THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER THE UK VERSION OF THE MARKET ABUSE REGULATION NO 596/2014 WHICH IS PART OF ENGLISH LAW BY VIRTUE OF THE EUROPEAN (WITHDRAWAL) ACT 2018, AS AMENDED

Creightons plc
Unaudited interim financial report
for the six months ended 30 September 2021

Interim Dividend Declaration

Financial highlights

- Excellent progress in offsetting the loss of the "one off" £11.54m hygiene sales over the same period in the previous year.
- The above success contained the overall sales reduction to £2.37m (7.3%).
- The total net sales for the six months were £30.00m (2020: £32.37m).
- Gross margin percentage increased by 3.4% to 42.7% (2020: 39.3%).
- The success in closing the £11.54m hygiene gap limited the negative impact on operating profit before exceptional costs to £0.42m (13.9%). The operating profit before exceptional costs was £2.60m (2020: £3.01m).
- Operating profit before exceptional costs as a percentage of sales decreased by 0.7% to 8.6% (2020: 9.3%).
- Profit after tax as a percentage of sales decreased by 0.9% to 6.6% (2020: 7.5%).
- Diluted EPS 2.61p (2020: 3.31p).
- Short term borrowings and loans of £2.90m (2020: Positive net cash on hand of £2.38m).
- Interim dividend of 0.15p per ordinary share to be paid in February 2022 (2020: 0.15p).

Operational highlights

- Better than expected success in replacing the previous year's "one off" hygiene sales generated by the Covid-19 pandemic which were a total of £14.59m in the previous full year to March 2021. These hygiene sales were very significant so to have substantially replaced in the first half by growth in core sales across branded, private label and contract business units before the full impact of recent acquisitions reflects the underlying strength and momentum of the business.
- Successfully completed acquisition of two businesses; Emma Hardie and Brodie & Stone. Their integration is progressing well and the full benefits will emerge by the beginning of the new financial year.
- The global supply chain issues and raw material cost although challenging are being managed proactively by our team. The management team have developed a real-time cost indexing system which monitors all cost increases. This system facilitates a timely and proactive dialogue with retailers justifying price increases.
- Costs of Covid 19 defences very much reduced compared to previous year – however management remain vigilant in the face of the ongoing Covid-19 threat.

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Chairman's statement

I am pleased to report that the Group has made significant progress in growing its core business during the first half year ended 30 September 2021. Core sales have increased by £8.37m (40.2%) which has substantially replaced the Covid-19 related hygiene sales which were a once off feature of the previous half year. We have also successfully completed two acquisitions in the period - Emma Hardie and Brodie & Stone - which will further strengthen the underlying branded business. The Group's performance is a tribute to the agility and resilience of the teams who have again demonstrated the ability to take advantage of available opportunities and manage potential risks.

Sales and margin

Revenue from core business excluding hygiene and acquisitions increased by £8.37m to £29.21m (2020: £20.84m). Overall Group sales were £30.00m for the six months ended 30 September 2021 (2020: £32.37m) a reduction of £2.37m (7.3%). Sales of hygiene products which were a short term feature of the previous year declined by £11.54m. We have been successful in substantially replacing the once off hygiene sales by growth in each of the three business units. Branded sales (excluding hygiene and acquisitions) increased by 47.0% from £5.47m to £8.04m with a strong performance from Feather & Down and Balance Active brands. Private label sales have increased from £10.76m to £13.09m and have returned to pre-Covid levels with the re-opening of the High street and the addition of a large contract with a key grocer. Contract manufacturing sales have increased from £4.60m to £8.08m with all major customers responding to increased consumer demand. Sales of Emma Hardie £0.77m and Brodie & Stone £0.02m have been included from the dates of acquisition of 28th July 2021 and 24th September 2021 respectively.

Our gross margin was 42.7% in the six months to 30 September 2021 (2020: 39.3%). The main reasons for the increase in margin are a reduction in Covid-19 related costs from the prior period including, reductions in costs related to the airfreighting, reduction in stock provisions set aside relating to hygiene products and a reduction in additional employee welfare cost together with a return to normal levels of productivity.

Overheads

Distribution costs have decreased by 2.3% to £1.67m (2020: £1.71m) and now represent 5.5% of sales (2020: 5.3%). The overall cost reduction is driven by the reduction in revenue. Underlying costs associated with outsourcing the warehousing are increasing in line with domestic supply pressures. Most of our total finished good's stocks are now stored at third parties.

Administration costs have increased by 6.9% to £8.55m (2020: £8.00m) with costs increasing to manage the significant increase in core activity over the period. We are continuing to strengthen the management structure through a number of senior appointments to position the Group for future growth and have awarded pay increases to employees in the period.

Overheads include £0.09m (2020: £0.34m) of additional employee-welfare costs associated with Covid-19.

Acquisition costs

Acquisition costs of £0.22m in relation to the purchase of Emma Hardie and Brodie & Stone have been charged to the income statement as exceptional costs during the period.

Operating profit before exceptional costs

Operating profit before exceptional costs was £2.60m (2020: £3.01m), which represents a decrease of £0.42m (13.9%). The reduction in overall sales together with the increased overhead costs results in an operating profit margin before exceptional costs of 8.6% (2020: 9.3%).

Tax

The tax charge provided in the accounts of £0.28m (2020: £0.48m) represents a rate of 12.3% (2020: 16.4%).

Earnings per share

The result of the above, including the issue of equity on the two acquisitions of 2.6m shares, is a reduction in the diluted earnings per share to 2.61p (2020: 3.31p) a decrease of 21.1%.

Chairman's statement (continued)

Dividend Payments

The Board confirms that it will be paying an interim dividend of 0.15 pence per ordinary share (2020: 0.15 pence per ordinary share), reflecting the continued strong performance of the Group to 30 September 2021. This will be paid in February 2022. This is in addition to the final dividend of 0.50 pence per ordinary share paid in October 2021 (2020: 0.50 pence per ordinary share). The total payment in relation to the dividend paid in October 2021 was £0.32m (2020: £0.32m).

Working capital

Short term borrowings and loans of £2.90m (2020: net cash on hand £2.38m). The reduction in net cash on hand is mainly due to the cash utilised to finance the two recent acquisitions which resulted in cash outflows in the period of £7.53m. The company has access to cash by way of an invoicing finance facility that is currently in place and could support the cash position by up to a further £5m. Also, we have increased our investment in working capital in the period with increase in inventories of 43.7% and trade debtors of 19.3% including the working capital from acquisitions. Trade debtors have increased due to the profile of revenue throughout the period. The second half of the year will see these levels fall as the cash is received. Trade and other payables remain fairly consistent. Borrowings have increased due to utilisation of an overdraft and invoice financing facility. A term loan of £3.00m to be repaid over four years has been drawn in the period to fund the investment in acquisitions.

Brexit

Brexit has occurred and has resulted in some increased long-term costs associated with the regulatory management and import and export administration. These have not materially impacted upon the Group's performance.

Covid-19

The Group has continued to respond to the challenges presented by Covid-19 and has ensured continuity of supply to our customers and maintained uninterrupted production at our Peterborough and Tiverton facilities. The sales of hygiene products which were a feature of the previous year's sales have not repeated in the current year.

We will continue to remain vigilant and responsive in the face of the evolving threat from Covid-19 including the Omicron variant, prioritising the health and safety of our employees.

Supply chain

The Group has again demonstrated its ability to respond to market events and opportunities by replacing one off hygiene sales with growth in its core underlying business and the completion of two acquisitions. In common with many UK businesses, we have experienced global supply chain pressures throughout the period which have manifested in the form of delayed deliveries from suppliers, higher input and overhead costs. We have successfully managed these issues in the period and maintained supply to our customers. These pressures are expected to continue into the second half and we will continue to be proactive in our response to these challenges. In particular we will seek out new opportunities and endeavour to mitigate any price increases through price recovery, product reengineering, alternative sourcing and other cost control measures.

I would like to take this opportunity to thank each and every one of the Group's employees who have continued to pull together through an exceptionally difficult period to enable the Group to deliver a strong trading performance. I would also like to thank our customers, shareholders and suppliers for their support and loyalty to the Group.

W O McIlroy
Executive Chairman

29 December 2021

Responsibility statement

The names and functions of the Directors of the Company are as follows:

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

The Board confirms that to the best of its knowledge the condensed set of financial statements gives a true and fair view of the assets and liabilities, financial position and profit of the Group and has been prepared in accordance with IAS 34 'Interim Financial Reporting', as endorsed by the UK and that the interim management report includes a fair review of the information required by the Disclosure and Transparency Rules as issued by the Financial Conduct Authority, namely:

- DTR 4.2.7: An indication of important events that have occurred during the first six months of the financial year, and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

- DTR 4.2.8: Details of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the enterprise during that period. Together with any changes in the related parties transactions described in the last annual report that could have a material effect on the enterprise in the first six months of the current financial year.

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 November 2021 is £0.27m. A reduction in revenue of 33%, which is significantly more severe than was seen in the first two months of the Covid-19 pandemic, without management tackling current overhead levels, over the next 12 months, would not fully utilise 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.

By order of the Board

Nicholas O'Shea
Company Secretary and Director — 29 December 2021

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 economic situation over the past 6 months, and the impact that has had on costs and consumer purchases.

It also monitors those risks not directly or specifically financial, but capable of having a major impact on the business's financial performance if there is any failure, such as product contamination and manufacture outside specification, maintenance of satisfactory levels of customer and consumer service, accident ratios, failure to meet environmental protection standards or any of the areas of regulation mentioned above.

The principal risks and uncertainties and their associated mitigating and monitoring controls which may affect the Group's performance in the next six months are consistent with those detailed in the Annual Report and Financial Statements 2021. The main two risks facing the Group relate to the Covid-19 pandemic and the global and domestic supply chain issues, which are covered in detail in the Chairman's statement.

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Consolidated income statement – unaudited

		Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)	Year ended 31 March 2021 (Audited)
	Note	£000	£000	£000
Revenue		30,005	32,375	61,605
Cost of sales		(17,201)	(19,650)	(36,623)
Gross profit		12,804	12,725	24,982
Distribution costs		(1,662)	(1,713)	(3,353)
Administrative expenses		(8,547)	(7,998)	(16,236)
Operating profit – before exceptional costs		2,595	3,014	5,393
Exceptional costs – acquisition expenses		(221)	-	-
Operating profit		2,374	3,014	5,393
Finance costs	6	(108)	(119)	(222)
Profit before tax		2,266	2,895	5,171
Taxation	4	(278)	(475)	(837)
Profit for the year from operations attributable to the equity shareholders of the parent Company		1,988	2,420	4,334

Dividends

	Note	Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)	Year ended 31 March 2021 (Audited)
Paid in year (£000)		-	-	421
Paid in year (pence per share)		-	-	0.65p
Proposed (£000)		98	97	324
Proposed (pence per share)		0.15p	0.15p	0.50p

Earnings per share

	Note	Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)	Year ended 31 March 2021 (Audited)
Basic	3	3.05p	3.74p	6.69p
Diluted		2.61p	3.31p	5.89p

Consolidated statement of comprehensive income - Unaudited

		Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)	Year ended 31 March 2021 (Audited)
		£000	**£000**	**£000**
Profit for the year		1,988	2,420	4,334
Items that may be subsequently reclassified to profit and loss:				
Exchange differences on translating foreign operations		(39)	(33)	9
Other comprehensive income for the year		(39)	(33)	9
Total comprehensive income for the year attributable to the equity shareholders of the parent		1,949	2,387	4,343

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Consolidated balance sheet – unaudited

		Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)	Year ended 31 March 2021 (Audited)
	Note	**£000**	**£000**	**£000**
Non-current assets				
Goodwill		331	331	331
Other intangible assets	8	10,951	940	818
Property, plant and equipment		6,012	6,011	5,857
Right-of-use assets		977	1,023	1,090
Deferred tax asset		503	59	339
		18,774	**8,364**	**8,435**
Current assets				
Inventories		13,178	9,170	8,318
Trade and other receivables		15,608	13,087	10,236
Cash and cash equivalents		1,013	2,751	6,558
		29,799	**25,008**	**25,112**
Total assets		**48,573**	**33,372**	**33,547**
Current liabilities				
Trade and other payables		12,192	10,800	9,177
Corporation tax payable		200	428	329
Lease liabilities		249	206	237
Borrowings		3,669	162	166
Deferred and contingent consideration	7	1,628	-	-
		17,938	**11,596**	**9,909**
Net current assets		**11,861**	**13,412**	**15,203**
Non-current liabilities				
Lease liabilities		777	870	906
Borrowings		4,827	2,735	2,646
		5,604	**3,605**	**3,552**
Total liabilities		**23,542**	**15,201**	**13,461**
Net assets		**25,031**	**18,171**	**20,086**
Equity				
Share capital		675	647	648
Share premium account		3,886	1,406	1,410
Other reserves		25	25	25
Translation reserve		(9)	(12)	30
Retained earnings		20,454	16,105	17,973
Total equity attributable to the equity shareholders of the parent Company		**25,031**	**18,171**	**20,086**

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Statement of changes in shareholders' equity – unaudited

	Share capital	Share premium account	Other reserves	Translation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
At 1 April 2020	**647**	**1,406**	**25**	**21**	**13,467**	**15,566**
Comprehensive income for the six months ended 30 September 2020						
Profit for the six months ended 30 September 2020	-	-	-	-	2,420	2,420
Exchange differences on translation of foreign operations	-	-	-	(33)	-	(33)
Total comprehensive income for the six months ended 30 September 2020	**-**	**-**	**-**	**(33)**	**2,420**	**2,387**
Contributions by and distributions to owners						
Share-based payment charge	-	-	-	-	80	80
Deferred tax through Equity	-	-	-	-	138	138
Dividends	-	-	-	-	-	-
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**218**	**218**
At 30 Sept 2020	**647**	**1,406**	**25**	**(12)**	**16,105**	**18,171**
Comprehensive income for the six months ended 30 March 2021						
Profit for the six months ended 31 March 2021	-	-	-	-	1,914	1,914
Exchange differences on translation of foreign operations	-	-	-	42	-	42
Total comprehensive income for the six months ended 31 March 2021	**-**	**-**	**-**	**42**	**1,914**	**1,956**
Contributions by and distributions to owners						
Exercise of options	1	4	-	-	-	5
Share-based payment charge	-	-	-	-	115	115
Deferred tax through Equity	-	-	-	-	260	260
Dividends	-	-	-	-	(421)	(421)
Total contributions by and distributions to owners	**1**	**4**	**-**	**-**	**(46)**	**(41)**
At 31 March 2021	**648**	**1,410**	**25**	**30**	**17,973**	**20,086**
Comprehensive income for the six months ended 30 September 2021						
Profit for the six months ended 30 September 2021	-	-	-	-	1,988	1,988
Exchange differences on translation of foreign operations	-	-	-	(39)	-	(39)
Total comprehensive income for the six months ended 30 September 2021	**-**	**-**	**-**	**(39)**	**1,988**	**1,949**
Contributions by and distributions to owners						
Exercise of options	-	-	-	-	-	-
Issue of shares	27	2,476	-	-	-	2,503
Share-based payment charge	-	-	-	-	165	165
Deferred tax through Equity	-	-	-	-	328	328
Dividends	-	-	-	-	-	-
Total contributions by and distributions to owners	**27**	**2,476**	**-**	**-**	**493**	**2,996**
At 30 Sept 2021	**675**	**3,886**	**25**	**(9)**	**20,454**	**25,031**

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Consolidated cash flow statement – unaudited

		Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)	Year ended 31 March 2021 (Audited)
		£000	£000	£000
Profit from operations		2,374	3,014	5,393
Adjustments for:				
Depreciation on property, plant and equipment		432	395	846
Depreciation on right of use assets		113	97	206
Amortisation of intangible assets		209	252	497
Loss on disposal of property, plant and equipment		10	-	4
Loss on disposal of Right-of-use asset		-	-	5
Share based payment charge		165	80	195
		3,303	**3,838**	**7,146**
Increase in inventories		(3,211)	(1,776)	(924)
Increase in trade and other receivables		(3,931)	(4,219)	(1,369)
Increase in trade and other payables		1,894	2,960	1,337
Taxation paid		(291)	(174)	(684)
Net cash from operating activities		**(2,236)**	**629**	**5,506**
Investing activities				
Purchase of property, plant and equipment		(608)	(450)	(869)
Purchase of right of use assets		-	-	(34)
Proceeds from sale and lease back (IAS 17)		-	-	174
Purchase of intangible assets		(167)	(221)	(344)
Repayment of debt – Brodie & Stone		(489)	-	-
Acquisition of Brodie & Stone		(2,807)	-	-
Repayment of debt – Emma Hardie		(1,457)	-	-
Acquisition of Emma Hardie		(2,775)	-	-
Proceeds on disposal of investments		-	-	-
Net cash used in investing activities		**(8,303)**	**(671)**	**(1,073)**
Financing activities				
Proceeds on issue of shares		-	-	5
Principal paid on lease liabilities		(116)	(92)	(188)
Interest on leases liabilities		(62)	(68)	(139)
Interest paid on mortgage loan		(44)	(47)	(89)
Interest paid on overdrafts and loans		(2)	(4)	(4)
Increase in invoice financing utilisation		1,344	-	-
Increase/(decrease) of overdraft		948	(554)	(554)
Draw down of loan facility		3,000	-	-
Repayment on mortgage loan facility		(82)	(79)	(164)
Dividends paid to owners of the parent		-	-	(421)
Net cash used in financing activities		**4,986**	**(844)**	**(1,554)**
Net decrease in cash and cash equivalents		**(5,553)**	**(886)**	**2,879**
Cash and cash equivalents at start of year		6,558	3,670	3,670
Effect of foreign exchange rate changes		8	(33)	9
Cash and cash equivalents at end of year		**1,013**	**2,751**	**6,558**

Notes to the unaudited interim financial report

1. Basis of preparation

The interim financial statements for the six months ended 30 September 2020 and 30 September 2021 and for the twelve months ended 31 March 2021 do not constitute statutory accounts for the purposes of Section 434 of the Companies Act 2006. The Annual Report and Financial Statements for the year ended 31 March 2021 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for the year ended 31 March 2021 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under sections 498(2) or 498(3) of the Companies Act 2006. The 30 September 2021 statements were approved by the Board of Directors on 29 December 2021. This unaudited interim report has not been audited or reviewed by auditors pursuant to the Financial Reporting Council guidance on Review of Interim Financial Information.

The condensed financial statements in this Interim Report have been prepared in accordance with the requirements of IAS 34 'Interim Financial Reporting' as endorsed by the UK.

As required by the Disclosure and Transparency Rules of the UK's Financial Conduct Authority, the condensed set of financial statements has been prepared by applying the accounting policies and presentation that were applied in the preparation on the Company's published consolidated financial statements for the year ended 31 March 2021, which were prepared in accordance with International Financial Reporting Standards as endorsed by the UK.

The condensed interim financial statements for the six months ended 30 September 2021 and the comparative figures for the six months ended 30 September 2020 are unaudited. The figures for the year ended 31 March 2021 have been extracted from the Annual Report on which the Auditors issued an unqualified audit report and which have been filed with the Registrar of Companies.

2. Significant accounting policies

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.

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 or the interims ended 30 September 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.

Notes to the unaudited interim financial report (Continued)

3. Earnings per share

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

		Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)	Year ended 31 March 2021 (Audited)
		£000	£000	£000
Earnings				
Net profit attributable to the equity holders of the parent company		1,988	2,420	4,334

		Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)	Year ended 31 March 2021 (Audited)
		Number	Number	Number
Number of shares				
Weighted average number of ordinary shares for the purposes of basic earnings per share		65,196,505	64,746,143	64,757,807
Effect of dilutive potential ordinary shares relating to share options		10,915,679	8,356,145	8,788,756
Weighted average number of ordinary shares for the purposes of diluted earnings per share		76,112,184	73,102,288	73,546,563

4. Taxation

		Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)	Year ended 31 March 2021 (Audited)
		£000	£000	£000
Current tax		162	441	782
Deferred tax liability		116	34	55
Total		278	475	837

Notes to the unaudited interim financial report (Continued)

5. Notes to cash flow statement

Analysis of changes in net debt

6 months ended 30 September 2021	Overdraft	Invoice Financing	Mortgage & Term Loan	Total
	£000	£000	£000	£000
At 1 April 2021	-	-	2,812	2,812
Cash flows	948	1,818	2,874	5,640
Interest accruing	-	-	44	44
At 30 September 2021	**948**	**1,818**	**5,730**	**8,496**

6 months ended 30 September 2020	Overdraft	Invoice Financing	Mortgage	Total
	£000	£000	£000	£000
At 1 April 2020	554	-	2,975	3,529
Cash flows	(554)	-	(126)	(680)
Interest accruing	-	-	47	47
At 30 September 2020	**-**	**-**	**2,896**	**2,896**

12 months ended 31 March 2021	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**

6. Finance costs

		Six months ended 30 September 2021 (Unaudited)	Six months ended 30 September 2020 (Unaudited)	Year ended 31 March 2021 (Audited)
		£000	£000	£000
Interest on bank overdrafts and loans		2	4	4
Interest on mortgage		44	47	79
Interest on lease liabilities		62	68	139
Total		108	119	222

Notes to the unaudited interim financial report (Continued)

7. Business combinations

The provisional amounts recognised in respect of the estimated fair value of identifiable assets and liabilities for the acquisitions made during the six months to September 2021 was:

	Brodie and Stone Limited		Emma Hardie Limited		Total
	Fair value		**Fair value**		**Fair value**
	£000		**£000**		**£000**
Property, plant and equipment	-		1		1
Intangible assets	-		58		58
Inventory	304		1,344		1,648
Trade receivable	434		758		1,192
Other debtors	-		249		249
Cash at bank	-		85		85
Borrowings	(463)		(474)		(937)
Trade payables	(141)		(426)		(567)
Taxation and social security	(19)		(93)		(112)
Other creditor	(242)		(1,225)		(1,467)
Redemption of C shares	-		(544)		(544)
Total net assets	**(127)**		**(267)**		**(394)**
Intangible assets on business combination – Brand value	**4,980**		**5,127**		**10,107**
Total consideration due	**4,853**		**4,860**		**9,713**
The consideration was satisfied as follows:					
Cash consideration	2,807		2,775		5,582
Property retention	700		-		700
Deferred consideration	200		84		284
Contingent consideration	-		644		644
Share issue	1,146		1,357		2,503
	4,853		**4,860**		**9,713**

Business combinations made in 2021

Emma Hardie

On 28th July 2021, the Group acquired 100% of the issued share capital of Emma Hardie Limited. Total consideration was £4.86m, of which £2.77m was paid in cash, £1.36m was settled by the issue of 1,600,000 shares in Creightons PLC at a price of £0.8478 per share, and there was £0.084m of deferred consideration and a further £0.644m in contingent consideration. There was cash acquired of £0.09m and debt acquired at fair value of £2.34m.

The contingent consideration of £0.644m relates to the share issue on acquisition of Emma Hardie Limited. The company has guaranteed to the sellers of Emma Hardie Limited a share price for Creightons PLC at £1.25 per share as at 28th July 2022. The contingent consideration has been accrued based on the difference between £1.25 and the market price on date of acquisition.

The provisional fair value of acquired intangible assets is £5.13m and relates to the Emma Hardie brand acquired. The intangible asset is deemed to have an indefinite useful life so no amortisation is charged but will be subject to an annual impairment review.

Notes to the unaudited interim financial report (Continued)

7. Business combinations (Continued)

Brodie & Stone

On 24th September 2021, the Group acquired 100% of the issued share capital of Brodie and Stone Holdings Limited, and its wholly owned subsidiary Brodie and Stone International Limited. Total consideration was £4.85m, of which £2.81m was paid in cash, £1.15m was settled by the issue of 1,000,000 shares in Creightons PLC at a price of £1.146 per share, £0.70m in relation to a property retention payment paid in October, and there was £200k of deferred consideration. There was no cash acquired and debt acquired at fair value of £0.72m.

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

8. Other intangible assets

	Note	Computer software	Intellectual property	Product development costs	Brand	Total
		£000	£000	£000	£000	£000
Cost						
At 31 March 2020		251	10	2,847	508	3,616
Additions		2	-	219	-	221
At 30 September 2020		253	10	3,066	508	3,837
Additions		9	-	114	-	123
At 31 March 2021		262	10	3,180	508	3,960
Additions	5	2	-	233	10,107	10,342
At 30 September 2021		264	10	3,413	10,615	14,302
Accumulated amortisation						
At 31 March 2020		167	-	2,478	-	2,645
Amortisation in period		14	-	238	-	252
At 30 September 2020		181	-	2,716	-	2,897
Amortisation in period		14	-	231	-	245
At 31 March 2021		195	-	2,947	-	3,142
Amortisation in period		14	-	195	-	209
At 30 September 2021		209	-	3,142	-	3,351
Carrying value						
At 31 March 2020		84	10	369	508	971
At 30 September 2020		**72**	**10**	**350**	**508**	**940**
At 31 March 2021		**67**	**10**	**233**	**508**	**818**
At 30 September 2021		**55**	**10**	**271**	**10,615**	**10,951**

Notes to the unaudited interim financial report (Continued)

9. Related party transactions

The related party transactions that occurred in the six months ended 30 September 2021 are not materially different in size or nature to those reported in the Company's Annual Report for the year ended 31 March 2021.

10. Availability of Interim Report

The Interim Report is being made available to shareholders on the Company website www.creightonsplc.com. Further copies can be obtained from the Company's Registered Office, 1210 Lincoln Road, Peterborough, PE4 6ND.

Interim Dividend Declaration

Creightons plc wishes to confirm that the Company has declared and will pay an interim dividend of 0.15p per ordinary share as per the timetable below:

Ex-dividend date	Thursday 13 January 2022
Record date	Friday 14 January 2022
Payment date	Friday 11 February 2022

For more information:

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