CREIGHTONS plc

Strategic report with supplementary material and Notice of Annual General Meeting

For the year ended 31st March 2018


CREIGHTONS
Sunshine Blonde
WITH ARGAN
TONE CORRECTING SHAMPOO
BRIGHTENS BLONDE
NEUTRALISES BRASSINESS
Enhances natural & colour treated blondes
200 mL e 6.76 FL. OZ
Sunshine Blonde
WITH ARGAN
TONE CORRECTING CONDITIONER
BRIGHTENS BLONDE
NEUTRALISES BRASSINESS
Feather & Down
Bath Essence
Feather & Down
Sleep Butter
CREIGHTONS
MADE IN ENGLAND
CLAY
BALANCING SHAMPOO
FOR OILY ROOTS & DRY ENDS
PURIFY ROOTS
RE-BALANCE NATURAL OILS
REVITALISE FOR LIGHT, LIFTED HAIR
CREIGHTONS
Crème de Coconut & Keratin
Shampoo
Beautifully blended with Coconut Milk and Keratin
Hydrate • Nourish • Indulge
Crème de Coconut
CREIGHTONS
PROFESSIONAL
MADE IN ENGLAND
THE CURL COMPANY™
EXPERTS IN CURLS & WAVES
HOLD & BODY CURL DEFINING MOUSSE
SHAPE & DEFINE STYLING CRÈME-GEL
BRONZE AMBITION
THE GRADUAL TAN
FAKE DON'T BAKE
NOURISHING & HYDRATING WITH COCONUT OIL
GRADUAL
THE INSTANT TAN
GLOW & GO

Contents

This strategic report with supplementary material is a summary of information derived from the company's annual report. The Annual Report for 2018, together with this strategic report with supplementary material and notice of meeting, which contains other information required by section 311A of the Companies Act 2006, is available on our website at www.creightonsplc.com or by post, free of charge, by writing to Creightons plc, 1210 Lincoln Road, Peterborough, Cambridgeshire PE4 6ND.

The auditor has issued unqualified reports on the full annual financial statements, the auditable part of the directors' remuneration report and on the consistency of the strategic report and the directors' report with those annual financial statements. Their report on the full annual financial statements and the auditable part of the directors' remuneration report contained no statement under sections 498(2) or 498(3) of the Companies Act 2006.

Highlights

Financial highlights

Revenue increased by 13.8% to £34.8m (2017: £30.6m).

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Operating profit increased by 8.1% to £1,635,000 (2017: £1,513,000).

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Operating profit margin of 4.7% (2017: 4.9%).

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Balance sheet remains strong with net cash on hand after significant investment in working capital, product development and fixed assets to support organic growth.

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Increased tax charge, including a one off adjustment for prior year, has adversely impacted on profit for the year which has fallen by £19,000 to £1,232,000 (2017: £1,251,000)

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The increased tax charge has reduced fully diluted earnings per share at 1.85p (2017: 1.88p)

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Proposed final dividend 0.23p per ordinary share (2017: 0.23p).

Operational highlights

Sales growth momentum maintained:

Our own branded sales have grown by 13%, including export sales growth of 15%

Sales of retailer own label products increased by 46%

Contract sales decreased by 8% following the decision to not pursue certain low margin gift sales

Total overseas sales have increased by 33% to £4.6m (2017: £3.5m).

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The Feather & Down range of products was successfully launched in May 2017.

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Australian sales and marketing business commenced trading in February 2018.

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Outsourcing the manufacture of certain branded products allowed the business to maintain sales and pre tax profit growth but adversely impacted profits by £299,000, with £229,000 increase in cost of sales and £70,000 increase in distribution costs.

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Cash generated from operations has been invested in working capital, product development and plant & equipment to support the business growth.

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Decision made to withdraw from low margin candle manufacturing by July 2018.

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We continue to garner awards including best private label supplier from our largest customer.

Chairman's statement

The Group has continued its recent expansion with organic sales growth of £4.2m (13.8%) resulting in sales of £34.8m for the year ended 31 March 2018 (2017: £30.6m). As mentioned in the stock exchange announcement made on 9 February 2018 the Board made a decision to outsource the manufacture of its own branded products at an increased marginal cost in order to facilitate the long term growth plans for the business. These additional costs have restricted the growth in profit before tax to £120,000 (8.1%) resulting in a profit before tax of £1,609,000, (2017: £1,489,000). Profit before tax margin is 4.6% in 2018 compared to 4.9% in 2017. The board consider that continued underlying profit growth supports the decision to outsource some production whilst the Group puts actions in place to increase capacity.

Sales

Group sales of £34,810,000 for the year ended 31 March 2018 are 13.8% higher than the previous year (2017: £30,586,000). Sales of our branded products have increased by 13.3% in the period. The main drivers of this growth were: increased sales to export markets, which grew by 14.9%; the successful launch of the Feather & Down brand, on an exclusive basis with Boots and continued expansion in the value sector. The Feather & Down launch has proved to be a success with wider store distribution secured for the coming year. Our private label and contract sales have continued to grow with sales increasing by 13%. Major range extensions with our largest customer and the addition of a new major retailer in the UK were the main drivers of this growth. The first sales from our Australian business which has taken over the distribution of our products from a third party distributor, with effect from January 2018, are included in sales for the year. The Group's total overseas business including non own branded customers has grown by 33% to £4,592,000 (2017: £3,451,000).

Margin

Our gross margin was 40.6% for the year ended 31 March 2018 (2017: 42.5%). A significant factor in the lower margin was £229,000 one-off increased costs associated with outsourcing the manufacture of some of our branded products noted above, which eroded gross margin by 0.7%. Margins continue to be impacted by rising raw material costs and increases in the national living wage, which also impacts on many of our customers, gradually eroding our margins. We have successfully re-sourced many raw materials during the year to mitigate the impact of these increases and are undertaking a comprehensive re-sourcing exercise on all other categories of components where cost increases have been significant. As mentioned in the announcement on 9 February 2018, we are making significant investment in new equipment in order to increase capacity. The first stage of this investment combined with improved production management has enabled all outsourced production to be brought back in house. The second stage of investment in our tube filling capacity will come on stream towards the end of this calendar year. Whilst capacity rather than productivity is the main driver there will be productivity gains arising from this expansion programme.

Chairman's statement
continued

Overheads

Overhead costs have increased by 10% in the year as the Group has invested in increased operations and engineering management and resources as it builds a team capable of delivering the growth anticipated for the future. We will continue to manage our overhead cost base and working capital requirements to ensure they are aligned with the anticipated sales levels of the Group. Distribution costs includes £70,000 associated with outsourced manufacturing.

Operating profit

Operating profit increased by £122,000 (8.1%) to £1,635,000 (2017: £1,513,000). The £299,000 impact of the outsourcing costs noted above adversely impacted on the operating profit margin by 0.9%, which deteriorated by 0.2% to 4.7% (2017: 4.9%).

Tax

It should be noted that the Group utilised all remaining historic tax losses in the financial year to 31 March 2017 and therefore we have provided a tax charge within these results of £377,000 (2017: £238,000) which equates to a rate of 23.4% (2017: 16.0%), and includes a prior year deferred tax adjustment of £60,000 which inflates the charge in the period. The charge will reduce to a more normal rate in future years.

Profit after tax

The Group's profit after tax is therefore £1,232,000 for the year ended 31 March 2018 (2017: £1,251,000).

Earnings per share

The higher tax charge has adversely impacted on the diluted earnings per share of 1.85p (2017: 1.88p) a marginal decrease of 1.6%.

Working capital

Net cash on hand (cash and cash equivalents less bank loan and short term borrowings) is £221,000 (2017: £2,029,000). The main reason for the decrease in net cash on hand is the impact of increased investment in working capital together with increased investment in new product development and plant and equipment to support the sales growth. The Group has continued to focus on working capital management and whilst both stock levels and trade debtors have increased the ratios continue to be largely in line with expectations. High sales in the last month of the year have driven an increase in debtors together with the timing of certain customer receipts were received shortly after the year end. Higher forecast sales in the first quarter of 2018-19 have driven increases in inventories

Chairman's statement
continued

with underlying ratios significantly improved. Stock turn, based on cost of sales in the months prior to the year end, improved to 4.5 times compared to 3.5 times in 2017.

Share Options

The existing Share Option Scheme is no longer applicable as the number of employees has increased beyond the level allowed by HMRC's rules. The Board intends to present to shareholders a new Company Share Option Plan for approval at the forthcoming Annual General Meeting.

Dividend

The Board proposes a final dividend of 0.23 pence per ordinary share, subject to approval at the AGM, which is the same as last year's final dividend. This is in line with the directors' intention to align any future dividend payments to the underlying earnings and cash flow of the business. Together with the interim dividend of 0.15p per share paid last November the total dividend paid in the year ended 31 March 2018 is 0.38p (2017: 0p).

The Board believes that this year's sales of £34,810,000, profit after tax of £1,232,000 and strong balance sheet place the Group in a good position to take advantage of any opportunities that may arise.

I would like to take this opportunity to thank each and every one of the Group's employees for the hard work and effort they have put in to support the business through a period of significant expansion. I would also like to thank our customers, shareholders and suppliers for their support and loyalty to the Group.

William McIlroy
Chairman

25 June 2018

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 which are significant to Creightons Plc and its subsidiary undertakings when viewed as a whole.

The strategic report discusses the following areas:

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

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 page 5.

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

Group strategic report
continued

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 first 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.

The continued profitable operations have cleared accumulated tax losses. As a result of the improved profitability the Company also made the decision to declare dividends in the year to March 2018.

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 being developed to treat different hair types and conditions. Whilst adding some complexity, this segmentation creates opportunities for our business.

We also now operate in the home fragrance sector, reed diffusers and room fragrance. This sector is fragrance driven, fast moving and dynamic in line with changing consumer tastes and home interior trends.

Consumers purchase our products through a range of retail and internet outlets, from high quality department stores to low-cost discounters, with the High Street supermarkets and drug stores somewhere in the middle. The majority of the Group's products are sold in the UK, although with increasing amounts sold overseas, either direct to retailers or through distributors.

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

Group strategic report

continued

The Group does not operate in a 'regulated' market in the sense that pharmaceutical product manufacturers do, but there has been increasing regulation covering potentially hazardous substances, consumer protection, waste and disposal of environmentally hazardous products and packaging materials.

Recent developments

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;
- private label business which focuses on high quality private label products for major high street retailers and supermarket chains and
- contract manufacturing business, which develops and manufactures products on behalf of third party brand owners. This stream includes the more premium customers of Potter & Moore (Devon) Ltd.

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.

Over the past few years the Group has invested in a number of brands along with their existing brand owners. These operate within the existing branded products business stream. We continue exploring further opportunities of this nature where the benefits of developing existing established brands with the brand owners will add contribution to the Group's profits and value to the brand.

In the recent past, the Group has disposed of several brands and businesses such as "the Real Shaving Company" and "TS Ventures" which we had successfully grown but which it was felt were no longer part of our core business. The Group considers the development and investment in new brands to be a key adding value to the 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.

Group strategic report
continued

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, hair care and skincare products, with Feather & Down successfully launched in the year. The group continues to extend and develop those already successfully launched such as *Amie Skincare, The Curl Company, Creightons Haircare brands*.

Strategy and objectives

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.
- 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 which will help us maintain and grow our business and create brand value which can crystallise through disposals to third parties.

Key performance indicators

Management and monitoring of performance

Your directors are mindful that although Creightons Plc is a UK Listing Authority 'premium' listed company, in size it is really only medium sized and therefore many of the 'big business' features common in premium listed companies are inappropriate. Recent year's profitable results have been

Group strategic report
continued

achieved only 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.

The Group therefore 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, production efficiency, overhead cost control, cash/borrowing and stocking levels. Performance is monitored monthly against both budget and prior year.

Financial key performance indicators

	2017/18	**2016/17**	**Movement**
Sales	**£34,810,000**	£30,586,000	Increase of 13.8%
Gross Margin as a % of Revenue	**40.6%**	42.5%	Decrease of 1.9%
Profit for the year	**£1,232,000**	£1,251,000	Decrease of 1.5%
Operating profit	**£1,635,000**	£1,513,000	Increase of 8.1%
Operating profit as a % of Revenue	**4.7%**	4.9%	Decrease of 0.2%
Return on capital employed	**12.8%**	14.1%	Decrease of 1.3%
Net gearing (including obligations under finance leases)	**(2.3%)**	(22.5%)	Increase of 20.2%

There were 3 incidents involving employees or contractors on the Group's sites which were required to be reported to the Health & Safety Executive during the year (2017: 1). 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.

Group strategic report
continued

Principal risks and uncertainties

Risks

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 12 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. Further details of financial risks are set out in Note 21 to the financial statements.

Capital structure, cash flow and liquidity

Having achieved profitability after a number of years of substantial losses and having repaid loans used at the time of the purchase of the Potter & Moore business in 2003 the Group's cash position has improved substantially. The Group has a strong balance sheet with no borrowings at the year end. The business is funded using retained earnings, invoice discounting, overdraft and hire purchase facilities secured against the Group's assets. Further details are set out in Notes 23 - 25 to the financial statements.

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 and quality audits covering both accreditations held and a number of specific operating standards our customers require us to comply with.

Group strategic report
continued

Research and development

The Group undertakes research and development to identify new brands, proprietary products and improved formulations to existing products which address expected market trends and customer and consumer demands to maximise the Group's market share and deliver new opportunities for growth.

The Group's principal focus in R&D is maintenance and development of brands and products in its existing markets and product ranges, and therefore does not invest significant resources in 'blue sky' research.

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.

Environment

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.

Employees

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

Disabled persons

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

Group strategic report
continued

The table below shows the number of employees by gender in the Group as at 31 March 2018

	Group 2018		Company 2018	
	Female	**Male**	**Female**	**Male**
Directors, including Non-executive Directors	2	6	2	6
Senior Managers	2	3	–	–
Other employees	219	137	–	–

	Group 2017		Company 2017	
	Female	**Male**	**Female**	**Male**
Directors, including Non-executive Directors	2	6	2	6
Senior Managers	2	2	–	–
Other employees	197	146	–	–

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.

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 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.

This report was approved by the board of directors on 25 June 2018 and signed on its behalf by:

Bernard Johnson
Managing Director

Supplementary material

Directors' remuneration

The tables below represent the directors' remuneration for the years ended 31 March 2018 and 31 March 2017. 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

		2018				2017			
Director	**Note**	**Salary and fees £000's**	**Annual bonuses £000's**	**Pension £000's**	**Total £000's**	**Salary and fees £000's**	**Annual bonuses £000's**	**Pension £000's**	**Total £000's**
WO McIlroy	1	**–**	**85**	**–**	**85**	–	78	–	78
BJM Johnson	2	**92**	**85**	**–**	**177**	92	78	–	170
P Clark		**81**	**9**	**3**	**93**	81	10	3	94
M Stevens		**77**	**9**	**7**	**93**	77	10	7	94
P Forster		**76**	**9**	**6**	**91**	75	10	6	91
Total		**326**	**197**	**16**	**539**	325	186	16	527

The remuneration of the Non-executive Directors for the years ended 31 March 2018 and 31 March 2017 is made up as follows:

Non-executive Directors' remuneration as a single figure

		2018			2017		
Director	**Note**	**Salary and fees £000's**	**Taxable benefit £000's**	**Total £000's**	**Salary and fees £000's**	**Taxable benefit £000's**	**Total £000's**
MT Carney		**20**	**–**	**20**	8	–	8
NDJ O'Shea	3	**20**	**–**	**20**	13	–	13
W T Glencross		**20**	**1**	**21**	12	1	13
Total		**60**	**1**	**61**	33	1	34

Supplementary material
continued

Note

1 All payments are made to Mr McIlroy's service company, Lesmac Securities Limited.

2 Mr Johnson earns a salary of £10,000 per annum with all other payments made to his service company, Carty Johnson Limited.

3 All payments are made to Mr O'Shea's employer, Saxon Coast Consultants Limited.

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

As in previous years Mr W McIlroy waived his entitlement to receive payment of his salary of £25,000 in the year ended March 2018, although he did not waive entitlement to bonuses.

Mr B Johnson also waived an additional bonus payment of £25,000 in the year ended March 2017, and in doing so, enabled the company to increase performance incentive bonuses available for other employees with no adverse incremental impact on earnings.

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 2018 and therefore no payments in respect of compensation for loss of office were paid or payable to any director (2017: nil).

Share options

No share options were awarded to the Directors during the years ended 31 March 2018 and 31 March 2017.

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 Mary Carney. In determining the directors' remuneration, the Committee consulted the Chairman. There have been two meetings of the Committee during the period, attended by both Ms Carney and Mr O'Shea.

Supplementary material
continued

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. The last review was undertaken during the first quarter of 2017-18, but no changes were proposed to the executive directors' remuneration packages. The Committee considers that improved performance should be recognised by achievement of performance bonuses.

Directors' performance bonuses

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 2018, 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.

Supplementary material
continued

The contract for Mr McIlroy's services as a director provides for a bonus to be paid by the Company to Lesmac Securities 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. A further bonus of 10% of the net sale proceeds is also payable to Lesmac Securities Limited 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.

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 earnings if the Group hits the profit target for the period and additional payments in relation to key performance indicator targets which were partially achieved during the year.

Executive share option scheme

The policy of the Company is to grant share options to Executive Directors and other senior managers as an incentive to enhance shareholder value.

Supplementary material
continued

Service contracts

Name of Director	Date of service contract	Date contract last amended	Notice period
WO McIlroy (chairman's contract)	6 Feb 2003		12 months
WO McIlroy (director's contract with employer)	16 Jan 2002		12 months
BJM Johnson (director's contract)	16 Jan 2002		12 months
BJM Johnson (manager's contract with employer)	16 Jan 2002	20 Mar 2003	12 months
MT Carney (non-executive)	29 Nov 1999	1 April 2017	3 months
NDJ O'Shea (non-executive)	5 Jul 2001	1 April 2017	3 months
WT Glencross (non-executive)	31 Jul 2005	1 April 2017	3 months
P Clark (Global Sales & Marketing Director)	9 Feb 2015		3 months
M Stevens (Deputy Managing Director)	9 Feb 2015		3 months
P Forster (Director of UK Operations)	9 Feb 2015		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 be granted share options nor 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, 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

Supplementary material
continued

the chairman also include an element of profit-related bonus based on the performance of the Company and 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 25 June 2018 and signed on its behalf by:

Mr Paul Forster
Group Finance & Commercial Director

Supplementary material
continued

Consolidated income statement

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Revenue	**34,810**	30,586
Cost of sales	**(20,660)**	(17,598)
Gross profit	**14,150**	12,988
Distribution costs	**(1,479)**	(1,280)
Administrative expenses	**(11,036)**	(10,195)
Operating profit	**1,635**	1,513
Finance costs	**(26)**	(24)
Profit before tax	**1,609**	1,489
Taxation	**(377)**	(238)
Profit for the year from continuing operations attributable to the equity shareholders of the parent company	**1,232**	1,251

Dividends

	Year ended 31 March 2018	Year ended 31 March 2017
Paid in year (£000)	**230**	–
Paid in year (pence per share)	**0.38p**	–
Proposed (£000)	**139**	139
Proposed (pence per share)	**0.23p**	0.23p

Earnings per share

	Year ended 31 March 2018	Year ended 31 March 2017
Basic	**2.03p**	2.09p
Diluted	**1.85p**	1.88p

The profit of the parent company was £Nil (2017: £Nil).

Supplementary material
continued

Consolidated balance sheet

	31 March 2018 £000	31 March 2017 £000
Non-current assets		
Goodwill	**331**	331
Other intangible assets	**349**	212
Property, plant and equipment	**1,832**	1,637
	2,512	2,180
Current assets		
Inventories	**5,499**	4,024
Trade and other receivables	**7,667**	4,861
Cash and cash equivalents	**968**	2,631
Derivative financial instruments	**–**	19
	14,134	11,535
Total assets	**16,646**	13,715
Current liabilities		
Trade and other payables	**6260**	4,564
Borrowings	**747**	68
Bank loan	**–**	116
Derivative financial instruments	**–**	56
	7,007	4,804
Net current assets	**7,127**	6,731

Supplementary material
continued

Consolidated balance sheet
continued

	31 March 2018 £000	31 March 2017 £000
Non-current liabilities		
Deferred tax liability	**34**	26
Bank loan	**–**	418
	34	444
Total liabilities	**7,041**	5,248
Net assets	**9,605**	8,467
Equity		
Share capital	**607**	606
Share premium account	**1,262**	1,259
Other reserves	**25**	25
Translation reserve	**–**	(9)
Cash flow hedge reserve	**–**	(37)
Retained earnings	**7,711**	6,623
Total equity attributable to the equity shareholders of the parent company	**9,605**	8,467

The strategic report with supplementary information was approved by the board of directors and authorised for issue on 25 June 2018. They were signed on its behalf by:

Bernard Johnson
Managing Director

Supplementary material

continued

Consolidated cash flow statement

	Year ended 31 March 2018 £000	Year ended 31 March 2017 £000
Net cash (used in)/from operating activities	**(413)**	2,058
Investing activities		
Purchase of property, plant and equipment	**(633)**	(551)
Purchase of intangible assets	**(549)**	(306)
Net cash used in investing activities	**(1,182)**	(857)
Financing activities		
Repayment of finance lease obligations	**–**	(7)
Proceeds on issue of shares	**4**	17
Increase of bank loans and invoice finance facilities	**679**	602
Repayment of bank loans and invoice finance facilities	**(534)**	–
Dividends paid to owners of the parent	**(230)**	–
Net cash (used in)/from financing activities	**(81)**	612
Net (decrease)/increase in cash and cash equivalents	**(1,676)**	1,813
Cash and cash equivalents at start of year	**2,631**	814
Effect of foreign exchange rate changes	**13**	4
Cash and cash equivalents at end of year	**968**	2,631

Notice of meeting and explanatory note

Notice is hereby given that the Annual General Meeting of the company will be held at the offices of Potter & Moore Innovations Ltd, 1210 Lincoln Road, Peterborough, PE4 6ND on 30 August 2018 at 12:00 noon in order to review the following explanatory note, to consider and, if thought fit, pass the following resolutions:

Explanatory note

The purpose of this note is to provide shareholders with background and explanation to the resolutions to adopt two new share option schemes to replace the existing scheme. Resolutions to adopt these schemes will be considered at the Annual General Meeting ("**AGM**") of your Company.

The majority of the resolutions on the agenda for the meeting are the routine business of an Annual General Meeting of the Company.

Resolutions 14 and 15 on the agenda for the AGM are special business, and the purpose of this letter is to explain to you the reasons why Resolutions 14 and 15 are proposed, and to give you the Directors' recommendation to shareholders in relation to those resolutions.

Background

The Directors believe that the issue of shares and grant of share options can be an important incentive for the Group's officers and employees, and serve to align their interests with those of shareholders. The Company's current share option plan, the Creightons plc Share Option Plan 2014 was adopted on 7 August 2014. This scheme was designed to take advantage of the HMRC's Enterprise Management Incentive (EMI) scheme. The growth in the Group means that it is not eligible to issue new share options which meet the EMI scheme rules. The Board believes that it would be appropriate for the Company to adopt replacement share option plans (**Plans**), which would operate alongside the existing scheme and ultimately replace it.

Limit on total number of options: It is intended that the number of Ordinary Shares which may be placed under option and issued under the proposed Plans may not exceed 15% of the Company's issued ordinary share capital from time to time.

The rules of both Option Plans will also be available for shareholders to read in advance of the AGM on the Company's website at www.creightonsplc.com, and copies will be available at the AGM.

Resolution 14: Approval of Creightons plc Company Share Option Plan 2018

Resolution 14, which will be proposed as an ordinary resolution, would approve and adopt the Creightons plc Share Option Plan 2018 (**CSOP**). This will allow the Board to grant to employees the right to acquire Ordinary shares in the Creightons plc (Company) and, under Part A of the CSOP,

Notice of meeting and explanatory note
continued

where options meet the qualifying conditions, they may benefit from tax advantages the Income Tax (Earnings and Pension) Act 2003 (**ITEPA**).

In addition, if the value of the shares subject to options granted under the CSOP (**CSOP Options**) exceed the ITEPA statutory limits (currently £30,000) or the proposed employee is a director working less than 25 hours per week, the CSOP has a Part B permitting the award of 'top up' options without any statutory tax advantages.

The rules of the CSOP and Part B are identical except as summarised below.

The CSOP will be administered by the Remuneration Committee of the Board and references to the Board will generally be references to the Remuneration Committee.

The following is a summary of the Rules of the Plan:

(a) ***Eligibility:*** The Company may grant CSOP Options to employees of the Company selected by the Remuneration Committee of the Board. Any employee may be considered for participation but only directors who work at least 25 hours per week for the Group may participate under Part A. To be eligible the employee must not alone or with relevant associates, have a material interest of more than 30% of the ordinary share capital of the Company.

(b) ***Grant of options:*** The Board may from time to time grant options to eligible persons. The Board may, in its discretion, determine that the exercise of any option shall be conditional on the satisfaction of such objective criteria relating to the performance of the Company, any other company in the Group or the grantee as the Board may decide. The Board may vary exercise conditions if it reasonably believes that the varied condition is a fairer measure of performance than the original condition, and no more difficult to satisfy. Grants may be at any time not within a closed period.

(c) ***Option exercise price:*** The price payable for each Ordinary Share on the exercise of an option granted under the CSOP will be determined by the Board, but will not be less than the market value of an Ordinary Share at the date of grant nor less than the nominal value of an Ordinary Share. "Market value", while the Company's Ordinary Shares are listed on the London Stock Exchange, will normally be the closing price of the Shares on the date of the grant.

Notice of meeting and explanatory note
continued

(d) ***Exercise and lapse of options:*** Options will normally be exercisable at any time after the period of three years from the date of grant, subject to satisfaction of any performance condition attached to them, until the tenth anniversary of the date of grant. If not exercised within that period, the options will lapse. If the holder of an option ceases to hold an employment or office in the Group as a result of death, injury, disability, redundancy, retirement or the sale of the business unit in which he is employed, his options remain exercisable for a period of 90 days after the employee ceases to be a director and employee of a Group Company. If the holder resigns or ceases to hold office or employment for any other reason, the options will lapse except to the extent that the Board, in its discretion, decides otherwise.

(e) ***Variations of share capital:*** In the event of any variation of the Company's share capital, the number of Ordinary Shares subject to any option and/or the subscription price payable for those Ordinary Shares on exercise of the option shall be adjusted in such manner as the Board considers to be fair and reasonable and for CSOP Options granted under Part A, satisfies the statutory requirements.

(f) ***Amendments:*** Amendments require the prior approval of the Company in general meeting to increase limits, if CSOP Options are materially more generous, the participants are expanded or to alter the rule on variation of share capital, unless it is minor to benefit the administration of the CSOP, takes account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company or a member of its group. For Part A, no amendment may be made to a key feature of the CSOP if, qualifying status will be lost.

(g) ***Voting, Dividend and Other Rights:*** On exercise shares issued are ranked pari passu but, until then, option holders have no voting or dividend rights. The rights under the CSOP Options are not pensionable. Options are not transferable.

Resolution 15: Approval of Creightons plc Share Incentive Plan 2018

Resolution 15, which will be proposed as an ordinary resolution, would approve and adopt the Creightons plc Share Incentive Plan 2018 (**SIP**) to allow employees to acquire Ordinary Shares in the Company (**Shares**) subject to the terms of the Income Tax (Earnings and Pensions) Act 2003 (**ITEPA**) and the rules of the SIP, the principal terms of which are summarised below. Where shares are acquired under the SIP that satisfy, and continue to satisfy, the qualifying conditions, they will benefit from statutory tax advantages under ITEPA and other legislation.

Notice of meeting and explanatory note
continued

The SIP will be administered by the Remuneration Committee of the Board and references to the Board will generally be references to the Remuneration Committee. This is an all employee share plan under which nearly all employees of the Group will be eligible to participate on the same terms.

Under the SIP, the Board may, but are not required to, invite employees to acquire shares in the Company in any one or more of four different ways:

- Free shares (having a market value up to £3,600 per annum);
- Partnership shares, being shares purchased by the participants from salary at the market value (having a market value up to £1,800 per annum);
- Matching shares, (up to two per partnership share acquired);
- Dividend shares, being shares acquired through dividend reinvestment.

Shares acquired will be held by trustees during the holding period for free and matching (determined by the Board between three and five years) and during that period shares shall not be assigned or charged and may not be disposed of by the participant. Participants may withdraw their shares from the SIP but if within the holding period for free and matching the shares may be forfeited and, in all cases, may give rise to income tax and national insurance on the withdrawal.

The following is a summary of the Rules of the Plan:

(a) ***Eligibility:*** All employees of the Group having a qualifying period of continuous service (determined by the Board but not more than 18 months) before the date of the award will be offered participation on the same terms up to statutory maximums. Free shares may be awarded by reference to objective performance targets in accordance with the rules and ITEPA. Awards may be offered at any time not within a closed period.

(b) ***Cessation of employment:*** Generally, on cessation of employment, free and matching shares will be forfeited if during the forfeiture period specified at the time of the award unless the employment ends due to injury, disability, redundancy, retirement, death, a transfer of the business or the employing company ceases to be part of the group. On cessation of employment partnership and dividend shares shall be offered for sale at the market value unless within three years since the award, in which case it will be the original cost if less.

(c) ***Limits:*** The personal annual limits for participants in respect of free, partnership and matching shares is shown above being the current statutory limits, which might change if the statutory limits change. There is no limit on the amount of dividend shares.

Notice of meeting and explanatory note
continued

(d) ***Amendment:*** Amendments require the prior approval of the Company in general meeting if to the advantage of participants, to increase limits or change the basis for determining entitlements unless it is minor to benefit the administration of the SIP, takes account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company or a member of its group. No amendment may be made to a key feature of the SIP if qualifying status will be lost.

(e) ***Trustee:*** The Company has yet to appoint trustees but the trustee will be a UK resident company. Once appointed trustees may retire or be removed by the Company after giving notice. The remuneration of trustees must be agreed in advance by the Company.

(f) ***Voting, Dividend and Other Rights:*** The trustee holding the shares will abstain from voting at a general meeting unless the Company directs otherwise. During a holding period, if an offer is received for the shares, participants may instruct the trustees to accept an offer resulting in an exchange of the shares or a cash payment as part of a general offer. The rights under the SIP are not pensionable.

Issue of shares to employees

The Board is at the same time considering using its existing powers to issue shares to employees who have met certain performance and service criteria. The Directors believe that ensuring employees have a stake in the Company would provide an incentive for them linked with the performance of the Group and the Company's share price. The Board's current view is that, if such a scheme were introduced, Ordinary Shares up to a maximum of 1.8% of the Company's issued share capital from time to time would be allocated to the scheme in addition to the SIP and CSOP.

Action to be taken

Shareholders are requested to complete and return the enclosed form of proxy for use at the Annual General Meeting, in accordance with the instructions printed on the form, so as to arrive at the Company's Registrars, Link Asset Services, PXS1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible, and in any event no later than 12 noon on 28 August 2018. Completion and return of the form of proxy will not prevent you from attending the Annual General Meeting and voting in person, if you wish to do so.

Notice of meeting and explanatory note
continued

Directors' recommendations

The Directors are of the opinion that the proposal to adopt the Share Option Plan 2018 and the SIP 2018 made in Resolution 14 and 15 set out in the Notice of Annual General Meeting are in the best interests of the Company and its shareholders as a whole. Accordingly, your Directors unanimously recommend that shareholders vote in favour of Resolutions 14 and 15 at the Annual General Meeting, as they intend to do so in respect of the shares in which they are beneficially interested, totalling 23,007,573 ordinary shares, representing approximately 37.94% of the issued ordinary share capital of the Company.

The Directors also urge all shareholders to vote in respect of Resolutions 1 – 13 set out in the Notice of the Annual General Meeting, but, as these resolutions are the ordinary and routine business of the Annual General Meeting, they are matters for shareholders to decide on, and it is inappropriate for your Directors to make any recommendations in respect of those particular resolutions.

Yours faithfully
William McIlroy
Chairman

Notice of meeting and explanatory note

continued

Resolutions

1. To receive and consider the Group's financial statements and reports of the directors and auditor for the year ended 31 March 2018.

2. To receive and approve the directors' remuneration report for the year ended 31 March 2018.

3. To approve the directors' remuneration policy as detailed in pages 18 to 19 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 divided of 0.23 pence per share.

10. To appoint Moore Stephens LLP as auditor and to authorise the directors to determine their remuneration.

Notice of meeting and explanatory note
continued

11. As an ordinary resolution:

"That, in terms of Article 20 of the company's Articles of Association, the Directors of the Company be and they are hereby generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot relevant securities (within the meaning of the said Section 551) of the Company up to an aggregate nominal value of £202,127.17 (representing approximately one third of the current issued ordinary share capital) provided that this authority shall expire on the date of the next annual general meeting of the Company after the passing of this resolution or, if earlier, fifteen months after the passing of this resolution unless previously renewed, varied or revoked by the company in general meeting and provided that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired, this authority to replace any existing like authority given prior to the date hereof which is hereby revoked with immediate effect."

12. As a special resolution:

"That, without prejudice to any existing powers in terms of Article 21 of the Company's Articles of Association, the Directors of the company be and they are hereby empowered pursuant to Section 570 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of the said Act) for cash pursuant to the authority conferred upon them by Section 551 of the said Act by resolution 11 above as if Section 561(I) of the said Act did not apply to any such allotment provided that this power shall be limited:

(a) to the allotment of equity securities in connection with an offer or issue to or in favour of ordinary shareholders on the register on a date fixed by the directors where the equity securities respectively attributable to the interest of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them on that date but the Directors may make such exclusions or other arrangements as they consider expedient in relation to fractional entitlements, legal or practical problems under the laws in any territory or the requirements of any regulatory body or stock exchange; and

(b) to the allotment (otherwise than pursuant to sub-paragraph (a) above) of equity securities up to an aggregate nominal value of £30,319.07 (representing approximately 5% of the current issued ordinary share capital);

Notice of meeting and explanatory note

continued

and shall expire on the earlier of the date which is fifteen months after the date of the passing of this resolution and the date of the next annual general meeting of the Company after the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the powers conferred hereby had not expired and so that all previous authorities of the directors pursuant to Section 95 of the said Act be and are hereby revoked."

13. As a special resolution:

"That the Company be and is hereby generally and unconditionally authorised pursuant to Section 701 of the Companies Act 2006 to make market purchase (as defined in Section 693(4) of the said Act) of its own ordinary shares of 1p each ("Ordinary Shares") in such a manner and on such terms as the Directors may from time to time determine provided that:

(a) the authority hereby conferred shall expire on the earlier of the date which is fifteen months after the date of the passing of this resolution and the conclusion of the next Annual General Meeting of the Company after the passing of this resolution unless renewed or extended prior to or at such meeting, except that the Company may before the expiry of such authority make any contract of purchase of Ordinary Shares which will or might be completed wholly or partly after such expiry and to purchase Ordinary Shares in pursuance of such contract as if the authority conferred hereby had not expired;

(b) the maximum number of Ordinary Shares hereby authorised to be purchased shall not exceed 3,031,907 Ordinary Shares (representing 5% of the company's issued share capital as at 22 June 2018); and

(c) the maximum price which may be paid for each Ordinary Share pursuant to this authority hereby conferred is an amount equal to 105% of the average of the middle market quotations for Ordinary Shares (derived from The London Stock Exchange Daily Official List) for the five business days prior to the date of purchase and the minimum price of 1p."

Notice of meeting and explanatory note

continued

14. As an ordinary resolution:

    "That the Creightons plc Share Option Plan 2018, Part A and Part B, (Plan) be and is hereby approved in the form of the rules initialled by the Chairman for identification purposes and summarised in the Explanatory Note to Shareholders included in the Notice to Annual General Meeting dated 23 July 2018 be and is hereby approved and that the Board of Directors of the Company be and is authorised to adopt the Plan and to grant options under the Plan in accordance with those rules."

15. As an ordinary resolution:

    "That the Creightons plc Share Incentive Plan 2018, (SIP) be and is hereby approved in the form of the rules and trust deed initialled by the Chairman for identification purposes and summarised in the Explanatory Note to Shareholders included in the Notice to Annual General Meeting dated 23 July 2018 be and is hereby approved and that the Board of Directors of the Company be and is authorised to adopt the SIP and appoint trustees in accordance with those rules."

By order of the board

Mr Paul Forster
Group Finance & Commercial Director

1210 Lincoln Road
Peterborough PE4 6ND

23 July 2018

Notice of meeting and explanatory note

continued

Notes

1. Holders of ordinary shares, or their duly appointed representatives, are entitled to attend and vote at the AGM. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and speak and vote on their behalf at the meeting. A shareholder can appoint the Chairman of the meeting or anyone else to be his/her proxy at the meeting. A proxy need not be a shareholder. More than one proxy can be appointed in relation to the AGM provided that each proxy is appointed to exercise the rights attached to a different ordinary share or shares held by that shareholder. To appoint more than one proxy, the Proxy Form should be photocopied and completed for each proxy holder. The proxy holder's name should be written on the Proxy Form together with the number of shares in relation to which the proxy is authorised to act. The box on the Proxy Form must also be ticked to indicate that the proxy instruction is one of multiple instructions being given. All Proxy Forms must be signed and, to be effective, must be lodged with the Company's registrar so as to arrive not later than 48 hours before the time of the meeting, or in the case of an adjournment 48 hours before the adjourned time.

2. The return of a completed Proxy Form will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so.

3. Nominated persons (a) Any person to whom this Notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. (b) The statement of the rights of shareholders in relation to the appointment of proxies in paragraph (1) above does not apply to Nominated Persons. The rights described in that paragraph can only be exercised by the shareholders of the Company.

4. Only shareholders whose names appear on the register of members of the Company as at 48 hours before the time of the meeting shall be entitled to attend the AGM either in person or by proxy and the number of ordinary shares then registered in their respective names shall determine the number of votes such persons are entitled to cast on a poll at the AGM.

5. The statement of the rights of shareholders in relation to the appointment of proxies in note 1 does not apply to Nominated Persons. The rights described in that note can only be exercised by shareholders of the Company.

6. As at 22 June 2018, being the latest practicable date prior to the publication of this document, the Company's issued share capital consists of 60,638,152 ordinary shares, carrying one vote each. Therefore the total voting rights in the Company as at 22 June 2018 are 60,638,152.

Notice of meeting and explanatory note

continued

7. In Accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, only those members entered on the Company's register of members at close of business on the day which is two days before the day of the meeting or, if the meeting is adjourned, shareholders entered on the Company's register of members at close of business on the day two days before the date of any adjournment shall be entitled to attend and vote at the meeting.
8. Any member attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the meeting which relate to the business being dealt with at the meeting unless:
   - to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
   - the answer has already been given on a website in the form of an answer to a question, or;
   - it is undesirable in the interests of the Company or the good order of the meeting to answer the question.
9. Copies of the director's service contracts and letters of appointment are available for inspection at the registered office of the Company during normal business hours on any business day and will be available for inspection at the place where the meeting is being held from 15 minutes prior to and during the meeting.
10. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided they do not do so in relation to the same shares.
11. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.
12. To be valid any proxy form or other instrument appointing a proxy must be:
    - completed and signed;
    - sent or delivered to Link Asset Services PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, and;
    - received by Link Asset Services no later than 12:00 noon on 28th August 2018.

A copy of this notice, and other information required by S311A of the Companies Act 2006, can be found at www.creightonsplc.com

Contact information and useful information

Directors

William O McIlroy	*Executive Chairman and Chief Executive*
Bernard JM Johnson	*Managing Director*
William T Glencross	*Non-executive Director*
Mary T Carney	*Senior Independent Non-executive Director*
Nicholas DJ O'Shea	*Non-executive Director*
Philippa Clark	*Global Sales & Marketing Director*
Martin Stevens	*Deputy Managing Director*
Paul Forster	*Director of UK Operations*

Company Secretary

Nicholas DJ O'Shea, BSc, ACMA, CGMA

Registered Office and number

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

Registrars

Shareholder information

Link Asset Services is our registrar and they offer many services to make managing your shareholding easier and more efficient.

Signal shares

Signal shares is a secure online site where you can manage your shareholding quickly and easily. You can:

- View your holding and get an indicative valuation
- Change your address
- Arrange to have dividends paid into your bank account
- View your dividend payment history
- Buy and sell shares and access a wealth of stock market news and information
- Download a stock transfer form

Contact information and useful information
continued

Registrars
continued

To register for Signal shares just visit www.signalshares.com. All you need is your investor code, which can be found on your share certificate.

Customer Support Centre

Alternatively, you can contact Link's Customer Support Centre which is available to answer any queries you have in relation to your shareholding:

By phone – UK – 0871 664 0300 (UK calls cost 12p per minute plus network extras).
From overseas – +44 371 664 0300.

Lines are open 9.00am to 5.30pm, Monday to Friday, excluding public holidays.

By email – shareholderenquiries@linkgroup.co.uk

By post – Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.


CREIGHTONS
ARGAN SMOOTH
MOISTURE RICH SHAMPOO
professionally formulated with
CREIGHTONS
MADE IN ENGLAND
ARGAN SMOOTH
MOISTURE RICH CONDITIONER
professionally formulated with
ARGAN OIL
from Morocco
replenishes moisture for strength and shine
SIMPLY STRAWBERRY REFRESH
BODY BUTTER
CREIGHTONS
MADE IN ENGLAND
FOR MEN
PURIFYING FACE SCRUB
DRAWS OUT DIRT
CREIGHTONS
MADE IN ENGLAND
MICELLAR
DETOX AND HYDRATE
SHAMPOO
WITH MICELLAR WATER
GENTLY DETOXIFIES
FOR FRESH,
CREIGHTONS
MADE IN ENGLAND
PRO KERATIN
PROFESSIONAL HAIRCARE
STRENGTH & REPAIR
SHAMPOO
Helps boost keratin levels for silky smooth, more manageable hair
FOR DRY, DAMAGED, NATURAL OR COLOUR
CREIGHTONS
MADE IN ENGLAND
CHARCOAL
PURIFYING FACIAL CLEANSER
CREIGHTONS
MADE IN ENGLAND
DEEP CLEANSING SCRUB

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