 and £100,000, and 5% of net profits in excess of £100,000. During the year, a bonus of £265,000 was payable to Mr McIlroy.

A further bonus of 10% of the net sale proceeds is also payable to Oratorio Developments Ltd if the Company sells the whole of the toiletries business undertaken by the Company at 16 January 2002 for a price in excess of £1,500,000, or if the Company sells a part of that toiletries business for a price in excess of £500,000 and the net book value of the assets disposed of is less than one-third of the value of the net assets of the Company.

The contract for Mr Johnson's services as a Managing Director provides for a performance bonus to be paid by the Company to Carty Johnson Limited in respect of the Group's net profits before tax at the rate of 12.5% in respect of net profits up to £50,000, 7.5% of net profits between £50,001 and £100,000, and 5% of net profits in excess of £100,000. During the year, a bonus of £265,000 was payable to Mr Johnson.

The contracts for Ms Clark, Mr Stevens and Mr Forster all include a Group bonus scheme, where employees are entitled to a bonus of 7.5% of basic pay if the Group hits the profit target for the period and additional payments of up to 14% of earnings (10% for other employees) in relation to key performance indicator targets which were partially achieved during the year. During the year, a bonus of £9,000 was payable to Ms Clark, Mr Stevens and Mr Forster.

There are no performance conditions against share price for directors. None of the Directors remuneration is paid or payable in shares, therefore a 50% increase in share price would have a £nil effect on remuneration.

Share option schemes

The policy of the Company is to grant share options to all employees including both Executive and Non-executive Directors as a further incentive with a view to alignment with the interests of shareholders. At the discretion of the Board and approval of the Remuneration Committee the Company may issue share options to Directors. Options will normally be granted at market value on the date of grant with a vesting period of three years however the options may be granted at a discount to the market value upon approval by the Remuneration Committee.

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 discretion 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 circumstance and always benchmarked against market practice.

Directors' remuneration report (Continued)

Policy report (continued)

Service contracts

Name of Director	Date of service contract	Date contract last amended	Notice period
WO McIlroy (chairman's contract)	6 Feb 2003	1 Apr 2020	12 months
WO McIlroy (director's contract with employer)	16 Jan 2002	1 Apr 2020	12 months
BJM Johnson (director's contract)	16 Jan 2002	1 Apr 2020	12 months
BJM Johnson (manager's contract with employer)	16 Jan 2002	1 Apr 2020	12 months
NDJ O'Shea (non-executive)	5 Jul 2001	1 Apr 2020	3 months
WT Glencross (non-executive)	31 Jul 2005	1 Apr 2020	3 months
P Clark (Global Sales & Marketing Director)	9 Feb 2015	1 Apr 2020	3 months
M Stevens (Deputy Managing Director)	9 Feb 2015	1 Apr 2020	3 months
P Forster (Group Finance & Commercial Director) (non-executive from 1 April 2021)	9 Feb 2015	1 Apr 2021	3 months

It is the Company's policy that service contracts for the directors are for an indefinite period, terminable by either party with a maximum period of notice of either 3 months or 12 months. Any payments in lieu of notice should not exceed the director's salary or fees for the unexpired term of the notice period. Within that policy, information relating to individual directors is scheduled above.

The fees for Non-executive Directors are reviewed annually and determined in the light of market practice and with reference to the time commitment and responsibilities associated with each Non-executive Director's role and responsibilities.

The Board as a whole considers the policy and structure for the Non-executive Directors' fees on the recommendation of the Chairman. The Non-executive Directors do not participate in discussions on their specific levels of remuneration.

Non-executive Directors may not participate in any personal performance bonus, and are not eligible for pension contributions. The fees paid for Non-executive Directors consist of a flat annual fee based on the involvement each is anticipated to be required to commit to the Group, together with the company-wide bonus relating to the group's overall performance that all employees are entitled to, and both the time commitments and fee basis are reviewed annually. Any additional time commitments over these are paid on a pro rata per diem basis. The fees paid for the Chairman and Non-executive Directors also include an element of profit-related bonus based on the overall performance of the Company and for the Chairman of sales value related bonus for the disposal of all or parts of the toiletries business.

Approval

In the opinion of the Remuneration Committee, the Company has complied with Section D of the Code, and in forming the remuneration policy the Committee has given full consideration to that section of the Code.

The Directors' Remuneration Report was approved by the Board of Directors on 20 July 2021 and signed on its behalf by:

Mr Nicholas O'Shea
Remuneration Committee

Directors' responsibilities statement

The directors whose names and functions are set out on page 74 of this document are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable laws and regulations.

UK company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the Group consolidated financial statements in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, and have elected to prepare the Parent Company financial statements in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework. Under UK 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 the finance statements have been prepared in accordance with IFRS as adopted by the European Union (EU); 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 maintaining proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that its financial statements comply with the Companies Act 2006 and Article 4 of International Accounting Standards regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibility statement pursuant to DTR4 – Periodic Financial Reporting

Each of the directors confirms that to the best of their knowledge:

1. the financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
2. the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with the description of the principal risks and uncertainties that they face; and
3. the report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Independent auditor's report to the members of Creightons plc

Opinion

We have audited the financial statements of Creightons plc (the Parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021 which comprise the Consolidated income statement, the Consolidated statement of comprehensive income, the Company income statement, the Company statement of comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of changes in equity, the Company statement of changes in equity, the Consolidated cash flow statement, the Company cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice), as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2021 and of the Group's and the Parent Company's profit for the year then ended; and
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union; and
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

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 public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern;
- Making enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the Parent Company's and the Group's future financial performance;
- Challenging the appropriateness of the directors' key assumptions in their cash flow forecasts, by reviewing supporting and contradictory evidence in relation to these key assumptions and assessing the directors' consideration of severe but plausible scenarios.
- Testing the accuracy and functionality of the directors' forecasts;
- Engaging in regular discussions with the directors regarding the status of negotiations in respect of new financing options;
- Assessing and challenging key assumptions and mitigating actions put in place in response to COVID-19;
- Considering the consistency of the directors' forecasts within our audit of other areas of the financial statements; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements on going concern.

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

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

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

Key audit matters

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

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

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

Key Audit Matter	How our scope addressed this matter
Revenue recognition Revenue for the year ended 31 March 2021 is £61,605k (31 March 2020: £47,808k). Refer to note 4 Revenue. The Group's and the Parent Company's accounting policy for revenue recognition is set out in the accounting policy notes on pages 46 and 47 respectively. Revenue is material for the Group and the Parent Company and represents the largest figure in the Consolidated statement of comprehensive income. An error in this balance could significantly affect a user's interpretation of the financial statements. For the Group and the Parent Company, we identify the risk around revenue recognition as being principally in relation to cut off, due to the potential to inappropriately shift the timing and basis of revenue recognition. Due to revenue being a key benchmark in a user's assessment of the performance of the Group, we consider revenue recognition to be a key audit matter.	For the subsidiaries trading revenue: We addressed this risk by performing the following: • reviewing the design and implementation of the controls in place surrounding revenue recognition, in particular in relation to cut off; • obtaining and reviewing the revenue recognition policy to ensure they comply with the requirements of IFRS 15; and • sample testing over sales incurred in the week either side of the year end by agreeing ledger details back to the applicable customer order and trading terms, sales invoice and signed proof of delivery/signed customer collection notice to ensure revenue was recognised in the same period in which control of the goods was transferred to the customer in line with the Group's stated accounting policy. For the Parent Company's rental revenue: • For rental income earned by Creightons Plc, we obtained the signed agreement in place between Creightons Plc & Potter & Moore Innovations Limited for the rental of the Peterborough Factory and recalculated the rental income to be recognised across the year to obtain assurance that the cut off of such revenues is correct. Our observations: Based on the results of our procedures performed, we consider revenue recognition is appropriate, and in line with the Group accounting policy described on pages 46 and 47.
Inventory provision There is a risk that inventory is overstated due to management's judgement on potentially obsolete, damaged and slow moving items in determining the net realisable value. The value of the provision as at 31 March 2021 is £928k (31 March 2020: £550k). Refer to page 52 (note 3 Critical accounting judgements and sources of estimation uncertainty) and note 18 (Inventories) for financial disclosures. Due to the inventory being a material balance in the Group, and the judgement used in calculating the inventory provision, we consider this to be a key audit matter.	We addressed this risk by performing the following: • obtaining and reviewing the inventory provision policy implemented by the Group, and performing a sample test to ensure compliance with the policy; • valuation testing on a sample of inventory items, comparing the purchase and cost of manufacturing to sales proceeds in order to obtain assurance that inventories are being held at the lower of cost and net realisable value; • obtaining an understanding of, and challenging the assumptions used, in management's process with regards to the calculation of the year-end inventory provision; • assessing accuracy of provision calculations; • performing a stand-back review considering relevant internal and external factors in our assessment of the appropriateness of the methodology and valuation of the inventory provision.

	Our observations: We considered management's judgement on the level of provisioning to be reasonable and in line with the Group accounting policy as described on page 52.

Our application of materiality and an overview of the scope of our audit

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

	Group	**Parent Company**
Overall materiality	£414k	£83k
How we determined it	Materiality has been determined with reference to a benchmark of profit before tax, of which it represents 8%.	Materiality has been determined with reference to a benchmark of total equity, of which it represents 3%.
Rationale for benchmark applied	We used profit before tax to calculate our materiality as, in our review, this is the most relevant and stable measure of the underlying financial performance of the Group for this year end as a trading Group.	We used total equity to calculate our materiality as, in our review, this is the most relevant measure of the underlying financial position of the Parent Company for this year end as a holding company.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality should be set at approximately 60% of our financial statement materiality, representing a value of £248k.	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality should be set at approximately 60% of our financial statement materiality, representing a value of £50k.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £12k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.	We agreed with the directors that we would report to them misstatements identified during our audit above £2k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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

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

Our Group audit scope included an audit of the Group and parent financial statements of Creightons plc. Based on our risk assessment, Creightons plc and Potter & Moore Innovations Limited within the Group were subject to full scope

audit, which was performed by the Group audit team. The Group audit team obtained external bank confirmations for all bank accounts held within the Group regardless if the entity was subject to a full scope audit to gain necessary assurance over the consolidated cash position as at the 31 March 2021. Further, we engaged component auditors to attend a physical stock take for Potter and Moore PTY Limited as the inventory balance within this entity represented a material figure to the consolidation.
At the parent level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

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

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Creightons plc's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

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

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 18;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate set out on page 18.
- Directors' statement on fair, balanced and understandable set out on page 21;
- Board's confirmation that it has carried out a robust assessment of the e-merging and principal risks set out on page 9;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 21; and
- The section describing the work of the audit committee set out on pages 21 and 22.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 30, 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's 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 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Based on our understanding of the Group and the Parent Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, GDPR, the Bribery Act 2010, EU Cosmetic Regulation EC 1223:2009 & UK Cosmetic Products Enforcement Regulations 2013, and non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements.

In identifying and assessing risks of material misstatement in respect to irregularities including non-compliance with laws and regulations, our procedures included but were not limited to:

- At the planning stage of our audit, gaining an understanding of the legal and regulatory framework applicable to the Group and Parent Company, the structure of the Group, the industry in which it operates they operate and considered the risk of acts by the Group and the Parent Company which were contrary to the applicable laws and regulations;
- Discussing with the directors and management the policies and procedures in place regarding compliance with laws and regulations;
- Discussing amongst the engagement team the identified laws and regulations, and remaining alert to any indications of non-compliance; and
- During the audit, focusing on areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the directors (as required by auditing standards), from inspection of the company's Parent Company's and Group's regulatory and legal correspondence and review of minutes of directors' meetings in the year.

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

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraudulent manipulation of financial statements, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to inventory provisions; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

Our audit procedures in relation to fraud through revenue recognition specific to cut-off included, but were not limited to:

- Assessing management's revenue recognition policy; and
- Agreeing a sample of revenue transactions pre and post year end, to ensure they have been recognised in the appropriate period and in line with the group accounting policy.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, we did not identify any key audit matters relating to irregularities. The risks of material misstatement that had the greatest effect on our audit, including fraud, are discussed under "Key audit matters" within this report.

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

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 24 November 2020 to audit the financial statements for the year ending 31 March 2021 and subsequent financial periods. The period of total uninterrupted engagement is 1 year.

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

Our audit opinion is consistent with the additional report to the audit committee.

Use of the audit 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.

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

Consolidated income statement

	Note	Year ended 31 March 2021 £000	Year ended 31 March 2020 £000
Revenue	4,5	61,605	47,808
Cost of sales		(36,623)	(27,625)
Gross profit		24,982	20,183
Distribution costs		(3,353)	(2,447)
Administrative expenses		(16,236)	(13,982)
Operating profit	6	5,393	3,754
Profit on disposal of subsidiary	8	-	11
Finance costs	9	(222)	(213)
Profit before tax		5,171	3,552
Taxation	10	(837)	(384)
Profit for the year from operations attributable to the equity shareholders of the parent Company		4,334	3,168

Consolidated statement of comprehensive income

		Year ended 31-Mar 2021 £000	Year ended 31-Mar 2020 £000
Profit for the year		4,334	3,168
Items that may be subsequently reclassified to profit and loss:			
Exchange differences on translating foreign operations		9	21
Other comprehensive income for the year		9	21
Total comprehensive income for the year attributable to the equity shareholders of the parent		4,343	3,189

Dividends

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Paid in year (£000)	11	421	347
Paid in year (pence per share)	11	0.65p	0.55p
Proposed (£000)		324	324
Proposed (pence per share)		0.50p	0.50p

Earnings per share

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Basic	12	6.69p	4.99p
Diluted	12	5.89p	4.34p

Company income statement

		Year ended 31-Mar	Year ended 31-Mar
		2021	**2020**
	Note	**£000**	**£000**
Revenue			
Sales		18	12
Rental income		350	150
Total revenue		368	162
Administration cost		(210)	(119)
Operating profit		158	43
Income from subsidiary		421	347
Profit on disposal of subsidiary	8	-	11
Finance costs	9	(79)	(51)
Profit before tax		500	350
Taxation	10	(51)	(19)
Profit for the year attributable to the equity shareholders		449	331

Company statement of comprehensive income

		Year ended 31 March	Year ended 31 March
		2021	**2020**
		£000	**£000**
Profit for the year		449	331
Total comprehensive income for the year		449	331

Consolidated balance sheet

		31-Mar	31-Mar
		2021	2020
	Note	£000	£000
Non-current assets			
Goodwill	13	331	331
Other intangible assets	14	818	971
Property, plant and equipment	15	5,857	5,956
Right-of-use assets	16	1,090	1,120
Deferred tax Asset	31	339	-
		8,435	**8,378**
Current assets			
Inventories	18	8,318	7,394
Trade and other receivables	19	10,236	8,867
Cash and cash equivalents	20	6,558	3,670
		25,112	**19,931**
Total assets		**33,547**	**28,309**
Current liabilities			
Trade and other payables	22	9,177	7,840
Corporation tax payable	22	329	176
Lease liabilities	23	237	193
Borrowings	24	166	713
		9,909	**8,922**
Net current assets		**15,203**	**11,009**
Non-current liabilities			
Deferred tax liability	31	-	29
Lease liabilities	23	906	976
Borrowings	24	2,646	2,816
		3,552	**3,821**
Total liabilities		**13,461**	**12,743**
Net assets		**20,086**	**15,566**
Equity			
Share capital	25	648	647
Share premium account		1,410	1,406
Other reserves		25	25
Translation reserve		30	21
Retained earnings		17,973	13,467
Total equity attributable to the equity shareholders of the parent Company		**20,086**	**15,566**

These financial statements were approved by the board of directors and authorised for issue on 20 July 2021. They were signed on its behalf by:

Bernard Johnson
Managing Director

Company balance sheet

		31-Mar	31-Mar
		2021	2020
	Note	£000	£000
Non-current assets			
Investment in subsidiaries	17	60	60
Investment property	15	3,731	3,941
		3,791	**4,001**
Current assets			
Trade and other receivables	19	1,872	1,761
Cash and cash equivalents	20	1	-
		1,873	**1,761**
Total assets		**5,664**	**5,762**
Current liabilities			
Trade and other payables	22	97	65
Borrowings	24	166	159
		263	**224**
Net current assets		**1,610**	**1,537**
Non-current liabilities			
Borrowings	24	2,646	2,816
		2,646	**2,816**
Total liabilities		**2,909**	**3,040**
Net assets		**2,755**	**2,722**
Equity			
Share capital	25	648	647
Share premium account		1,410	1,406
Capital redemption reserve		18	18
Retained earnings		679	651
Total equity attributable to the equity shareholders		**2,755**	**2,722**

These financial statements were approved by the board of directors and authorised for issue on 20 July 2021. They were signed on its behalf by:

Bernard Johnson
Managing Director

Company registration number 1227964

Consolidated statement of changes in equity

	Share capital (note 25)	Share premium account	Other reserves	Translation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2019	625	1,329	25	-	10,487	12,466
Comprehensive income for the year						
Profit for the year	-	-	-	-	3,168	3,168
Exchange differences on translation of foreign operations	-	-	-	21	-	21
Total comprehensive income for the year	**-**	**-**	**-**	**21**	**3,168**	**3,189**
Contributions by and distributions to owners						
Exercise of options	22	77	-	-	-	99
Share-based payment charge (note 26)	-	-	-	-	133	133
Deferred tax through Equity (note 31)	-	-	-	-	26	26
Dividends (note 11)	-	-	-	-	(347)	(347)
Total contributions by and distributions to owners	**22**	**77**	**-**	**-**	**(188)**	**(89)**
At 31 March 2020	**647**	**1,406**	**25**	**21**	**13,467**	**15,566**
Comprehensive income for the year						
Profit for the year	-	-	-	-	4,334	4,334
Exchange differences on translation of foreign operations	-	-	-	9	-	9
Total comprehensive income for the year	**-**	**-**	**-**	**9**	**4,334**	**4,343**
Contributions by and distributions to owners						
Exercise of options	1	4	-	-	-	5
Share-based payment charge (note 26)	-	-	-	-	195	195
Deferred tax through Equity (note 31)	-	-	-	-	398	398
Dividends (note 11)	-	-	-	-	(421)	(421)
Total contributions by and distributions to owners	**1**	**4**	**-**	**-**	**172**	**177**
At 31 March 2021	**648**	**1,410**	**25**	**30**	**17,973**	**20,086**

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.

Other reserves
Non-distributable reserve following the redemption of the company's own shares.

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)	Share premium account	Capital redemption reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000
At 1 April 2019	625	1,329	18	667	2,639
Comprehensive income for the year					
Profit for the year	-	-	-	331	331
Total comprehensive income for the year	**-**	**-**	**-**	**331**	**331**
Contributions by and distributions to owners					
Exercise of options	22	77	-	-	99
Dividends paid (note 11)	-	-	-	(347)	(347)
Total contributions by and distributions to owners	**22**	**77**	**-**	**(347)**	**(248)**
At 31 March 2020	**647**	**1,406**	**18**	**651**	**2,722**
Comprehensive income for the year					
Profit for the year				449	449
Total comprehensive income for the year	**-**	**-**	**-**	**449**	449
Contributions by and distributions to owners					
Exercise of options	1	4			5
Dividends paid (note 11)				(421)	(421)
Total contributions by and distributions to owners	**1**	**4**	**-**	**(421)**	(416)
At 31 March 2021	**648**	**1,410**	**18**	**679**	**2,755**

Consolidated cash flow statement

		Year ended 31 March	Year ended 31 March
		2021	**2020**
		£000	**£000**
Profit from operations		**5,393**	**3,754**
Adjustments for:			
Depreciation on property, plant and equipment		846	615
Depreciation on right of use assets		206	192
Amortisation of intangible assets		497	555
Loss on disposal of property, plant and equipment		4	-
Loss on disposal of Right-of-use assets		5	-
Share based payment charge		195	133
		7,146	**5,249**
(Increase)/decrease in inventories		(924)	621
(Increase) in trade and other receivables		(1,369)	(759)
Increase in trade and other payables		1,337	1,501
Cash generated from operations		**6,190**	**6,612**
Taxation paid		(684)	(6)
Net cash generated from operating activities		**5,506**	**6,606**
Investing activities			
Purchase of property, plant and equipment		(869)	(4,631)
Purchase of Right-of-use assets		(34)	
Proceeds from sale and lease back		174	238
Purchase of intangible assets		(344)	(1,103)
Proceeds of disposal on investments		-	11
Net cash used in investing activities		**(1,073)**	**(5,485)**
Financing activities			
Proceeds on issue of shares		5	99
Principal paid on lease liabilities		(188)	(157)
Interest on leases liabilities		(139)	(146)
Interest paid on mortgage loan		(89)	(51)
Interest paid on overdrafts and loans		(4)	(16)
(Decrease) in invoice financing facilities		-	(398)
(Decrease) / increase of borrowings		(554)	220
Draw down of loan facility		-	3,040
Repayment on loan facility		(164)	(65)
Dividends paid to owners of the parent		(421)	(347)
Net cash (used in)/generated from financing activities		**(1,554)**	**2,179**
Net increase in cash and cash equivalents		**2,879**	**3,300**
Cash and cash equivalents at start of year		**3,670**	**349**
Effect of foreign exchange rate changes		9	21
Cash and cash equivalents at end of year		**6,558**	**3,670**

Company cash flow statement

		Year ended 31-Mar	Year ended 31-Mar
		2021	2020
	Note	£000	£000
Profit from operations		158	43
		158	**43**
Adjustments for:			
Depreciation on property, plant and equipment		210	97
		368	140
(Increase)/decrease in trade and other receivables		(111)	853
Increase in trade and other payables		-	11
Cash generated from operations		**257**	**1,004**
Taxation paid		(19)	-
Interest paid		-	-
Net cash generated from operating activities		**238**	**1,004**
Investing activities			
Purchase of property, plant and equipment		-	(4,038)
Dividend received		421	347
Proceeds of disposal on investments		-	11
Net cash (used in)/generated investing activities		**421**	**(3,680)**
Financing activities			
Proceeds of share issue		5	99
Draw down of loan facility		-	3,040
Repayment on loan facility		(163)	(65)
Interest paid on mortgage loan		(79)	(51)
Dividends paid to owners of the parent		(421)	(347)
Net cash (used in)/ generated from financing activities		**(658)**	**2,676**
Net change in cash and cash equivalents		**1**	**-**
Cash and cash equivalents at start of year		**-**	**-**
Cash and cash equivalents at end of year		**1**	**-**

Notes to the financial statements

1. General information

Creightons Plc (the Company) is incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 74 it is a public company, with a premium listing on the London Stock Exchange. The nature of the Group's operations and its principal activities are set out in the strategic report on pages 3 to 13.

These Financial Statements are presented in pounds sterling, rounded to the nearest thousand, because that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 2.

2 Significant accounting policies

Basis of accounting

The Group consolidated financial statements have been prepared and approved in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and they are prepared in accordance with international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, and have elected to prepare the parent Company financial statements in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework.

The financial statements have been prepared on the historical cost basis. 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.

Adoption of new and revised accounting standards

No new standards impacting on the Group have been adopted in its financial statements for the year ended 31 March 2021.

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

Basis of consolidation

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

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

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

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

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

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

Going concern

Whilst the Group has faced a number of challenges since the outbreak of Covid-19 and has incurred significant costs associated with managing the risks associated with Covid-19, it has also found opportunity to deliver product types demanded by consumers, operating businesses and Health Care providers. Trading in the 2021 financial year is ahead of 2020, which has enabled the Group to absorb the increased costs and risks associated with the pandemic.

The Group continues to meet its debt obligations and expects to operate comfortably within its available borrowing facilities in the 2022 and 2023 financial periods from its cash flow forecasts.

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.

Notes to the financial statements

2 Significant accounting policies (continued)

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 to the Group, 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:

- 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.

Goodwill and intangible assets with indefinite lives

Goodwill and intellectual property 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 has 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. The passage of control to the customer occurs at point of collection for those customers arranging onward shipment 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.

Where the Group has entered in to distributor arrangements the performance obligation is considered to be satisfied with the distributor from the date of the dispatch from the Company's UK warehouses. Revenue is therefore recognised on the date of dispatch.

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 are recognised within revenue.

The recognition through revenue of royalties due to third parties, retrospective rebates and promotional support due to customers which are recognised on an accrual's basis in accordance with the actual revenue during the period and the agreed promotional mechanics with customers.

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.

Notes to the financial statements

2. Significant accounting policies (continued)

Revenue recognition – Company

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

Leases

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

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

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

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

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

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

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

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

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

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

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

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

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

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.

Notes to the financial statements

2. Significant accounting policies (continued)

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.

Notes to the financial statements

2 Significant accounting policies (continued)

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 between 5 and 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;

- 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; 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

Notes to the financial statements

2 Significant accounting policies (continued)

Intangible assets acquired separately (continued)

The acquired brand has been recognised as an intangible asset with an indefinite life, as has been acquired as a long-term investment. 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.

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.

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
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.

Financial liabilities

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

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

Bank Loans

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

Notes to the financial statements

2 Significant accounting policies (continued)

Share-based payments

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

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

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

Sale and leaseback

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

Earnings per share

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

Dividends

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

Share capital and share Premium

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

The Group's ordinary shares are classified as equity instruments.

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.

Expected credit losses – The Group measures expected credit losses on a collective basis by grouping trade receivables based on similar credit risk and aging. The expected loss rates are based on the Group's historical credit losses, adjusting for the knowledge of the Group's customers. The value of trade receivables is £9,772,000, (2020: £8,628,000), net of provisions of £32,000 (2020: £22,000). Post year-end receipts support these estimates.

Assessment of the useful lives of acquired brands - The directors are required to assess whether the useful lives of brands are finite or indefinite. Under IAS 38 'intangible assets' an intangible assets should be regarded as having an indefinite useful life, when based on all of the relevant factors, there is no foreseeable limit over the period over which the asset is expected to generate net cash inflows for the entity.

In forming their judgement that the acquired brands have an indefinite lives, 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.

Notes to the financial statements

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

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of goodwill - Determining whether goodwill is impaired requires an assessment of the value in use of the cash-generating unit to which goodwill is allocated. The value in use requires the entity to estimate the future economic benefit. No impairment provision was considered necessary against this carrying value, which is set out in note 13 below.

Impairment of product development costs - Management review the recoverability of capitalised product development costs throughout the year and will include an amortisation charge to reflect any impairment arising from a reduction in the anticipated lifecycle of the products. Management assess the current and forecast sales for each product range to determine if any impairment is necessary. At the reporting date the value of capitalised product development costs was £233,000 (2020: £369,000) and all products were considered to have product lifecycles which were in line with the accounting policies noted in note 2 above and producing positive contributions to the Group.

Inventory provision – An assessment 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. The inventory value is £8,318,000 (2020: £7,394,000). This is net of provision for residual inventories, which has historically proved to be realistic.

4 Revenue

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

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
Sales of goods	62,472	48,402
Settlement discounts	(141)	-
Contracted retailer commitments	(314)	(252)
Royalties & commissions	(8)	(21)
Retailer promotional support	(404)	(321)
Revenue	61,605	47,808

Notes to the financial statements

5 Business and geographic segments

In the year ended 31 March 2021, the Group had two customers that exceeded 10% of total revenue, being £9.0m, and £8.4m (2020: three customers being £8.2m, £6.2m and £5.1m).

The Group makes sales under own brand, private label and contract manufacturing. These are the same or similar products often sold to the same customers using the same manufacturing facility. The Group therefore considers there to be only one operating segment when providing information for management review.

Revenues from external customers

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
UK	54,706	40,630
Overseas	6,899	7,178
Total	61,605	47,808

There are no non-current assets held overseas.

6 Operating profit

Operating profit for the Group is stated after charging:

		Year ended 31-Mar	Year ended 31-Mar
		2021	2020
		£000	£000
Net foreign exchange loss		414	179
Cost of inventories recognised as expense		34,900	27,730
Write downs of inventories recognised as an expense		730	285
External research and development costs		483	579
Depreciation of property plant and equipment			
Owned assets	**15**	846	615
Right-of-use assets	**16**	206	192
Profit/(Loss) on disposal of property plant and equipment		5	-
Amortisation of intangible assets (included in administrative expenses)	**14**	497	555
Staff costs (note 7)	**7**	16,221	12,360
Auditor's remuneration		80	74

Notes to the financial statements

6 Operating profit (continued)

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

		Year ended 31-Mar	Year ended 31-Mar
		2021	2020
		£000	£000
Audit services			
Fees payable to the Company's auditor for the audit of the parent company and the consolidated financial statements		50	47
Fees payable to the company's auditor for other services:			
The audit of the company's subsidiaries, pursuant to legislation		30	27

Operating profit for the Company is stated after charging:

		Year ended 31-Mar	Year ended 31-Mar
		2021	2020
		£000	£000
Depreciation of property plant and equipment			
- Owned assets	**15**	210	97

7 Staff costs

The average number of employees (including directors) was:

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	Number	Number
Management	8	9
Administration	88	107
Production	441	324
Total	537	440

Their aggregate remuneration comprised:

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
Wages and salaries	14,314	10,889
Social security costs	1,312	1,041
Pension contributions	400	297
Share based payment charge	195	133
Total	16,221	12,360

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 2021 (2020: nil).

Notes to the financial statements

8. Profit on disposal of Subsidiary

On 13 August 2019, the Group sold its 55% interest in the equity of Amie Skincare Ltd for a cash consideration of £15,000. The pre-tax gain on disposal was determined as follows:

	Group		Company	
	Year ended 31-Mar	Year ended 31-Mar	Year ended 31-Mar	Year ended 31-Mar
	2021	2020	2021	2020
	£000	£000	£000	£000
Cash consideration received	-	15	-	15
Disposal costs	-	(4)	-	(4)
Total	-	11	-	11

9. Finance costs

	Group		Company	
	Year ended 31-Mar	Year ended 31-Mar	Year ended 31-Mar	Year ended 31-Mar
	2021	2020	2021	2020
	£000	£000	£000	£000
Interest on bank overdrafts and loans	4	16	-	-
Interest on mortgage	79	51	79	51
Interest on lease liabilities	139	146	-	-
Total	222	213	79	51

10. Taxation

	Group		Company	
	Year ended 31-Mar	Year ended 31-Mar	Year ended 31-Mar	Year ended 31-Mar
	2021	2020	2021	2020
	£000	£000	£000	£000
Current tax				
Current tax on profit for the year	722	361	51	19
Adjustments in respect of prior years	60	(7)	-	-
Total current tax	782	354	51	19
Deferred tax (see note 31)				
Originations and reversal of temporary differences	113	34	-	-
Adjustment in respect of prior years	(58)	(4)	-	-
Total deferred tax	55	30	-	-
Total	837	384	51	19

Notes to the financial statements

10. Taxation (continued)

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

	Group		Company	
	Year ended 31-Mar	Year ended 31-Mar	Year ended 31-Mar	Year ended 31-Mar
	2021	2020	2021	2020
	£000	£000	£000	£000
Profit before taxation	5,171	3,552	500	350
Tax charge at the UK corporation tax rate of 19% (2020: 19%)	982	675	95	66
Fixed asset differences	46	(2)	40	18
Tax effect of expenses that are not deductible in determining taxable profit	43	27	-	-
Income not subject to tax	(13)	(2)	(84)	(65)
Additional deduction for R&D expenditure	(206)	(213)	-	-
Capital gains	-	2	-	-
Adjustments in respect of prior years	3	(11)	-	-
Deferred tax credited directly to retained earnings	21	25	-	-
Adjust opening deferred tax to average rate	-	2	-	-
Deferred tax not recognised	27	29	-	-
Tax relief on exercise of share options	(66)	(148)	-	
Total expense and effective rate for the year	837	384	51	19

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-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
Deferred tax		
Excess tax deductions related to share-based payments on exercised options	(424)	(26)
Total	(424)	(26)

11 Payments to shareholders

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
Final dividend paid – 0.50p (2020: 0.40p) per share	324	252
Interim dividend paid – 0.15p (2020: 0.15p) per share	97	95
Total	421	347

Notes to the financial statements

12 Earnings per share

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

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
Earnings		
Net profit attributable to the equity holders of the parent company	4,334	3,168

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	Number	Number
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	64,757,807	63,431,622
Effect of dilutive potential ordinary shares relating to share options	8,788,756	9,507,807
Weighted average number of ordinary shares for the purposes of diluted earnings per share	73,546,563	72,939,429

Basic	6.69p	4.99p
Diluted	5.89p	4.34p

13 Goodwill

Goodwill at 31 March 2021 is related to the Potter & Moore business acquired in March 2003.

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

	Year ended 31-Mar
	£000
Cost	
At 1 April 2019, 31 March 2020 and 31 March 2021	367
Accumulated impairment losses	
At 1 April 2019, 31 March 2020 and 31 March 2021	36
Carrying amount	
At 31 March 2020	331
At 31 March 2021	331

The recoverable amount is determined from a value in use calculation. 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, a growth rate of 9% and a discount rate of 6%. Using these assumptions there is a sufficient amount of headroom and any significant changes in the assumptions (such as a large fall in growth, or no growth at all) would not lead to an impairment.

The growth rates are based on the average growth rate experienced by the cash generating unit which is in line with historical growth rates for the business sector. The pre-tax discount rate is based upon the Group's weighted average cost of capital adjusted for specific risks relating to the sector and country, as this is believed to be the most appropriate to be used.

Notes to the financial statements

14 Other intangible assets

Group

	Computer software	Intellectual property	Product development costs	Brand	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2019	213	10	2,285	-	2,508
Additions	33	-	562	508	1,103
Reclassified from Property, plant and equipment	5	-	-	-	5
At 31 March 2020	251	10	2,847	508	3,616
Additions	11		333		344
At 31 March 2021	262	10	3,180	508	3,960
Accumulated amortisation					
At 31 March 2019	141	-	1,949	-	2,090
Amortisation for the year	26	-	529	-	555
At 31 March 2020	167	-	2,478	-	2,645
Amortisation for the year	28	-	469	-	497
At 31 March 2021	195	-	2,947	-	3,142
Carrying value					
At 1 April 2019	72	10	336	-	418
At 31 March 2020	84	10	369	508	971
At 31 March 2021	67	10	233	508	818

On 21 June 2019, the Company acquired a skincare brand, for £508,000. The acquisition adds to the Group's growing range of beauty and well-being products contributing £2,406,000 to sales for this year (2020: £1,164,000).

Notes to the financial statements

15 Property, plant and equipment and investment property

Group

	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Computers	Total
	£000	£000	£000	£000	£000
Cost					
At 1 April 2019	-	4,879	618	127	5,624
Additions	4,038	372	202	19	4,631
Disposals	-	(46)	-	-	(46)
Disposal on sale and leaseback	-	(242)	-	-	(242)
Reclassification to Right-of-use	-	(219)	-	-	(219)
Reclassification to other intangible assets	-	-	-	(5)	(5)
Reclassification of categories	-	(73)	16	57	-
At 31 March 2020	4,038	4,671	836	198	9,743
Additions		525	300	44	869
Disposals	-	(15)	-	-	(15)
Reclassification to Right-of-use	-	(145)	-	-	(145)
At 31 March 2021	4,038	5,036	1,136	242	10,452
Accumulated depreciation					
At 1 April 2019	-	2,853	330	78	3,261
Depreciation for the year	97	391	102	25	615
Disposals	-	(46)	-	-	(46)
Disposal on sale and leaseback	-	(4)	-	-	(4)
Reclassification to Right-of-use	-	(39)	-	-	(39)
Reclassification of categories	-	(74)	23	51	-
At 31 March 2020	97	3,081	455	154	3,787
Depreciation for the year	210	481	132	23	846
Disposals	-	(11)	-	-	(11)
Reclassification of categories	-	(27)	-	-	(27)
At 31 March 2021	307	3,524	587	177	4,595
Carrying value					
At 1 April 2019	-	2,026	288	49	2,363
At 31 March 2020	3,941	1,590	381	44	5,956
At 31 March 2021	3,731	1,512	549	65	5,857

Notes to the financial statements

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

Company

	Investment Property
	£000
Cost	
At 1 April 2019	-
Additions	4,038
At 31 March 2020 and 31 March 2021	4,038
Accumulated depreciation	
At 1 April 2019	-
Depreciation for the year	97
At 31 March 2020	97
Depreciation for the year	210
At 31 March 2021	307
Carrying value	
At 1 April 2019	-
At 31 March 2020	3,941
At 31 March 2021	3,731

On 16 October 2019, Creightons Plc acquired the freehold property at Peterborough having occupied the property as a tenant since March 2003 for £3.80m plus stamp duty and professional costs. Based on an up to date property valuation, the Directors consider that the fair value of the property is not materially different to the cost value. The property has been pledged as security for the long term loan.

Included within property, plant and equipment in 2020 is the disposal of an asset with a carrying value of £238,000 under a sale and leaseback arrangement. On paying the final instalment in 2020, the Group received proceeds from the sale and lease back of the asset of £232,000, which has been recognised as a right-of-use asset and equivalent lease liability.

16 Right-of-use assets

Group

	Leasehold Property	Plant and machinery	Total
	£000	£000	£000
Cost			
At 1 April 2019	-	-	-
Recognised on adoption of IFRS 16	764	136	900
Additions	-	232	232
Reclassification from property, plant and equipment	-	219	219
At 31 March 2020	764	587	1,351
Additions	-	34	34
Reclassification from property, plant and equipment	-	147	147
Disposals	-	(11)	(11)
At 31 March 2021	764	757	1,521
Depreciation			
At 1 April 2019	-	-	-
Depreciation for the year	105	87	192
Reclassification from property, plant and equipment	-	39	39
At 31 March 2020	105	126	231
Depreciation for the year	105	101	206
Disposals	-	(6)	(6)
At 31 March 2021	210	221	431
Carrying value			
At 31 March 2020	659	461	1,120
At 31 March 2021	554	536	1,090

Notes to the financial statements

17 Investment in subsidiaries

Company

	Investments
	£000
Cost	
At 1 April 2019, 31 March 2020 and 31 March 2021	75
Impairment charge	
At 1 April 2019, 31 March 2020 and 31 March 2021	15
Carrying value	
At 1 April 2019, 31 March 2020 and 31 March 2021	60

Details of the Company's subsidiaries at 31 March 2021 and 31 March 2020 are as follows:

Name	Place of incorporation, registration and operation	Note	Proportion of ownership, interest and voting power held
Potter & Moore Innovations Limited	England	a	100%
Potter and Moore International Inc.	United States of America	b	100%
Creightons GmbH	Germany	e	100%
Potter and Moore (Devon) Limited	England	a	100%
Potter and Moore Pty Ltd	Australia	c	100%
Potter and Moore Limited	Republic of Ireland	d	100%
The Natural Grooming Company Limited	England	a	100%
St James Perfumery Co Limited	England	a	100%
Ashworth & Claire Limited	England	a	100%
The Haircare Studio Limited	England	a	100%
The Real Shaving Company Ltd	England	a	100%
The Hair Design Studio Limited	England	a	100%
Creightons Naturally Limited	England	a	100%
Groomed Limited	England	a	100%
Twisted Sista Limited	England	a	100%
Potter & Moore International Ltd	England	a	100%
The Herbal Hair Company Ltd	England	a	100%
Curl Therapy Limited	England	a	100%
Feather & Down Limited	England	a	100%
Creighton Services Limited	England	a	100%
The Curl Company Limited	England	a	100%
Creighton Direct Limited	England	a	100%

Notes to the financial statements

17 Investment in subsidiaries (continued)

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.) Sossenheimer Weg 5 – 7, Frankfurt am Main, 65929

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 Potter and Moore International Inc. is a 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.
The activity of Potter and Moore Pty Ltd is the distribution of personal care products.
The activity of Creightons GmbH is the distribution of personal care products.

All other subsidiaries were dormant throughout the years ended 31 March 2021 and 31 March 2020.

18 Inventories

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Raw materials	3,766	3,224	-	-
Work in progress	882	835	-	-
Finished goods	3,670	3,335	-	-
Total	8,318	7,394	-	-

Inventories with a carrying value of £8,318,000 (2020: £7,394,000) have been pledged as security for the Group's bank overdrafts. Directors believe that net realisable value approximates to fair value.

19 Trade and other receivables

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Trade receivables	9,772	8,628	9	-
Sundry receivables	139	-	-	-
Amounts receivable from subsidiaries	-	-	1,856	1,754
Prepayments and other receivables	325	239	7	7
Corporation tax	-	-	-	-
Total	10,236	8,867	1,872	1,761

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 2021 was £9,772,000 (2020: £6,892,000). The Group took the decision to cover all customers as a result of the current economic climate. In 2020 there were an additional £1,593,000 low risk customers who were not covered; they were considered low risk due to their financial standing and market position.

Amounts receivable from subsidiaries are unsecured, interest free and repayable on demand.

Notes to the financial statements

19 Trade and other receivables (continued)

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

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade receivables:				
Current	9,312	8,152	9	-
1 -30 days	252	353	-	-
31 – 60 days	93	40	-	-
61 – 90 days	40	64	-	-
91 + days	107	41	-	-
Less impairment allowance	(32)	(22)	-	-
Total	9,772	8,628	9	-

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

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
At 1 April	22	29	-	-
(Release)/charge in current year income statement	10	(7)	-	-
At 31 March	32	22	-	-

There were £460,000 (2020: £476,000) of trade receivables that were overdue at the balance sheet date that have not been provided against. The proportion of trade receivables at 31 March 2021 that were overdue for payment was 4.7% (2020: 6.1%).

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 and non-financial information about customers. The consideration is forward-looking and verified using historical credit losses. Trade accounts receivable are assumed to be credit-impaired if it is unlikely that the customer will fulfil its obligations.

The impairment allowance for bad debts are calculated using a lifetime expected credit loss model, as set out below, in accordance with IFRS 9. There are no receivables subjected to a significant increase in credit loss. The provision for the year to March 2021 was £32,000 (2020: £22,000).

	Group			Group		
	2021			2020		
	£000	%	£000	£000	%	£000
Current	9,312	-		8,152	-	-
1 -30 days	252	-		353	-	-
31 -60 days	93	-		40	-	-
61 – 90 days	40	-		64	-	-
91 + days	107	30%	32	41	54%	22
At 31 March	9,804		32	8,650		22

Notes to the financial statements

20 Cash and cash equivalents

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Cash at bank and in hand	4,963	3,116	1	-
Sterling equivalent of deposit denominated in Australian dollars	266	175	-	-
Sterling equivalent of deposit denominated in Euros	35	6	-	-
Sterling equivalent of deposit denominated in US dollars	62	37	-	-
Surplus invoice finance balance	1,232	336	-	-
Total	6,558	3,670	1	-

The invoice finance facility showed a positive figure due to cash received from customers immediately before the year-end and not yet transferred to the bank account.

21 Financial instruments and treasury risk management

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 2021 100% of trade debtors (2020 76.9%) is covered by credit insurance. 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.

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, 13.5 years remaining, secured on the property with an interest rate of 3.04% fixed for the first 10 years, 8.5 years remaining, of the loan, therefore reducing the 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 £5,000 (2020: £9,000). A 1% decrease would have the opposite effect. The Group's sensitivity to interest rates has not changed during the current year.

Notes to the financial statements

21. Financial instruments and treasury risk management (continued)

Foreign currency risks

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

Transaction risk arises on income and expenditure in currencies other than the functional currency of each group company. The magnitude of this risk is relatively low as the majority of the Group's income and expenditure are denominated in the functional currency. Approximately 0% (2020: 3%) of the Group's income is denominated in US dollars and 2% (2020: 2%) in Euros. Approximately 5% (2020: 2%) of the Group's expenditure is denominated in US dollars and 4% (2020: 6%) in Euros.

Foreign currency sensitivity

A 5% strengthening of sterling would result in a £158,000 (2020: £22,000) increase in profits and equity. A 5% weakening in sterling would result in a £174,000 (2020: £25,000) 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 2021 or 31 March 2020.

Cash flow and liquidity risk

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

The Group manages its working capital requirements through overdrafts and invoice finance facilities. These facilities were renewed in March 2021 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 2021 the Group had available £6,406,000 (2020: £6,160,000) 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 8.5 years of the loan.

Financial assets

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

	Group		**Company**	
	2021	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Trade and other receivables	9,772	8,628	1,866	1,754
Cash and cash equivalents	6,558	3,670	1	-
Total	**16,330**	**12,298**	**1,867**	**1,754**

Financial liabilities

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

Year ended 31 March 2021

	Group				
	Less than 6 months	**Between 6 months and 1 year**	**Between 1 and 5 years**	**More than 5 years**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Trade payables	5,003	-	-	-	5,003
Accruals	2,480	-	-	-	2,480
Obligations under leases	119	118	906	-	1,143
Overdraft and invoice financing	-	-	-	-	-
Loan	82	84	729	1,917	2,812
Total	**7,684**	**202**	**1,635**	**1,917**	**11,438**

Notes to the financial statements

21. Financial instruments and treasury risk management (continued)

Year ended 31 March 2020

	Group				
	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	More than 5 years	Total
	£000	£000	£000	£'000	£000
Trade payables	5,063	-	-	-	5,063
Accruals	1,441	-	-	-	1,441
Obligations under leases	96	97	793	183	1,169
Overdraft and invoice financing	554	-	-	-	554
Loan	79	80	702	2,114	2,975
Total	**7,233**	**177**	**1,495**	**2,297**	**11,202**

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

Year ended 31 March 2021

	Group				
	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Total
	£000	£000	£000	£000	£'000
Trade payables	5,003	-	-	-	5,003
Accruals	2,480	-	-	-	2,480
Obligations under leases	157	176	1,070	41	1,444
Overdraft and invoice financing	-	-	-	-	-
Loan	124	125	1,062	2,765	4,076
Total	7,764	301	2,132	2,806	13,003

Year ended 31 March 2020

	Group				
	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Total
	£000	£000	£000	£000	£'000
Trade payables	5,063	-	-	-	5,063
Accruals	1,441	-	-	-	1,441
Obligations under leases	114	114	759	200	1,187
Overdraft and invoice financing	554	-	-	-	554
Loan	124	125	1,062	3,014	4,325
Total	**7,296**	**239**	**1,821**	**3,214**	**12,570**

22 Trade and other payables and corporation tax

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Trade payables	5,003	5,063	11	-
Social security and other taxes	1,694	1,336	-	-
Accrued expenses	2,480	1,441	-	11
Amounts payable to subsidiary undertakings	-	-	35	35
Corporation tax payable	329	176	51	19
Total	9,506	8,016	97	65

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.

Notes to the financial statements

23 Lease liabilities

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Amounts payable under leases				
Within one year	237	193	-	-
Between two to five years	906	793	-	-
After five years	-	183	-	-
At 31 March	1,143	1,169	-	-

	Group
	£000
Restatement at 1 April 2020	1,169
Reclassification from obligations under finance leases	27
New lease	137
Interest expense	138
Lease payments	(328)
At 31 March 2021	1,143

The Group expensed £124,000 to the consolidated income statement for leases with a lease term of 12 months or less.

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

24 Borrowings

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£000	**£000**	**£000**	**£000**
Bank overdraft	-	554	-	-
Borrowings under invoice finance facilities		-	-	-
Borrowings under mortgage repayable within one year	166	159	166	159
Borrowings under mortgage repayable between two to five years	702	702	702	702
Borrowings under mortgage repayable after more than five years	1,944	2,114	1,944	2,114
Total	2,812	3,529	2,812	2,975

The directors consider the carrying amount of borrowings approximates to fair value.

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

Borrowings totalling £nil (2020: £554,000) are denominated in US Dollars, all other 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.

Notes to the financial statements

24 Borrowings (continued)

The weighted interest rates paid were as follows:

	Group		Company	
	2021	**2020**	**2021**	**2020**
	%	**%**	**%**	**%**
Bank overdrafts	3.5	3.5	-	-
Borrowings under invoice finance facilities	3.0	3.0	-	-
Borrowings under mortgage	3.04	3.04	3.04	3.04

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

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

25 Share capital

	Ordinary shares of 1p each	
	£000	**Number**
At 1 April 2019	625	62,546,143
Issued in the year	22	2,200,000
At 31 March 2020	647	64,746,143
Issued in the year	1	106,100
At 31 March 2021	648	64,852,243

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 £5,000 (2020: £99,000).

26 Equity settled share-based payments

The Company has a share option scheme which is open to any employee of the Group. Options granted under the scheme are for nil consideration and are exercisable at a price equal to the quoted market price of the Company's shares on the date of the grant. 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			
	2021		**2020**	
	Number	**Weighted average exercise price**	**Number**	**Weighted average exercise price**
Outstanding at the beginning of the period	7,964,900	22.21p	10,633,300	18.75p
Granted in the period	3,687,500	58.31p	-	-
Exercised in the period	(106,100)	4.39p	(2,200,000)	4.50p
Lapsed in the period	(407,800)	31.31p	(468,400)	26.80p
Outstanding at the end of the period	11,138,500	34.00p	7,964,900	22.21p

Notes to the financial statements

26 Equity settled share-based payments (continued)

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

Granted	Exercise period	Number	Exercise price
Nov-14	2017 – 2024	1,300,000	5.50p
Sep-15	2019 – 2025	290,000	4.50p
Oct-18	2021 – 2028	6,061,000	26.80p
Jul-20	2023 – 2030	800,000	36.00p
Nov-20	2023 – 2030	800,000	48.00p
Mar-21	2024 – 2031	1,887,500	74.50p
Outstanding at the end of the period		11,138,500	34.00p

The number of currently exercisable share options at March 21 is 1,590,000 (2020: 1,696,100).

The weighted average exercise price of current exercisable options is 5.32p.

The weighted average contractual life for the outstanding options based on last exercise date is 7.7 years.

For the share options exercised in the period, the share price on date of exercise was as follows:

Exercised options	Number	Share price on date of exercise
07-Jan-21	11,100	64.0p
25-Feb-21	95,000	67.0p

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				Year ended 31-Mar
	2021				2020
Issue date	18-Oct 18	08-Jul 20	05- Nov 20	16-Mar 21	18-Oct 18
Weighted average share price (pence)	26.80p	50.00p	48.00p	74.50p	26.80p
Weighted average exercise price (pence)	26.80p	36.00p	48.00p	74.50p	26.80p
Expected volatility (%)	38.50%	49.70%	50.10%	40.20%	38.50%
Expected life - years	3	3	3	3	3
Risk free rate (%)	0.75%	0.75%	0.75%	0.75%	0.75%
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 £195,000 (2020: £133,000) related to share-based payments.

Notes to the financial statements

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 £400,000 (2020: £297,000) and cash contributions were £395,000 (2020: £237,000).

28 Capital commitments

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Contracts placed for future capital expenditure not provided for in the financial statements	101	113	-	-

29 Related party transactions

Transactions between the parent company and its subsidiaries

The amounts owed by and to subsidiary companies are:

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
Amounts receivable from subsidiary undertakings	1,856	1,754
Amounts payable to subsidiary undertakings	(35)	(35)

During the year ended 31 March 2021 the company transferred £5,000 (2020 - £85,000) from the proceeds of the exercise of share options to Potter & Moore Innovations Limited. The company received a dividend of £421,000 (2020: £347,000) from Potter & Moore Innovations Limited.

During the year ended 31 March 2021 the company charged rental charges of £350,000 (2020: £162,000) to Potter & Moore Innovations Limited.

Oratorio Developments Limited

On 16 October 2019, Oratorio Development Limited, a company of which Mr McIlroy is a Director and controlling shareholder, sold the property occupied by Potter & Moore Innovations Ltd, to Creightons Plc for £3,800,000. This was approved by shareholders at a General Meeting on 10 October 2019.

The following amounts were charged under the terms of the lease up to 16 October 2019:

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
Rental charges	-	190
Re-imbursement of property insurance costs	-	15
Total	-	205

Amounts owed to Oratorio Developments Limited

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
Amounts payable	-	-

Notes to the financial statements

29 Related party transactions (continued)

Carty Johnson Limited

Carty Johnson Limited, a company of which Mr Johnson is a Director and controlling shareholder provides internet support services. The following amounts were charged in the year:

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
Charges for internet support services	30	31

Amounts owed to Carty Johnson Limited

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
Amounts payable	-	8

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	Year ended 31-Mar
	2021	2020
	£000	£000
Charges for company secretarial services	10	20

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 22 to 24**.**

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS 24, 'Related Party Disclosure'. Further information about the remuneration of individual directors is provided in the audited part of the Directors' Remuneration Report on pages 22 to 29.

	Year ended 31-Mar	Year ended 31-Mar
	2021	2020
	£000	£000
Salaries and other short term benefits	872	872
Total	872	872

Notes to the financial statements

30 Notes supporting the cash flow statement

Group

Analysis of changes in net debt

	Overdraft	Invoice Financing	Mortgage	Total
	£000	£000	£000	£000
At 1 April 2020	554	-	2,975	3,529
Cash flows	(554)	-	(252)	(806)
Interest accruing	-	-	89	89
At 31 March 2021	**-**	**-**	**2,812**	**2,812**

	Overdraft	Invoice Financing	Mortgage	Total
	£000	£000	£000	£000
At 1 April 2019	334	398	-	732
Cash flows	204	(398)	2,924	2,730
Interest accruing	16	-	51	67
At 31 March 2020	**554**	**-**	**2,975**	**3,529**

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 2019	25
Recognised in the income statement	30
Recognised directly through retained earnings	(26)
At 31 March 2020	**29**
Recognised in the income statement	56
Recognised directly through equity	(424)
At 31 March 2021	**(339)**

Deferred tax is represented by:

	Year ended 31-Mar 2021	Year ended 31-Mar 2020
	£000	£000
Capital allowances in advance of depreciation	333	229
Share based payments	(662)	(195)
Other temporary differences	(10)	(5)
Net deferred tax (asset) / liability	**(339)**	**29**

On 3 March 2021, it was substantively enacted that the rate of corporation tax from 1 April 2023 would increase from 19% to 23%, and therefore this has been considered when calculating deferred tax at the reporting date. Deferred tax balances at the reporting date are measured at 19% (2020: 19%).

Notes to the financial statements

31 Deferred tax (continued)

	Accelerated tax depreciation PPE	Provision	Share based payment	Total
	£000	£000	£000	£000
At 1 April 2020	229	(5)	(195)	29
Charged to profit	75	(5)	(14)	56
Credited to other comprehensive income	-	-	(424)	(424)
At 31 Mar 2021	304	(10)	(633)	(339)

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

	Accelerated tax depreciation	Provision	Share based payment	Total
	£000	£000	£000	£000
At 1 April 2019	177	(5)	(147)	25
Charged to profit	52	-	(22)	30
Credited to other comprehensive income	-	-	(26)	(26)
At 31 Mar 2020	229	(5)	(195)	29

The deferred tax charged/(credited) to other comprehensive income during the year is as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
	£000	£000
Tax on items taken directly to other comprehensive income	(424)	(26)

32 Operating leases

Company

The company has entered into an operating lease with it's 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:

	2021	2020
Within one year	350	350
After one year but not more than five years	1,400	1,400
More than five years	4,750	5,100

33 Guarantees and other financial commitments

The Group has given a guarantee via its bankers to HMRC in respect of import duties and VAT with a limit of £100,000.

The Group has entered into a cross guarantee with various other group companies to secure their banking facilities.

The Group has entered into an import line facility and a purchase credit card facility via its bankers with a limit of £155,000 and £60,000 respectively.

34 Post balance sheet events

There are no post balance sheet events.

Directors and Advisers

Directors

William O McIlroy	Chairman
Bernard JM Johnson	Managing Director
William T Glencross	Non-executive Director
Nicholas DJ O'Shea	Non-executive Director
Philippa Clark	Deputy Managing Director
Martin Stevens	Deputy Managing Director
Paul Forster	Non-executive Director

Registered Office and number

1210 Lincoln Road
Peterborough
PE4 6ND
Registered in England & Wales No 1227964

Company Secretary

Nicholas DJ O'Shea, BSc ACMA CGMA

Auditor

Mazars LLP
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Registrars

Link Market Services Limited
Northern House
Fenay Bridge
Huddersfield
HD8 0GA

Bankers

HSBC Bank Plc
Cathedral Square
Peterborough
PE1 1XL

Solicitors

Marriott Harrison
11 Staple Inn
London
WC1V 7QH

Greenwoods
30 City Road
Peterborough
PE1 1JE

Financial Advisers

Beaumont Cornish Ltd
Building 3
566 Chiswick High Road
London
W4 5YA