Creightons plc Group
Interim financial report
For the six months ended 30 September 2012

Chairman's Statement

The Group has continued to make progress in the first half of the year recording improved profit before tax of £38,000 in the six months to 30 September 2012 (2011: £6,000).

The profit improvement came on the back of increased sales which rose by 9.4% to £8,374,000 (2011: £7,657,000). We have continued the trend shown over the last two years of increasing sales of our own branded products which have increased by 34% on a constant currency basis compared to last year and now account for 41% of sales in the first six months to 30 September 2012 (2011: 33%). This growth has been brought about to a large extent by a greater emphasis on widening the distribution of our key brands such as ***The Real Shaving Company*** and ***Twisted Sista***. We have also seen significant growth in sales of brands targeted at the discount market. We have continued to increase the presence of our brands in the North American market with a larger customer base and have also started to distribute third party products. Sales to our private label and contract customers have declined slightly over the period. Sales of seasonal gifts to private label customers have continued to fall and now account for less than 1% of sales in the period compared to 2% last year and 10% three years ago.

Our gross margins have improved to 42.0% in the six months to 30 September 2012 (2011: 41.3%), in the main due to improved productivity and changes in sales mix. Raw material price increases have moderated in the period and have not placed the same pressure on margins as previous periods. We are continuing our efforts to improve our margins through product re-engineering, targeted investment in plant and machinery and focused price increases.

We have refocused our sales force in the period under review in order to drive wider distribution of our brands and have continued with an aggressive new product development programme in support of our customers, although new product development activity is lower than in the same period last year. We have also continued to support our branded sales expansion with increased promotions, advertising and public relations activity in this period. This is likely to continue where we consider it supports the expansion of our branded sales.

Whilst we continue to be cautious regarding the underlying level of retail sales, particularly in the current economic environment, we believe our strategy of developing strong value driven products will help counteract this uncertainty and is enabling us to build a more robust branded product franchise. We anticipate a number of new product launches with our private label and contract customers helping to maintain sales in the second six months of our financial year.

Stock levels have increased in line with our sales growth and to support new launch activity planned just after the period end. We have however increased our resources and emphasis on reducing stock levels whilst maintaining the excellent customer service levels we currently enjoy.

Our cash position has fallen slightly over the six months to 30 September 2012 as we have invested in stocks to support new product launches in the final months of 2012.

I believe that this half year's increased sales of £8,374,000 and pre-tax profit of £38,000 is a good performance in the current economic climate and the continued increase in sales of branded products significantly strengthens the Group's core business.

W O McIlroy
Executive Chairman

20 November 2012

Responsibility statement

We confirm that to the best of our knowledge:
a) The condensed set of financial statements has been prepared in accordance with IAS 34:
b) The interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
c) The interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of material related party transactions and changes therein).

By order of the Board

N D J O'Shea

Nicholas O'Shea
Company Secretary and Director

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Consolidated income statement – unaudited

		Six months ended 30 September		Year ended 31 March
		2012	2011	2012
	Note	£000	£000	£000
Revenue		8,374	7,657	16,333
Cost of sales		(4,858)	(4,495)	(9,461)
Gross profit		3,516	3,162	6,872
Distribution costs		(360)	(323)	(686)
Administrative expenses		(3,102)	(2,811)	(5,929)
Operating profit		54	28	257
Finance costs		(16)	(22)	(34)
Profit/(loss) before tax		38	6	223
Taxation		-	-	-
Profit/(loss) for the period from continuing operations attributable to the equity holders of the parent company		38	6	223

Earnings per share

Basic	2	0.07p	0.01p	0.41p
Diluted	2	0.06p	0.01p	0.37p

Consolidated statement of comprehensive income

		Six months ended 30 September		Year ended 31 March
		2012	2011	2012
		£000	£000	£000
Profit for the period from continuing operations		38	6	223
Exchange differences on translating of foreign operations		-	(9)	-
Total comprehensive income for the period attributable to the equity holders of the company		38	(3)	223

Creightons plc
Interim financial report
30 September 2012

Consolidated balance sheet – unaudited

		30 September		31 March
		2012	2011	2012
		£000	£000	£000
Non-current assets				
Goodwill		345	345	346
Other intangible assets		265	258	262
Property, plant and equipment		542	630	556
		1,152	**1,233**	**1,164**
Current assets				
Inventories		3,695	3,530	3,271
Trade and other receivables		3,008	3,342	3,040
Cash and cash equivalents		33	61	106
		6,736	**6,933**	**6,417**
Total assets		**7,888**	**8,166**	**7,581**
Current liabilities				
Trade and other payables		2,923	2,113	2,604
Obligations under finance leases		19	27	19
Short term borrowings		786	2,135	838
		3,728	**4,275**	**3,461**
Net current assets		**3,008**	**2,658**	**2,956**
Non-current liabilities				
Obligations under finance leases		57	70	67
Total liabilities		**3,785**	**4,345**	**3,528**
Net assets		**4,103**	**3,821**	**4,053**
Equity				
Share capital		545	545	545
Share premium account		1,231	1,231	1,231
Other reserves		38	38	38
Share-based payment reserve		51	37	44
Retained earnings		2,266	2,011	2,228
Translation reserve		(28)	(41)	(33)
Total equity attributable to the equity shareholders		**4,103**	**3,821**	**4,053**

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Statement of changes in shareholders equity – unaudited

	Share capital	Share premium account	Other reserves	Share-based payment reserve	Retained earnings	Translation reserve	Total
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April 2011	543	1,229	38	30	2,005	(32)	3,813
Issue of share capital	2	2	-	-	-	-	4
Profit for six months ended 30 September 2011	-	-	-	-	6	-	6
Debit to equity for share based payments	-	-	-	7	-	-	7
Exchange differences on translation of foreign operations	-	-	-	-	-	(9)	(9)
Balance at 30 September 2011	545	1,231	38	37	2,011	(41)	3,821
Profit for six months ended 31 March 2012	-	-	-	-	217	-	217
Debit to equity for share based payments	-	-	-	7	-	-	7
Exchange differences on translation of foreign operations	-	-	-	-	-	8	8
Balance at 31 March 2012	545	1,231	38	44	2,228	(33)	4,053
Profit for six months ended 30 September 2012	-	-	-	-	38	-	38
Debit to equity for share based payments	-	-	-	7	-	-	7
Exchange differences on translation of foreign operations	-	-	-	-	-	5	5
Balance at 30 September 2012	545	1,231	38	51	2,266	(28)	4,103

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Consolidated cash flow statement – unaudited

		Six months ended 30 September		Year ended 31 March
		2012	**2011**	**2012**
		£000	**£000**	**£000**
Net cash inflow/(outflow) from operating activities		**195**	**(1,150)**	**339**
Cash flow from investing activities				
Purchase of property, plant and equipment		(48)	(286)	(308)
Goodwill		-	(3)	-
Expenditure on intangible assets		(158)	(215)	(333)
Net cash used in investing activities		**(206)**	**(504)**	**(641)**
Cash flow from financing activities				
Repayment of finance lease obligations		(10)	(8)	(18)
New Finance Lease obligations-		-	97	97
Proceeds on issue of shares		-	4	4
Increase in bank loans		(52)	1,524	227
Net cash from financing activities		**(62)**	**1,617**	**310**
Net (decrease)/increase in cash and cash equivalents		**(73)**	**(37)**	**8**
Cash and cash equivalents at start of period		**106**	**96**	**96**
Effect of foreign exchange rate changes		-	2	2
Cash and cash equivalents at end of period		**33**	**61**	**106**

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Notes to the interim financial report

1. Basis of preparation

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

As required by the Disclosure and Transparency Rules of the UK's Financial Services 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 2012, which were prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The condensed interim financial statements for the six months ended 30 September 2012 and the comparative figures for the six months ended 30 September 2011 are unaudited and have not been reviewed by the Auditors. The summary financial statements for the year ended 31 March 2012 represent an abbreviated version of the Group's full financial statements for that year, on which the Auditors issued an unqualified audit report and which have been filed with the Registrar of Companies.

2. Earnings per share

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

		Six months ended 30 September		Year ended 31 March
		2012	2011	2011
		£000	£000	£000
Earnings				
Net profit attributable to the equity holders of the parent company		38	6	223

		Six months ended 30 September		Year ended 31 March
		2012	2011	2012
		Number	Number	Number
Number of shares				
Weighted average number of ordinary shares for the purposes of basic earnings per share		54,478,876	54,478,876	54, 478,876
Effect of dilutive potential ordinary shares relating to Share options		5,376,550	5,426,550	5,376,550
Weighted average number of ordinary shares for the purposes of diluted earnings per share		59,855,426	59,905,426	59, 855,426

3. Related party transactions

The related party transactions that occurred in the six months ended 30 September 2012 are not materially different in size or nature to those reported in the Company's Annual Report for the year ended 31 March 2012.

4. Availability of Interim Report

The Interim Report is being sent to shareholders. Further copies can be obtained from the Company's Registered Office, 1210 Lincoln Road, Peterborough, PE4 6ND.