Contents

This strategic report with supplementary material is a summary of information derived from the company's annual report. The Annual Report for 2023, together with this strategic report with supplementary material and notice of the annual general 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

- Significantly improved performance for the second half of the year due to remedial actions taken by management with operating profit (before exceptional items) increasing from £0.3m in the first half to £1.3m in the second half. Full year operating profit (before exceptional items) of £1.6m.

- Cash generated from operating activities has increased from £1.4m in the first half of the year to £4.5m in the second half of the year. Full year cash from operating activities generated of £5.9m.

- Balance sheet remains strong with Group net assets at the balance sheet date of £25.5m (2022: £25.7m).

- Revenue for the year was £58.6m (2022: £61.2m), a reduction of 4.2%.

- EBITDA for the year was £3.0m (2022: £5.9m).

- Operating profit decreased by 67.5% to £1.4m (2022: £4.4m).

- Operating profit margin of 2.4% (2022: 7.1%).

- A tax charge of £0.2m (2022: £0.3m) equates to an effective tax rate of 25.2% (2022: 10.0%).

- The profit after tax for the year has decreased by £2.6m to £0.5m (2022: £3.1m).

- The profit reduction together with the issue of shares has reduced the fully diluted earnings per share to 0.65p (2022: 3.98p).

- Net cash on hand (cash and cash equivalents less short-term element of obligations under finance leases and borrowings) is negative £1.2m (2022: negative £2.1m).

- The Directors do not propose a final dividend for the year ended 31 March 2023 (2022: £Nil).

Highlights

continued

Operational highlights

- Sales growth momentum has been maintained in the branded and export business despite the economic downturn:
    - Overall branded sales have increased by 11.7% to £22.8m.
    - Sales of retailer own label products decreased by 11.7% to £22.0m.
    - Contract manufacturing sales decreased by 13.1% to £13.8m.
    - Total overseas sales have increased by 5.6% to £10.6m
- Integration of previous year acquisitions is substantially completed with the full benefits emerging in the new financial year.
- The Group has responded proactively to the unprecedented challenges facing the business due to supply chain constraints, higher commodity, and energy prices. The remedial measures were intended to restore profitability, reduce costs and inventory and to return to positive cash flow. Specifically, actions were taken in the following six areas:
    - Increase in selling prices to our customers
    - Reduction in overheads
    - Increase efficiency and capacity in each factory so as to maximise the benefit of single shift working
    - Relocating the customer facing side of the business, warehousing, picking packing and logistics back to the Peterborough site
    - Reduction in stock levels, targeting £2m reduction v previous year
    - New and non-critical capital expenditure cancelled unless payback less than 9 months

The combined effect of these measures, carried out in the second half of the year, has been to return the business to profitability and positive cash flow.

Group strategic report

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

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

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

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

The strategic report discusses the following areas:

- Chairman's statement
- The business model
- A fair review of the Group's business
- Strategy, objectives and future developments
- Key performance indicators
- Principal risks and uncertainties
- Section 172 statement
- Corporate and social responsibility
- Task Force on Climate-Related Financial disclosures (TCFD) report
- Non-financial information statement
- Going concern

Chairman's statement

This represented among the most challenging trading years ever faced by the Group. As reported in the Chairman's statement in the half year interim RNS announcement in November 2022 the Group faced significant supply chain and inflationary pressures in the second half of the previous financial year which continued into the first part of the current financial year. These pressures contributed to higher input and overhead costs and reduced profitability. Our response was to embark upon a six-point programme designed to restore margins, reduce costs, lower stocks levels and return the business to positive cash flow. This included moving to a single shift at the Peterborough site. I am pleased to report that we have made significant progress in all of these areas in the second half of the financial year with Profit before tax and exceptional items increasing from £0.1m in the first half to £1.1m in the second half. Full year Profit before tax and exceptional items was £1.2m (2022: £4.1m). We have also improved our net cash on hand by £3.6m during the second half of the year reflecting the improved trading performance and the success of the inventory reduction programme.

We remain committed to seeking further cost and overhead reductions and to restoring margin and overall profitability to previous levels. In spite of the significant challenges faced by the Group and the wider economy, I am pleased to report that the Group has been successful in increasing its branded turnover by an impressive 11.7% which partially offsets the decline in the private label and contract manufacturing business.

The Group's vertically integrated model continues to give it competitive advantage allowing it to respond quickly and effectively to customer requirements. It previously provided for a rapid pivot in production to meet market demand for sanitary product at the beginning of the COVID outbreak, and more recently allowed it to respond flexibly to the current challenging economic environment. It also provides a competitive advantage with post-acquisition integration by providing synergies not available to all market participants. Over the reporting period the Group continued to invest in its manufacturing and in its research and development capabilities which contributed to improved manufacturing efficiencies.

Chairman's statement

continued

Summary of Half 1 and Half 2 results:

	H1 (Unaudited) £000	H2 (Unaudited) £000	Year ended 31 March 2023 £000
Revenue	29,676	28,891	58,567
Gross profit	11,990	12,358	24,348
Gross profit %	40.4%	42.8%	41.6%
Operating profit before exceptional items	281	1,303	1,584
Operating profit	130	1,289	1,419
Profit before tax and exceptional items	104	1,060	1,164
Profit before tax	(359)	1,046	687
(Loss)/Profit after tax	(385)	899	514

	H1 (Unaudited) £000	H2 (Unaudited) £000	Year ended 31 March 2023 £000
Cash generated from operating activities	1,352	4,522	5,874

	At 30 September 2022 (Unaudited) £000	At 31 March 2023 £000	Year ended 31 March 2023 £000
Net cash on hand	(4,672)	(1,090)	3,582

Revenue

Overall Group sales were £58.6m for the year ended March 2023 (2022: £61.2m) a reduction of £2.6m. Overall Branded sales have increased by 11.7% from £20.4m to £22.8m with a strong performance from Feather & Down and Balance Active brands. Private label sales have decreased from £24.9m to £22.0m due mainly to the non-recurrence of a one-off private contract in the previous year. Contract manufacturing sales have decreased from £15.9m to £13.8m reflecting the difficulty faced by certain brand owners in the challenging economic environment (see page 14).

The Group's total overseas business increased by 5.6% to £10.6m (2022: £10.0m).

Chairman's statement

continued

Margin and cost of sales

Our gross margin was 41.6% for the year ended 31 March 2023 (2022: 42.8%). Gross margin has improved in the second half of the year to 42.8%, compared to the first half 40.4% due to proactive measures taken by management in the areas of customer price increases, cost mitigation and product re-engineering and reduced labour costs due to shift rationalisation and efficiency improvements.

Distribution costs and Administrative expenses

Distribution costs have increased by 10.4% to £3.9m (2022: £3.5m), driven by increased operational charges at third-party logistics providers and also a full year impact of the acquisitions.

Administrative expenses have increased by 3.3% to £18.9m in the year (2022: £18.3m) as the Group has seen a general rise in overhead costs in particular in energy prices and insurance costs. Overhead savings have been achieved across most cost headings including indirect payroll.

Research and Development

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

Creightons Plc has continued to invest in R&D throughout year ending 31 March 2023 to expand its portfolio of product offering and capabilities, with key areas of focus being the development of unique and technically challenging formulations across Skin care and Cleansing. Utilising advanced technologies we have successfully launched a range of Vitamin C skincare products that demonstrate enhanced skin brightening and anti-ageing performance coupled with novel textures at an affordable price point. New launches with key trend materials such as ceramides, peptides, prebiotics and exfoliating acids continue to demonstrate our ability to keep up with new trends and formulation development, delivering new product development quickly and effectively. Given the challenges in the market place, cost mitigation has also been a key focus with raw material sourcing and validation offering solutions to avoid excessive cost increases and maintain margins on existing products.

Looking forward the team are continuing to invest time and resource into exploring new categories and technologies. The importance of SPF in the skincare and sun care categories is a key area of focus and consumer demand. We are investing in delivering cutting edge, futureproofed formulations, delivering high UV protection in formats that offer improved performance and product aesthetics. Lastly, as part of the Group's expansion into new market territories product compliance becomes a key area of development with formulation redevelopment underway to allow for registration into the Chinese market whilst maintaining product quality. The team continues to support the wider business with trend-based developments focusing on the increased demand for cleaner, natural formulations.

Chairman's statement
continued

EBITDA
The Group has generated Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of £3.0m (2022: £5.9m). This represents a reduction of £2.9m (49.5%).

Tax
The Group's tax charge for the year was £0.2m (2022: £0.3m) which equates to a rate of 25.2% (2022: 10.0%). The effective rate of tax is more than the standard rate of 19.0% (2022: 19.0%). The tax charge in the current year reflects a higher deferred tax liability due to increase in future corporation tax rate to 25%.

Exceptional items
As reported in September 2022 there was an additional charge in respect of the acquisition of the Emma Hardie business should the Company's share price fail to attain £1.25 on the first anniversary of the sale. The excess over the amount paid at 31 March 2022 amounted to £0.3m and has been treated as an exceptional cost.

Redundancy costs incurred of £0.2m in respect of the closure of the second shift at Peterborough have also been included in exceptional costs.

Profit after tax
The Group's profit after tax has reduced by 83.5% to £0.5m for the year ended 31 March 2023 (2022: £3.1m).

Earnings per share
The diluted earnings per share of 0.65p (2022: 3.98p) is a decrease of 83.7%. The EPS has been adversely impacted by the reduction in profit after tax including the exceptional costs of £0.5m and also by the increase in the number of shares in issue (prior year acquisition related shares of 1.0m and share options).

Cash on hand and working capital
Net cash on hand (cash and cash equivalents less short-term element of obligations under finance leases and borrowings) is negative £1.2m (2022: negative £2.1m). The improvement in cash is mainly attributable to improved business trading performance in the second half of the year together with inventory level reduction. The Group generated cash of £5.9m (2022: £2.0m) from operating activities.

Chairman's statement

continued

The Group has increased capital employed following the two acquisitions completed in the previous year.

These investments have not yet delivered a full return on Capital Employed, which together with the reduction in current year operating profit has had the effect of reducing the Return on Capital Employed from 12.9% to 4.3% (see page 19). The expected improvement on the returns on acquisitions in the year will increase in the year to March 2024. The Group continues to look for opportunities to invest in brands that will help drive faster growth in profits.

Net gearing

Net gearing of 22.1% (2022: 28.7%) has decreased by 6.6% percentage points in the year.

Dividend

The Directors do not propose a final dividend for the year ended 31 March 2023, (2022: £Nil) due to the challenging and volatile economic conditions facing the Group and the need to be prudent about utilisation of cash resources. This is consistent with the Directors' objective to align future dividend payments to the future underlying earnings and cash requirements of the business. The total dividend paid for the year ended 31 March 2023 was nil (2022: £0.15) per ordinary share.

Supply chain

In common with many UK manufacturing businesses, we have experienced global supply chain and inflationary pressures particularly during the first half of the financial year. These pressures have manifested in the form of delayed deliveries from suppliers, higher input, energy and overhead costs. The commodity pressures have eased somewhat in the second half of the financial year, but the level of domestic inflation remains a cause for concern. We will continue to be proactive in our response to these challenges and 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.

Future opportunities

Looking forward we intend to invest in formulation development, market knowledge and manufacturing know how to enter the sizeable Suncare category. Consumer demand for Sun Protection Factor (SPF) protection is increasing in both the skincare category but also in more usage of sun protection products. This presents a significant opportunity in both the private label and contract manufacturing categories. We also continue to advance in SPF formulation development in the skincare category where consumer demand is also in growth.

Chairman's statement

continued

We also intend to develop key markets in both the USA and China with our leading brands Emma Hardie and Feather & Down. Considerable time and investment has already been undertaken in China with the Emma Hardie brand where we are now launched on a number of digital platforms including Tmall and Douyin. Our next step is the finalisation of China Health Registrations to enable the brand to also be sold in market in China. Both brands are launching on Amazon in the USA market, a key development to then enable both brands to move into more traditional retail distribution as we demonstrate success on marketplaces.

We expect to extend distribution of Creightons core brands, in particular TZone and Balance Active both in the UK discount and grocery sectors along with international markets.

Conclusion

This has been a challenging year for the Group brought on by the war in Ukraine and global economic challenges.

In response we have been resolute and focused in restoring profitability and positive cash flow and in reducing the overall cost base. Our result for the second half of the year provides evidence that we are on the right track.

Manufacturing efficiency improvements have continued as a result of significant investment in higher grade machinery and equipment within the last 18 months. This has enabled the move to one shift across the Group.

In summary the Board believes that good management, strong customer relationships and financial position will continue to enable the Group to manage the current economic situation and that the Group is well placed to proactively manage new challenges and take advantage of any new opportunities that may arise.

We are still keen to expand but will only do so when the infrastructure is fully repositioned to deal with the volatile conditions we are facing.

Thanks also to our employees, customers and suppliers, especially those who have responded so positively through this challenging period.

William McIlroy
Chairman, 6 July 2023

Group strategic report

The business model

The principal activity of the Group is the development, marketing and manufacture of toiletries and fragrances, which includes the development of brands. A review of the operations of the Group during the year and current developments are referred to in the Chairman's statement on pages 6 to 11.

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

A fair review of the Group's business

History

Creightons Plc was registered in 1975 to continue the business of manufacturing and marketing toiletries, first established in 1953, made exclusively from natural products. It created a number of proprietary brands, although it focused mainly on private label and contract manufacturing. It was listed on the London Stock Exchange in 1987. The Group consolidated its manufacturing at the Potter and Moore Innovations plant in Peterborough following the acquisition of the Potter and Moore business in 2003 and disposal of the Storrington site in 2005. The Group acquired the business and assets of the Broad Oak Toiletries site in Tiverton in February 2016 further increasing the Group's sales reach in terms of product and premium customers and adding to manufacturing capability and capacity. In June 2019 the Group bought the Balance Active Formula brand. In the year ended March 2022 the Group completed the acquisition of the Emma Hardie and Brodie & Stone businesses.

Operating Environment

The toiletries sector principally encompasses products for haircare, skincare, bath & body and male grooming. The market is relatively mature although it is constantly evolving as brands seek to differentiate their offering in order to generate sales opportunities. This has resulted in a fragmentation of different sectors, for example, with haircare products developed to treat different hair types and conditions. Whilst adding some complexity, this segmentation creates opportunities for our business.

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

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

Group strategic report

continued

The Group purchases its raw materials and components from an extensive range of suppliers in the UK and internationally and has built up a significant contact network to keep up to date with prices and market developments. We have a skilled team of employees working throughout the supply chain, including procurement, technical, manufacturing and logistics.

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

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

- Our own branded business which develops, markets, sells and distributes products we have developed and own the rights to or brands we have licensed. These sales are increasingly made direct to consumers. All stock is manufactured to forecast. Key brands include Feather and Down, Balance Active and The Curl Company and the brands added during the current year Emma Hardie and T-Zone.

- Private label business which focuses on high quality private label products for major high street retailers and supermarket chains, with the majority of stock manufactured to forecast.

- Contract manufacturing business, which develops and manufactures products on behalf of third-party brand owners and typically manufactured to order.

Each of these business streams is supported by commercial and marketing teams.

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

Group strategic report

continued

The sales generated by each sales stream are:

	2022/23 £000's	2021/22 £000's	Movement
Branded products (excluding acquisitions)	**16,682**	16,747	Decrease of 0.4%
Branded products (acquisitions – Brodie and Stone & Emma Hardie)	**6,075**	3,630	Increase of 67.4%
Private label	**21,997**	24,908	Decrease of 11.7%
Contract manufacturing	**13,795**	15,866	Decrease of 13.1%
Other	**18**	6	Increase of 200%
Total	**58,567**	**61,157**	Decrease of 4.2%

In addition to developing the existing branded portfolio, the Group considers the acquisition, development and investment in new brands to be key in adding value to the business. We will dispose of brands which we have successfully grown but are no longer part of our core business.

Position of Group business

It is the directors' view that the financial position of the Group at the year end is strong and that the Group has sufficient resources to meet its obligations in the normal course of business for the next 12 months.

Current operations

The Group operates through the three main business streams described above, utilising its extensive brand management, product development and manufacturing capabilities encompassing toiletries, skincare, hair care, fragrances and home fragrance. The Group has extended its research and development and sales expertise to maximise the opportunities afforded by these capabilities. Some of this work has been capitalised and is being amortised over the estimated life of the products in accordance with IFRS requirements.

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

Group strategic report

continued

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

Strategy, objectives and future developments

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 manufacturing and own brands) within the UK and increasingly overseas.

- Invest in our Business to Consumer business to take advantage of the change in consumer purchasing patterns.

- Continuously review, develop and enhance our product offering to meet the consumers' requirement for high quality, excellent value products and thereby help our customers grow their businesses.

- Ensure that we exceed our customers' expectations for first-rate quality products and excellent customer service and use this to expand opportunities within our existing customer base.

- Manage our gross and net margins through efficient product sourcing, continuously improving production efficiencies, asset management and cost control.

- Make fully appraised investment in brands that will help us maintain and grow our business and create brand value, which can be crystallised through disposals to third parties.

- Develop our staff and skill base to meet all of the needs of the business and ensure all employees are rewarded, through profit-related bonuses and share options, for their contribution to the success of the business.

Group strategic report

continued

Research and development

The Group undertakes significant research and development to identify new brands, proprietary products and improved formulations to existing products that address expected market trends to maximise the Group's market share and deliver new opportunities for growth. The spend in the year on research and development was £923,000 (2022: £852,000).

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

Key performance indicators

Management and monitoring of performance

The Directors are mindful that although Creightons Plc is a UK Listing Authority "premium" listed Company, given its size many of the 'big business' features common in premium listed companies are inappropriate. Recent years' profitable results have been achieved as a result of considerable hard work in focusing management and staff efforts on more productive product ranges, improving production and stock holding efficiencies, ensuring high levels of customer service and eliminating overhead inefficiencies. This report has been prepared with that in mind and is commensurate with the size of the Group's business.

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

The Group has set a target of reducing tonnes of Co2e per £m of cost of sales by 5% per annum (based on the figures reported in the year ended 31 March 2019 of 46.9 tonnes of Co2e per £m of cost of sales) over the 5 years ending 31 March 2024. The Group is currently ahead of this target, however it is planned to introduce a Science Based Target (SBT) to replace the intensity target in March 2024 which is linked to Scope 1, 2 and 3 emissions.

The Board regularly monitors performance against several key financial indicators, including gross margin, overhead cost control, cash/borrowing and stocking levels. Performance is monitored monthly against both budget and prior year.

Group strategic report

continued

Financial key performance indicators

These Key Performance Indicators are used to gauge and compare performance in terms of meeting our strategic and operational goals.

- Sales shows the performance of the business.
- Gross margin % (revenue less cost of goods sold, over revenue) indicates production and purchasing efficiencies.
- Profit for the year shows the return to shareholders.
- Operating profit (gross margin less operating expenses) shows profit earned from the normal business operations.
- EBITDA (Earnings before Interest, Tax, Depreciation & Amortisation) provides a reflection of the operating profitability of the business.
- Return on capital employed (Operating profit/Employed Capital + Long & short-term debt) ensures that the business generates sufficient returns to pay for its cost of capital.
- Net Gearing (Total net debt/Shareholders' funds) shows the extent to which operations are funded by lenders versus shareholders. Indicating potential exposure to external interest rate fluctuations (financial risk) alongside shareholder investment in the business.
- Net cash on hand shows the immediately available cash for use in operating activities or available for investments, defined as cash and cash equivalents less borrowings and lease liabilities.
- Net cash on hand is defined as Cash and cash equivalents less current lease liabilities and borrowings.
- Stocking levels shows the working capital currently invested in inventory. High levels indicates lock up of working capital.

Group strategic report

continued

	2022/23 £000	2021/22 £000	Movement
Sales	**58,567**	61,157	Decrease of 4.2%
Gross Margin	**41.6%**	42.8%	Decrease of 1.2%
Profit for the year	**514**	3,110	Decrease of 83.5%
Operating profit	**1,419**	4,365	Decrease of 67.5%
Operating margin	**2.4%**	7.1%	Reduction of 4.7%
EBITDA	**3,001**	5,944	Decrease of 49.5%
Return on capital employed	**4.3%**	12.9%	Reduction of 8.6%
Net gearing (including obligations under leases)	**22.1%**	28.7%	Reduction of 6.6%
Net cash on hand	**(1,090)**	(2,126)	Increase of 48.7%
Stocking levels	**10,228**	12,479	Decrease of 18.0%

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

	2023 £000	2022 £000	Movement
Operating Profit	**1,419**	4,365	Decrease of 67.5%
Depreciation	**1,294**	1,144	Increase of 13.1%
Amortisation	**288**	435	Decrease of 33.8%
EBITDA	**3,001**	5,944	Decrease of 49.5%

Group strategic report

continued

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

	2023 £000	2022 £000	Movement
Total Lease liabilities	**1,290**	1,167	Increase of 10.5%
Total Borrowings	**5,990**	7,049	Decrease of 15.0%
Less cash on hand	**1,653**	840	Increase of 96.8%
Total net borrowings	**5,627**	7,376	Decrease of 23.7%
Net equity attributable to the equity shareholders of the parent Company	**25,479**	25,678	Decrease of 0.8%
Net gearing %	**22.1%**	28.7%	Decrease of 6.6%

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

	2023	2022
	£000	£000
Operating Profit	**1,419**	4,365
Net Equity	**25,479**	25,678
Lease liabilities	**1,290**	1,167
Borrowings	**5,990**	7,049
Return on Capital Employed	**4.3%**	12.9%

Health and Safety

There were 5 incidents involving employees or contractors on the Group's sites which were required to be reported to the Health & Safety Executive during the year (2022: 1). This did not result in adverse HSE reports or recommendations. The individuals 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

The Board regularly monitors exposure to key risks, such as those related to production efficiencies, cash position and competitive position relating to sales. It has also taken account of the risks facing the business from the challenging economic environment including inflationary pressures, higher interest rates and their impact on consumer demand. Further details of mitigating measures taken by management are noted on page 4.

It also monitors risks not directly or specifically financial, but capable of having a major impact on the business's financial performance if there is any failure. The key risks and the measures taken to manage these risks are noted below.

Capital structure, cash flow and liquidity

The Group has a strong balance sheet. Acquisitions during the previous year were financed by internal cash resources and bank funding. The business is funded using; retained earnings, a long-term mortgage, term loan and sale and lease back arrangements to support investments in fixed assets, invoice financing and overdraft facilities for working capital. Further details are set out in Notes 23 and 24 to the full accounts.

At 31 March 2023 the invoicing financing is in a utilised position of £1,557,000 as this facility has been utilised to fund the activities during the year (2022: £1,267,000). At 31 March 2023 the Group had utilised £26,000 (2022: £495,000) of its overdraft facility.

Competitive environment

The Group operates in a highly competitive environment in which demand for products can vary and customers have the opportunity to transfer business to other suppliers. The Group works to minimise this risk by developing close relationships with customers offering quality, service and innovation throughout the business. This risk is also further reduced through the development of its branded product portfolio and by the diversity of customers and products offered.

Quality

The Group treats quality as its key requirement for all products and strives to deliver quality products for every price point. Failure to achieve the required quality and safety standards would have severe consequences for the Group, from financial penalties to the damage to customer relationships. The Group has a robust product development process to mitigate risk wherever possible and to ensure all products are safe and fit for purpose. The Group is subject to frequent internal and external safety, environmental, ethical and quality audits covering both accreditations held and a number of specific operating standards our customers require us to comply with.

Group strategic report

continued

Global economic environment

On 24 February 2022 Russian forces entered Ukraine, resulting in Western nations reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The immediate impact was a significant upward spike in energy and commodity prices, which continued into the first half of the current financial year. In addition, BOE base interest rates have increased from 0.75% to 4.25% in response to inflationary pressures. This has had a negative impact on consumer demand and the viability of many businesses. The rate of increase in commodities has eased in the second half of the current financial year but core domestic inflation and the prospect of prolonged higher interest rates remains a cause for concern. The Directors have carried out an assessment of the potential global economic impact on the business, including the impact of mitigation measures and uncertainties, and have concluded that the greatest impact on the business is expected to be from price increases.

The Directors have taken account of these potential impacts in their going concern assessments and have concluded that the direct impact is not significant to the business, with the indirect impact of price increases being reviewed on a regular basis. In the face of these challenges the focus of the business will be on positive cash generation and restoration of profitability.

Credit risk

Our credit risk is that our customers are unable to pay, and we believe this risk is elevated currently due to the current global economic climate. We proactively manage the risks faced by our customers by working closely with them and by increasing debtor management and expanding our credit insurance. All customers' debtor balances, are within insured credit limits or they pay on a pro-forma basis. Credit control processes are in place to manage credit risk including setting appropriate credit limits and the enforcement of credit terms and ongoing dialogue with all customers. We minimise the risk from concentration of customers through implementation of these credit processes and this risk is mitigated through the diversity of our customer base both by channel and geography. We remain vigilant to the credit risks in light of the challenging economic environment.

Supplier sourcing and costs

Cost increases as a result of inflation together with pressures on supply of materials globally are our key supplier-related risks. The pressure on global supply chains has eased but there remains uncertainty around future commodity pricing. We continue to work closely with suppliers and have used our improved sourcing capabilities to expand our supply base to ensure that we can meet the demand from our existing and new customers and minimise the impact of cost price increases. We have an ongoing dialogue and communication with our customers to mitigate the impact on the business.

Group strategic report

continued

Environmental protection standards and sustainability

The Group's technical department continues to monitor all relevant environmental regulations that the Group must adhere to, to ensure continued compliance. We have successfully operated at both manufacturing sites without a cessation in production due to an environmental incident. The risk of cessation of production from an environmental breach is considered to be low but in such an event we would be able to move production to the other site or to outsource to third party manufacturers in the short term.

The Group's objective is to keep ahead of the move towards more sustainable products and processes. There is a risk that if we do not take action we will be left behind and unable to meet our customers' requirements. However, the Group sees the move towards sustainability as an opportunity for business growth.

Cyber security

Cyber Security remains a significant threat to all businesses. The Group has continued to invest in new software and resources to minimise the risk of anyone accessing our systems and information. We have enhanced our ongoing training programme for employees to ensure that they are constantly aware of their role in protecting the business from all cyber security threats.

Section 172 statement

In accordance with the requirements of Section 172 of the Companies Act 2006 the Directors are aware of their duty to act in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefits of its members in the long term and in doing so have regard to:

- the likely consequences of any decisions in the long term;
- the interests of the Group's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Group's operations on the community and the environment;
- the reputation for a high standard of business conduct; and
- the need to act fairly as between members of the Company.

Group strategic report

continued

Whilst the importance of giving due consideration to our stakeholders is not new, we are explaining in more detail how the Board engages with our stakeholders to comply with the Section 172 requirement to include a statement setting out how our Directors have discharged this duty.

The Board regularly reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by management and by direct engagement with stakeholders where appropriate. The relevance of each stakeholder group may increase or decrease depending on the matter or issue in question, so the Board seeks to consider the needs and priorities of each stakeholder group during its discussions and as part of its decision-making. Details of our principal stakeholders, how and why we engage with them is detailed below.

Shareholders

A key objective of the Board is to deliver long-term sustainable growth for our shareholders and to maintain effective communication with our shareholders to explain business performance and strategy. The Group's principal means of communicating with shareholders is through the Annual Report and Financial Statements. This is supported by bi-annual presentations to shareholders where attendees question the executive Directors on the Groups' performance and direction. These sessions are also available to view on the Group's website. The AGM also provides an opportunity for shareholders to ask questions of the Directors.

Customers

The Directors believe that good relationships with our customers are a key component in the long-term success of the Group. These relationships are based on our commitment to provide our customers with quality, service and innovation. We engage with a diverse range of customers from high quality department stores to value-driven discounters and also brand owners within our contract division. Through the combined efforts of our specialist commercial and technical teams our aim to provide a product offering suited to the needs of our customers. We work closely with all of our customers to ensure fair trading agreements are in place and we strive to work closely to identify shared opportunities to increase sales to ensure mutual growth in sales and profits. Our customers include consumers who purchase through a variety of digital platforms and we recognise the increasing importance of effective communication with this expanding customer group.

Group strategic report

continued

Employees

The Directors recognise the crucial role of all our employees in the success of the Group and are committed to enhancing its methods of engagement with the workforce with thorough regular briefings, direct communications through text messages and regular meetings with employee representatives through works councils. The Group offers an open and inclusive culture where employees are offered the opportunity to progress within the business. The Group has a profit-related bonus system which ensures our employees participate in the ongoing success of the business. Share options are made available to all employees of the Group to align the long-term interest of our employees and shareholders.

Suppliers

Raw material and component prices constitute the significant proportion of the Cost of Goods Sold (COGS) and supply chain issues in terms of pricing and delays have a major impact on business performance and continuity. We aim to work responsibly with our suppliers and seek to maintain mutually beneficial and strategic relationships over the long term. A due diligence exercise is carried out with new suppliers and ongoing suppliers' performance is monitored including adherence to our Modern Slavery and Human Trafficking Statement. We ensure all suppliers are treated fairly when negotiating trading terms, including prompt payment for goods and services. We work proactively with our suppliers to support our vegan and cruelty-free claims on our products and to ensure we are up to date with the latest technology and market trends.

Community

The Directors recognise the importance of engaging with the local communities in which the business operates and are committed to making a positive contribution on the quality of life, environment and economy in the locations in which the Group operates. The Directors are aware of the challenges of climate change and have put in place mechanisms to ensure climate change considerations are incorporated into the strategic decisions of the business. These are fully more fully described in the TCFD report on pages 30 to 43.

Group strategic report

continued

Key decisions made during the year, all of which have long-term implications for the ultimate success of the Group and the section 172 and stakeholder considerations are set out below.

Key Board Decision	Section 172 and Stakeholder Consideration
Response to supply chain and inflationary pressures	As detailed on pages 3 and 4 the Group responded proactively to the deteriorating economic environment and the unprecedented challenges facing the business due to supply chain constraints and higher commodity and energy prices. The Group took action across a number of areas which required the Directors to have regard to the interests of key stakeholders. The overarching key priority was however to return the business to profitability and positive cash generation.
➤ *Customer Price Recovery*	• The Board identified the restoration of customer margin as a key element in ensuring the long-term viability of the business for the benefit of all stakeholders. This involved negotiating price increases with our customers. Such customer conversations were challenging but thanks to our transparent and collaborative approach we were able to secure significant price increases whilst retaining the confidence and support of our customers.
➤ *Supply Chain – including cost and overhead reduction and efficiency improvements*	• The Group acted decisively to reduce costs across all areas of the business and engaged collaboratively on a strategic level with a number of key suppliers to ensure ongoing continuity of supply for the business at competitive prices. This process encompassed a review of all cost and overhead items and has delivered improved production efficiencies and a lower ongoing cost base for the benefit of the benefit of shareholders, employees, customers and suppliers.

Group strategic report

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➤ *Inventory Reduction and Warehousing*	•	A decision was taken to reduce stock levels to 4 weeks across the business which has reduced working capital requirement and overheads. This has required changes to our internal planning process and also ongoing engagement with our suppliers and customers.
	•	The Directors decided to relocate the picking and packing activities onsite to Peterborough. This process is ongoing and has already reduced distribution overheads. When completed this solution will provide a more responsive service to our customers.
➤ *Capex*	•	It was decided to curtail capital expenditure unless the payback was less than nine months. However the Group was still in a position to deliver efficiency improvements thanks to the capex investment programme undertaken in recent years.
Renewal of Bank Facilities	•	Bank facilities were renewed which provided ongoing and secure funding to ensure continued adequate resources for the business to ensure the Group can continue to operate for the benefit of all stakeholders.
Buyback of shares	•	Buyback of 1.6m shares issued as part of the completion of the Emma Hardie acquisition at a cost of £576k. The Board decided to hold the shares purchased as Treasury shares. Notwithstanding the short-term cash outflow, the purchase had a positive dilutive effect on EPS and is considered to be in the long-term interests of the shareholders.

Group strategic report

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Elimination of Second Shift at Peterborough site	• A decision was taken to eliminate the second shift at the Peterborough site. This was made possible by recent capital investment and improved efficiencies at both manufacturing sites. This decision delivered savings in direct and indirect overheads and therefore improved long-term business profitability and cash generation. • The elimination of the second shift ultimately resulted in 44 redundancies. The Group embarked on a consultation programme with employees prior to making the redundancies and where possible offered alternative employment within the Group.
Sustainability	• The Directors significantly expanded on TCFD reporting and ESG responsibilities as detailed in the TCFD report on pages 30 to 43. Expert consultants were engaged to facilitate climate workshops and assist the development of a strategy to respond to the risks and opportunities of climate change. • The Group engages widely with customers, suppliers, employees and advisors to understand the risks and opportunities associated with climate change and believes that, in spite of any short-term cost, it can secure a long-term strategic advantage in providing customers with appropriate sustainable solutions.
Share Options issues during the year	• As disclosed in Note 26 to the financial statements, share options of 300,000 were issued to employees during the year. The Directors are aware of the potentially dilutive impact of share options but believe that it is important to balance this impact with the need to incentivise the Group's employees, rewarding their loyalty and success, whilst also contributing to the growth of the business and thereby enhancing overall shareholder value over the long term.

Group strategic report

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Dividend policy	• No interim dividend was paid during the year and the Directors do not propose a final dividend for the year ended 31 March 2023. Faced with the challenging and volatile economic conditions facing the Group the Directors have prioritised returning the business to profitability and positive cash flow. This is consistent with the Directors' objective to align future dividend payments to the future underlying earnings and cash requirements of the business and the need to be prudent about utilisation of cash resources.

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

Corporate and social responsibility

The Group is mindful of its wider responsibilities as a significant local employer in both its principal locations and of the contribution it makes to the local economy both where it and its suppliers are based. The Group adheres to Modern Slavery and Human Trafficking Policies and adheres to best practice with regard to employment practices. All employees are paid the National Living Wage Foundations earnings.

The Group is committed to operating in an honest way and without the use of corrupt practices or acts of bribery to obtain an unfair advantage. The Group has an Anti-bribery policy which prohibits bribes, gifts, inappropriate entertainment and hospitality as well as the avoidance of conflict of interest through personal or other relationships.

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

Group strategic report

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The Group has formally adopted an Environmental Policy, which requires management to work closely with local environmental protection authorities and agencies, and as a minimum, meet all environmental legislation. The Group uses significant amounts of plastics, cardboard packaging and chemicals in its products. It ensures it meets all regulations covering their use and has specific programmes covering;

- Sustainable palm oil; we are a member of Roundtable for Sustainable Palm Oil, holding their supply chain accreditation. 99.9% of palm oil derivatives purchased by the Group are sustainably sourced.
- Packaging waste; all plastic and cardboard waste generated by the Group is recycled.
- Post-Consumer Recycled materials; we have an active development programme to use 'post-consumer recycled' materials in the manufacture of our products where practicable.
- Prepared for implementation of the Plastic packaging tax in April 2022 including measures to reduce plastic content in our componentry. This includes collaborative working with customers on product reengineering.
- Progress on TCFD measures reporting was made during the year. We have engaged with consultants to assist in the formulation of a strategy and science-based targets.

The tables below show the number of employees by gender in the Group as at 31 March 2023 and 31 March 2022.

	Group 2023		Company 2023	
	Female	Male	Female	Male
Directors, including Non-executive Directors	1	6	1	6
Senior Managers	3	5	–	–
Other employees	260	146	–	–

	Group 2022		Company 2022	
	Female	Male	Female	Male
Directors, including Non-executive Directors	1	6	1	6
Senior Managers	3	5	–	–
Other employees	325	183	–	–

Group strategic report

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The Group has formal Staff Handbooks, which cover all major aspects of staff discipline and grievance procedure, Health and Safety regulations, and the Group's non-discrimination policy.

Disabled persons

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

Task Force on Climate-Related Financial disclosures (TCFD) reporting

The Task Force on Climate-related Financial Disclosures (TCFD) was established by the Financial Stability Board to improve reporting of climate-related risks and opportunities (CROs). Creightons plc has structured its climate disclosures according to the TCFD recommendations.

According to the Financial Conduct Authority listing rule LR 9.8.6 R(8), reporting is on a 'comply or explain' basis. Creightons plc is consistent with the TCFD recommendations and recommended disclosures, with the exception of Strategy 2c, and Metrics and Targets 4c.

Pages 30 to 43 explain the work to be completed to ensure consistency with the TCFD recommendations and set out the activities Creightons plc has planned during the financial year ending 31 March 2024, as it continues its journey towards increased consistency.

Governance

The Board's oversight of climate-related risks and opportunities

The Board

The Board is responsible for providing strategic guidance in respect of Creightons plc's Environmental, Social and Governance (ESG) programme, including actions to address climate-related matters and consider potential CROs. It reviews climate-related reporting as part of the overall assessment of the Annual Report. An update on ESG related topics is presented to the Board on a six-monthly basis by the chair of the ESG Committee, the Managing Director for manufacturing.

The Board considers climate-related risks and opportunities when setting strategy, budgets (including capex) and presently the Board does not yet see significant climate-related impacts on budgets, financial planning, and capex within the timescale of the planning and budgeting process.

Creightons will be in a position to set emissions targets within the first six months of the financial year ending 31 March 2024, when these are in place, monitoring will be added to the Board's agenda.

Group strategic report

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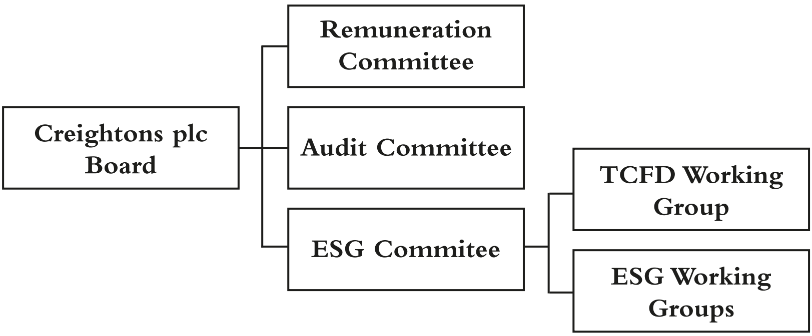
Governance Framework

The governance structure provides updates and information to the Board to ensure it can make informed decisions. The Board is also responsible for overseeing and monitoring the management of all business risks and opportunities, including CROs.

In terms of reporting lines, the TCFD Working Group identifies CROs and develops climate-related financial disclosures, which are reported to the Environmental, Social and Governance Committee which has direct responsibility for principal risks and uncertainties as well as challenging the outputs of the TCFD Working Group. This committee is led by the Managing Director for manufacturing, who is a Creightons plc board member with direct influence at Board level.

The governance of climate-related issues is set out in the graphic below.

TCFD Governance Structure



Role of Senior Management

ESG Committee

The ESG Committee is responsible for all matters pertaining to environmental, social and governance issues. Each committee member is responsible for the execution of an action plan within a key business area. The key responsibilities of the ESG Committee are:

- Delivery of the ESG action plan and monitoring progress.
- Developing and adhering to a board-approved roadmap of emissions reduction opportunities and developing and monitoring progress.

Group strategic report

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- Collaborating with subject matter experts within business to deliver objectives around responsible sourcing, waste, plastics, and packaging.

TCFD Working Group

Reporting to the ESG Committee is a TCFD Working Group which is responsible for the development of climate-related financial disclosures including identifying climate-related risks and opportunities and assessing their business and financial impacts, identifying potential responses, and ensuring appropriate stakeholder input.

The TCFD Working Group works in collaboration with the ESG Committee in developing and adhering emission reduction opportunities and developing and monitoring progress for the purposes of consistency with the TCFD recommendations.

External Advice

Creightons plc engaged external experts for expert external advice to supplement the capabilities within the Company and assist in establishing initial data systems and reporting frameworks for our Scope 1, 2 and 3 emissions, as well as assisting in identifying and analysing CROs and to understand the potential impacts from physical climate change risks and risks associated with the transition to a decarbonised economy.

This expert engagement will continue in financial year ending 31 March 2024 to assist in setting appropriate science-based targets and completing a carbon workshop education programme.

Key Activities

Board Level

Key Activities Financial year ended 31 March 2023

- The Managing Director for manufacturing presented the two updates in relation on current ESG activities, including the progress of the Carbon Roadmap programme delivered in conjunction with external experts, the work by the TFCD working group on identifying CROs, as well as current work on the Energy Saving Opportunities Scheme.

Focus Financial year ending 31 March 2024

- The Board will review the CROs identified by the TCFD Working Group facilitated by external experts.

Group strategic report

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- Board to review and approve the Group's roadmap in the setting of science-based emissions reduction targets.
- Board to receive updates on progress against the key indicators in the ESG action plans.

Senior Level

Key Activities Financial year ended 31 March 2023

- The ESG Committee, led by the Managing Director for manufacturing, reviewed and updated environmental, social, and business ethics goals and ambitions.

Focus Financial year ending 31 March 2024

- Following the completion of the Carbon Roadmap programme the ESG Committee will implement and monitor progress of the execution of the climate action plans in each business area and develop our science-based emission reduction targets.
- The ESG Committee will continue to identify, assess and manage climate risks through its existing risk management process on an annual basis. It will also review the more detailed scenario analyses in financial year ending 31 March 2024 conducted by the TCFD Working Group and external experts.

Operational Level

Key Activities Financial year ended 31 March 2023

- The TCFD Working Group, in conjunction with external experts identified climate-related risks, assessed their impact on the group and identified potential responses.

Focus Financial year ending 31 March 2024

- The TCFD Working Group will work with the ESG Committee in building prioritised initiatives for emissions reduction and to develop Science Based Targets aligned to the roadmap, along with completing scenario analyse.
- A deeper dive into the substantive CROs which have been identified.

Group strategic report

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Strategy

The climate-related risks and opportunities the organisation has identified over the short, medium and long-term.

Creightons plc with input from external experts have conducted a review of climate-related risks and opportunities under the below categories, evaluating their short-, medium- and long-term likelihood, along with their financial, operational, and reputational impacts.

A comprehensive risk analysis has taken place looking at the following risk categories: Current regulations, future regulations, legal, technology, market, reputation, Physical risk (acute and chronic) as well as these opportunities categories: Resource efficiency, energy source, products and service, market, and resilience.

These risks and opportunities have been identified over short (before 2025), medium (2025 to 2030) and long-term (post 2030) time horizons.

Consideration was given to the likelihood (time horizon) of the risk impacting Creightons plc. A risk score was generated (impact x likelihood) and those scoring greater than 12 were classed as substantive (indicated in table below) and will be subjected to a deeper dive assessment in financial year ending 31 March 2024 by the TCFD Working Group.

Risk Category	Risk Type	Primary Financial impacts	Impact	Likelihood	Time Horizon	Score	Substantive (>= 12)
Technology	Substitution of existing products and services with lower emissions options	Increased direct costs	3	5	Short-term	15	Y
Market	Changing customer behaviour	Decreased revenues due to reduced demand for products and services	4	3	Medium-term	12	Y
	Increased cost of raw materials	Increased indirect (operating) costs	4	4	Short-term	16	Y

Group strategic report

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Risk Category	Risk Type	Primary Financial impacts	Impact	Likelihood	Time Horizon	Score	Substantive (>= 12)
Reputation	Increased stakeholder concern or negative stakeholder feedback	Decreased revenues due to reduced demand for products and services	4	3	Medium-term	12	Y

The substantive opportunity is change in customer and consumer perception; we are well placed to respond to the growing volume of climate-related queries.

Risk Category - Regulatory and Legal

Impact Assessment

- Short term
    - Based on our Scope 1 and 2 emissions, Creightons plc would be materially impacted by carbon taxation.
    - Following our Scope 3 emissions screening, the indirect cost of carbon taxation through the wider supply chain both with the UK and abroad would have a material impact on Creightons plc.
    - Developing a transition plan in-line with the proposed Mandatory Climate Transition Plan for businesses.
    - Creightons is within the Scope of packaging waste, Extended Producer Responsibility (EPR) and plastic tax commitments.
    - Creighton's plc has taken steps to minimise its exposure to greenwashing claims, it has controls in place to ensure it does not overstate its environmental claims on products and is working with industry experts on ensuring the quality of its climate-related data.
    - Creighton's plc provides guidance for its customers and is well prepared for mitigating this risk and avoiding potential reputational exposure.

Group strategic report

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- Medium term

    - The Group is under increased reporting obligations as a premium listed Company. Implementation of the TCFD recommendations is supported by external consultants and takes internal resources to deliver this.

Risk Category – Technological, Market and Reputational

Impact Assessment

- Short Term

    - Increased expenditure around the replacement of energy inefficient production and office equipment.

    - As customers look to become more sustainable and address climate change, it is likely that demand for products with lower emissions and more sustainably sourced raw materials could increase. There can be challenges with some of the 'more sustainable' raw material substitutions.

- Medium Term

    - Several key customers have signed up to the British Retail Consortium Climate Action Roadmap. This commits them to achieving Net Zero emissions by 2040. If we do not work in conjunction with them, there is a risk that they may choose to work with other suppliers that match their ambition.

    - Increased requests for information from customers around climate action and its impact on internal resources.

    - Increased demand for sustainable materials affecting availability in the supply chain.

Risk Category – Physical (Acute and Chronic)

Impact Assessment

- Medium Term

    - Impact to raw material availability and delays in supply chain and distribution

Group strategic report

continued

- Long Term
    - Reduced labour and equipment productivity due to extremes in temperature.
    - Disruption due to potable and process water supply reduction could impact manufacturing and commercial operations, coupled with high water costs.
    - Factory and infrastructure damage.

Opportunity Category – Resource Efficiency and Energy Source

- Short Term
    - Reviewing low-emission technologies such as solar panels, fitting air source heat pumps, installing LED lighting / PIR's and efficient compressed air use will require upfront capex costs but could develop cost savings through operating efficiencies over time.
    - Developing products with more Post Consumer Regrind (PCR) recycled content could develop cost savings through operating efficiencies over time.
    - Better pallet utilisation to reduce transportation emissions.
    - To develop transportation efficiencies and reduce costs.
    - Continual training of staff on energy saving opportunities.

Opportunity Category – Products and Services, Market and Resilience

Impact Assessment

- Medium Term
    - Increasing consumer demand for sustainable products could enable Creightons plc to increase its market share.
    - Having Creightons plc be at the forefront of sustainable formulations, products and packaging design as well as providing good quality accurate sustainability data could help us gain new customers and retain current ones.
    - This opportunity will be maximised if sustainable products are affordable to consumers, otherwise consumers may choose more affordable less sustainable products due to budget constraints.

Group strategic report

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We have made good progress in identifying the CROs we could be exposed to over different time horizons. We have also started to describe the impact of CROs on our business, which has helped inform its risk management response and potential adaptations to its strategy and financial planning.

- The Board has now put in procedures to assess the impact of climate-related issues and all its impacts. We have employed consultants to assist in the formulation of a holistic climate-related strategy.
- The Board recognises the increasing importance of climate-related issues on our business and all points in our supply chain. We recognise that climate-related issues are not a standalone activity and we have taken measures to ensure that climate-related processes are integrated into the financial planning and manufacturing processes.
- Following the Scope 3 and CRO analysis our substantive risks revolve around changing customer behaviour and requests for information from suppliers. The ESG committee has worked extremely hard to respond to all customer requests for information regarding climate change and climate-related issues. Expertise within the committee is expanding due to continued collaboration with our consultants as well as involvement in industry seminars / webinars and close working with our trade association.
- Our assessment is that climate-related issues will not have a long-term impact on the viability of the business, however we are committed to acting in a responsible manner to meet all our obligations.

The resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

In financial year ending 31 March 2024, Creightons plc intends to conduct a more granular risk assessment for the CROs identified as being substantial, in conjunction with external experts and will also review the businesses reliance under different climate-related scenarios including a 2 °C or lower scenario.

Risk Management

Processes for identifying and assessing climate-related risks

To assess the identified risks and opportunities, workshops were held with the cross-functional senior individuals from across the Group as well as our key consultant. Following this workshop, a CRO matrix was completed and considered the following areas:

Group strategic report

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Risk categories: Current regulations, future regulations, legal, technology, market, reputation, Physical risk (acute and chronic)

Opportunities categories: Resource efficiency, energy source, products and service, market, and resilience.

Substantive risks were highlighted along with the management/mitigation methods, as well as the financial impact. A detailed explanation of this can be found in sections above. These are reviewed at least annually, or as new or emerging climate risks are identified.

As part of our Carbon Roadmap programme Creightons plc along with external experts have undertaken a Scope 3 emissions screening based on a financial data model for our base line year financial year ending 31 March 2022. Emissions in financial year ending 31 March 2022 totalled 88,243.6 tonnes CO2e with Scope 3 emissions accounting for 98.8% all emissions. The aim of this project was to identify the most impactful areas of Creightons plc's value chain which are, purchased goods and services including emissions from packaging and raw materials and the upstream & downstream distribution of materials and finished products. These are the key business areas for Creightons PLC's GHG inventory, accounting for 94.2% of the total.

This data collection and screening process will now be further refined and repeated for financial year ended 31 March 2023 during financial year ending 31 March 2024. The information gathered during these screening processes will better inform where emission reduction measures and risk management strategies can be focused.

A final validation of this CRO matrix and a deeper dive into the substantive risks will be completed by the TCFD Working Group in financial year ending 31 March 2024 and the outputs from the assessment will then be shared with the wider team. A routine annual review of all topics detailed in the CRO matrix will also be conducted.

Processes for identifying, assessing, and managing climate-related risks

Risk Category - Regulatory and Legal

Risk Response

- Short Term
    - We work with government bodies and external consultants to ensure we are fully compliant with our plastic tax, EPR and packaging waste obligations.

Group strategic report

continued

    - Developing Net Zero and science-based targets, along with a detailed action plan.
    - Continue to monitor new and amended legislation via working with industry groups and external consultants.
- Medium Term
    - To mitigate carbon pricing mechanisms we will be evaluating renewable energy alternatives to natural gas and procure energy from renewable sources.

Risk Category – Technological, Market and Reputational

Risk Response

- Short Term
    - Review the available lower emission technologies appropriate to our production requirements and build this into the capital expenditure plan.
    - Creightons plc have been members of the Roundtable of Sustainable Palm Oil (RSPO) since 2014. Currently 99.9% of the palm oil derivatives (which are key in many personal care products) we purchase are from RSPO sources, decreasing their environmental impact.
    - Creightons plc are actively increasing the PCR usage within its portfolio of products. In the financial year ending 31 March 2023, 34% of our packaging contained PCR content. We will look to increase the amount of packaging which contains PCR whilst working with industry experts on the packaging materials that currently are unable to contain PCR.
    - Working with consultants to develop a carbon management strategy aligned with the TCFD recommendations and evaluating setting science-based emission reduction targets, with the involvement of SBTi.
    - Presently the Company has not been participating in the Carbon Disclosure Project (CDP), we anticipate joining the CDP within the next 12 months.
    - There has been an increased number of requests from customers on climate-related information, coupled with the demands of quantifying our Scope 3 emissions. We are reviewing our internal resource and consultancy to meet these demands.
    - Follow-up questionnaires to suppliers on their response to climate change initiatives and deep dive on each individual component or raw material supplied.

Group strategic report

continued

- Medium Term
    - Build sustainability and carbon impact into new product development processes.

Risk Category – Physical (Acute and Chronic)

Risk Response

- Short Term
    - Look at encouraging water saving by employees.
    - Review business continuity plan in relation to flood and sea level rise risks.
- Medium Term
    - Understand suppliers' preparedness for future heat stress.
    - Engage with suppliers currently at risk and for those having future risk of flooding.
    - Explore options for water saving in the manufacturing process.
- Long Term
    - Consider introduction of natural cooling and ventilation solutions.

Opportunity Category – Resource Efficiency and Energy Source

Opportunities Response

- Closely monitor technological developments and major brand behaviour to be able to act as an innovator and a fast follower.
- Continue monitoring the cost difference in renewables versus non-renewables so that the shift to increased renewables can be timed correctly.

Opportunity Category – Products and Services, Market and Resilience

Opportunities Response

- Short Term
    - Continue monitoring consumer demand for sustainable products.

Group strategic report

continued

- Ensure continued capex investment in sustainable technology to ensure readiness to meet rising demand.
- To be able to retain current customers and gain new ones with the quality or our sustainable formulations and the accuracy of our climate data we are:

- Continuing climate-related education activities in conjunction with external experts for all staff to ensure they remain at the forefront of this topic.
- R&D researching all manner of green technologies, formulation design and packaging types.

Processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

Creightons plc has detailed and robust risk management processes around the design, procurement, and safety of all personal care products it manufactures. As previously mentioned, these would currently cover sustainability and legislative topics relating to the use of:

- Round table of sustainable palm oil. Creightons plc holds the RSPO chain of custody accreditation which is completely integrated into the Company's quality management system and is independently audited on an annual basis. Presently 99.9% of palm derivatives used are from an RSPO sustainable source.
- Prohibiting or restricting materials derived from species on the IUCN Red List. All materials are reviewed as part of our R&D development process to ensure there are no sustainability issues with ingredients used in formulations.
- We are actively involved in increasing the amount of PCR inclusion within our products. Currently at the financial year end 31 March 2023, 34% of plastic components contain PCR, an increase of 14% from the previous year.
- In other areas, the business continuity plans include extreme weather and climate events, and our capital expenditure review process considers the energy efficiency savings on new equipment.

In financial year ending 31 March 2024 we will use the CRO matrix, scenarios resilience and emissions screening data to further integrate climate-related risks into the organisations overall risk management strategies or add additional process where required.

Group strategic report

continued

Metrics and Targets

We calculate our Scope 1 and Scope 2 GHG emissions annually as part of the Streamlined Energy and Carbon reporting requirements, these are calculated in accordance with the GHG Protocol and the SECR guidelines. Details of the Group's Scope 1 and 2 carbon emissions for the financial year ending 31 March 2023 are set out on page 24 of the audited accounts.

Currently, the Group is not consistent with recommended disclosures 4(a) – 4(c). Whilst Scope 1 and Scope 2 GHG emissions have been calculated under the SECR requirements finalised Scope 3 emissions data for financial year ending 31 March 2023 are still to be completed.

The next stage in the Group's journey towards consistency with the TCFD recommended disclosures 4(a) – 4(c) is to work with an external partner during the financial year ending 31 March 2024 to:

- Setting appropriate Science Based Targets in conjunction with the SBTi.
- Benchmark our performance by participating in the Carbon Disclosure Project (CDP) reporting cycle starting in April 2024.
- Develop a roadmap of emissions reduction opportunities.
- Deeper dive into all substantial climate-related risks.
- Further ingrate climate-related risks into the organisations overall risk management strategies.

Non-financial information statement

This Annual Report and in particular this Strategic Report, contains the information required to comply with the Companies, Partnerships and Groups (and Non-Financial Reporting) Regulations 2016, as contained in sections 414CA and 414CB of the Companies Act 2006.

Group strategic report

continued

The table below provides key references to information that, in conjunction with the TCFD Report, comprises the Non-Financial Information Statement for the year ended March 2023.

Reporting requirement	Group Policies that guide our approach	Information and risk management, with page references
Environmental matters	Group Environmental, Health, Safety, Energy and Sustainability Policy	• TCFD report on pages 30 to 43 • Section 172 statement on pages 22 to 28 • Strategy, objectives and future developments on page 15
Employees	Group Environmental, Health, Safety, Energy and Sustainability Policy	• Section 172 statement on pages 22 to 28 • Disabled persons on page 30 • Health and Safety on page 19 • Diversity policy on page 31 of the financial statements
Social matters	Corporate and social responsibility policy	• Corporate and social responsibility on pages 28 to 30
Respect for human rights	Modern Slavery and Human Trafficking Policies	• Corporate and social responsibility on pages 28 to 30 • Suppliers on page 24
Anti-corruption and anti-bribery matters	Group Anti-Bribery and Corruption Policy	• Corporate and social responsibility on pages 28 to 30

Group strategic report

continued

Description of the business model	*Environmental* As a manufacturing business we understand that we must continue to evolve in order to meet the needs of our stakeholders. The Group continues to improve its environmental credentials in a commercially viable manner. We are taking proactive steps to build on this as set out in our first report under the TCFD framework on pages 30 to 43. *Social* The foundation of the Group's strength is its people. The Group's policy is to employ people who embody its core values of quality, service and innovation. These values apply to all employees regardless of position. *Governance* The Group's arrangements are set out in the Corporate Governance section on pages 30 to 33 of the financial statements.
Description of the principal risks in relation to the above matters, including business relationships, products and services likely to affect those areas of risk, and how the Group manages the risks	• Principal risks and uncertainties on pages 20 to 22
Non-financial key performance indicators	• TCFD report on pages 30 to 43

The Modern Slavery policy can be located at www.creightonsplc.com

Going concern

The Directors are pleased to report that the Group has renewed its bank facilities and continues to meet its debt obligations and expects to operate comfortably within its available borrowing facilities. The Group's cash on hand at 30 June 2023 is positive £0.4m. We have carried out a review of our cash requirements for the next 12 months. Scenarios modelled included the removal of the Group's largest customer and increases of 20% in costs of raw materials or overheads. These models are more extreme than the conditions prevailing during the last 12 months but demonstrate that even without management tackling current overhead levels or increasing prices to customers, the Group would not fully utilise available bank facilities over the next 12 months. The Directors have therefore formed a

Group strategic report

continued

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 6 July 2023 and signed on its behalf by:

Bernard Johnson
Managing Director

Supplementary material

Directors' remuneration report

Relations with shareholders

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

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

This report is on the activities of the Remuneration Committee for the year to 31 March 2023. It sets out the remuneration policy and remuneration details for the Executive and Non-executive Directors of the Company. It has been prepared in accordance with Schedule 8 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the "Regulations") as amended in June 2019.

The report is split into three main areas:

- Statement by the chair of the Remuneration Committee;
- Annual report on Directors' remuneration (subject to audit); and
- Policy report.

The policy report was subject to a binding shareholder resolution at the 2022 Annual General Meeting and the policy took effect for the financial year beginning on 1 April 2022. The annual report on Directors' remuneration provides details on remuneration in the period and some other information required by the Regulations. It will be subject to an advisory shareholder vote at the 2023 Annual General Meeting.

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

Supplementary material

continued

Statement by the chair of the Remuneration Committee

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

The Remuneration Committee determines the remuneration of each Executive Director. During the year ended 31 March 2023, the Remuneration Committee agreed changes to the salaries of the Executive Directors in line with other employees, which became effective on 01 April 2022.

It is envisaged that the other remuneration components for Executive Directors for the year ended 31 March 2024 will be similar to those in place for the year ended 31 March 2023.

Annual report on directors' remuneration

The information provided in this part of the Directors' Remuneration Report is subject to audit

The tables below represent the Directors' remuneration for the years ended 31 March 2023 and 31 March 2022. 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

		2023					
Director	**Note**	**Salary and fees £000's**	**Annual bonuses £000's**	**Pension £000's**	**Total £000's**	**Total Fixed Remuneration £000's**	**Total Variable Remuneration £000's**
WO McIlroy	**1**	27	45	–	72	27	45
BJM Johnson	**2**	92	45	–	137	92	45
P Clark		119	–	6	125	125	–
M Stevens		116	–	9	125	125	–
Total		**354**	**90**	**15**	**459**	**369**	**90**

Mr B Johnson and Mr W McIlroy were each entitled to a bonus of £45,000 (2022:£177,000 before waver) in respect of the year ended 31 March 2023.

Supplementary material

continued

Equity settled share based payments have been included within the bonus figure, and these have been calculated as their intrinsic value as at the date of grant. No grants in the year ended 31 March 2023 met this criteria.

		2022					
Director	Note	Salary and fees £000's	Annual bonuses £000's	Pension £000's	Total £000's	Total Fixed Remuneration £000's	Total Variable Remuneration £000's
WO McIlroy	**1**	27	71	–	98	27	71
BJM Johnson	**2**	92	71	–	163	92	71
P Clark		114	3	6	123	120	3
M Stevens		99	3	9	111	108	3
Total		**332**	**148**	**15**	**495**	**347**	**148**

Mr B Johnson and Mr W McIlroy were each entitled to a bonus of £177,000 in respect of the year ended 31 March 2022. They have each waived their entitlement to £106,000 of this bonus and each received a bonus of £71,000 and this amount is included in the table above. In waiving this entitlement, they have enabled the Group to pay a bonus to employees with no adverse incremental impact on earnings.

During the year ended 31 March 2023 there were no share options granted to the Directors.

During the year ended 31 March 2022 the following share options were granted at 97.73p which was the market price at the time of grant. There were no share options granted at a discount during the year ended 31 March 2022 and therefore no amount is included in annual bonuses in respect of the equity settled share based payments.

Director	2023 Number of Options	Exercise price	2022 Number of Options	Exercise price
WO McIlroy	–	–	225,000	97.73p
BJM Johnson	–	–	225,000	97.73p

During the year ended 31 March 2021 share options were granted under the Creightons Plc Share Option Plan 2018, at an exercise price of 36p representing a discount of 14p from the market at the time of grant. The Board considered it appropriate to issue these shares at a discount as an exceptional incentive for these Directors.

Supplementary material

continued

Non-executive Directors' remuneration as a single figure

Director	Note	2023 Salary and fees £000's	Annual bonuses £000's	Taxable benefit £000's	Total £000's	Total Fixed Remuneration £000's	Total Variable Remuneration £000's
NDJ O'Shea	**3**	18	–	–	18	18	–
W T Glencross		18	–	2	20	20	–
P Forster		18	–	2	20	20	–
Total		**54**	**–**	**4**	**58**	**58**	**–**

Director	Note	2022 Salary and fees £000's	Annual bonuses £000's	Taxable benefit £000's	Total £000's	Total Fixed Remuneration £000's	Total Variable Remuneration £000's
NDJ O'Shea	**3**	18	1	-	19	18	1
W T Glencross		17	1	1	19	18	1
P Forster		20	1	3	24	23	1
Total		**55**	**3**	**4**	**62**	**59**	**3**

Note
1 Mr McIlroy earned a salary of £27,000.
2 Mr Johnson earns a salary of £92,000 per annum.
3 Mr O'Shea earned a salary of £18,000 for his services as a non-executive Director.
4 All other Directors' remuneration is paid directly to the individual Directors.

Taxable benefits

The taxable benefits for Mr William Glencross & Mr Paul Forster relate to their membership of the Group's medical scheme, which commenced prior to them stepping down as Executive Directors.

Payments for loss of office

No Executive Directors left the Company during the year ended 31 March 2023 and therefore no payments in respect of compensation for loss of office were paid or payable to any Director (2022: £Nil).

Supplementary material

continued

Share options

No share options were exercised by Directors during the year ended 31 March 2023.

During the year ended 31 March 2022 options were exercised by the following Directors.

Director	Number of Options	Exercise price	Market value on date of exercise	Gain on exercise £000's
P Clark	200,000	4.50p	108.00p	207
P Clark	100,000	26.80p	110.00p	83
M Stevens	70,000	26.80p	96.00p	48
M Stevens	111,940	26.80p	78.50p	58
BJM Johnson	200,000	26.80p	95.60p	138
NDJ O'Shea	15,000	26.80p	102.50p	11
W T Glencross	18,500	26.80p	102.50p	14

During the year ended 31 March 2022 the Company has granted a further 225,000 share options to Mr B Johnson and Mr W McIlroy on 10 November 2021, at an exercise price of 97.73p, the market at the time of grant (the "Grant"). These are shown in the table on page 52 and can be exercised between 2024-2031.

During the year ended 31 March 2021 three Directors were awarded share options on 08 July 2020, these are shown in the table below and can be exercised between 2023-2030 at an exercise price of 36p, a discount of 14p from the market price at the time of grant.

There is a vesting period of over 3 years for all share options. The share options were awarded to the Directors as part of the Company's ongoing compensation and remunerations plans as a motivation for continuing to deliver success to the Group, its shareholders and employees. There are no service conditions associated with the award of the share options.

Supplementary material
continued

Directors' shareholdings

The Directors who held office at 31 March 2023 had the following beneficial interests in the 1p ordinary shares of the Company:

At 31 March 2023

	Shares	Share Options					
Director	Number of shares	Exercise period of 2017 – 2024 price 5.50p Vested	Exercise period of 2019 – 2025 price 4.50p Vested	Exercise period of 2021 – 2028 price 26.80p Vested	Exercise period of 2023 – 2030 price 36.00p Not vested	Exercise period of 2024 – 2031 price 97.73p Not vested	Total Options held
Mr W O McIlroy	16,219,275	1,300,000	–	900,000	–	225,000	2,425,000
Mr B JM Johnson	5,245,844	–	–	700,000	–	225,000	925,000
Mr N DJ O'Shea	115,000	–	–	135,000	–	–	135,000
Mr W T Glencross	86,000	–	–	131,500	–	–	131,500
Ms P Clark	851,818	–	–	500,000	200,000	–	700,000
Mr M Stevens	993,758	–	–	218,060	100,000	–	318,060
Mr P Forster	1,032,318	–	–	300,000	100,000	–	400,000

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

At 1 April 2022

	Shares	Share Options					
Director	Number of shares	Exercise period of 2017 – 2024 price 5.50p Vested	Exercise period of 2019 – 2025 price 4.50p Vested	Exercise period of 2021 – 2028 price 26.80p Vested	Exercise period of 2023 – 2030 price 36.00p Not vested	Exercise period of 2024 – 2031 price 97.73p Not vested	Total Options held
Mr W O McIlroy	16,219,275	1,300,000	–	900,000	–	225,000	2,425,000
Mr B JM Johnson	5,245,844	–	–	700,000	–	225,000	925,000
Mr N DJ O'Shea	115,000	–	–	135,000	–	–	135,000
Mr W T Glencross	86,000	–	–	131,500	–	–	131,500
Ms P Clark	851,818	–	–	500,000	200,000	–	700,000
Mr M Stevens	993,758	–	–	218,060	100,000	–	318,060
Mr P Forster	1,078,318	–	–	300,000	100,000	–	400,000

Supplementary material
continued

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

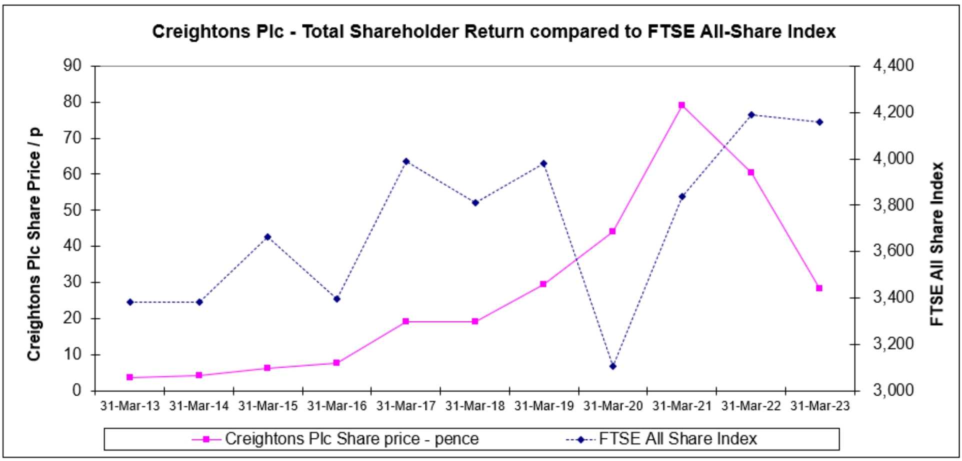
	Market price	
At 31 March 2023	**Lowest during period**	**Highest during period**
29.0p	29.0p	134.0p

Mr McIlroy's holding noted above includes 14,450,000 (2022: 14,450,000) shares held in the name of Oratorio Developments Ltd, a private Company of which Mr McIlroy is a Director and controlling shareholder.

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

Performance graph and CEO remuneration table

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



Supplementary material

continued

Table of Historical Data

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

Year	Single figure of total remuneration	Annual bonus pay-out against maximum %	Share option scheme exercised against maximum %
2023	137	100%	n/a
2022	163	40% after waiver	22%
2021	291	100%	n/a
2020	291	100%	100%
2019	301	100%	0%
2018	177	100%	n/a
2017	170	100%	n/a
2016	156	100%	n/a
2015	47	100%	n/a
2014	29	100%	100%
2013	20	100%	n/a
2012	16	100%	n/a

Supplementary material

continued

Percentage change in remuneration of the executive directors

The table below shows the percentage increase in remuneration of the Directors and the Group's employees as a whole between the years ended 31 March 2022 and 31 March 2023.

	2023				2022			
	Salary and fees	All taxable benefits	Annual bonus	Total	Salary and fees	All taxable benefits	Annual bonus	Total
W McIlroy	0.0%	–	(36.6%)	**(26.5%)**	3.8%	–	(73.2%)	**(66.3%)**
B Johnson	0.0%	–	(36.6%)	**(16.0%)**	0.0%	–	(46.6%)	**(27.6%)**
P Clark	4.4%	–	(100%)	**1.6%**	4.6%	–	(91.9%)	**(19.1%)**
M Stevens	17.2%	–	(100%)	**12.6%**	3.1%	–	(87.0%)	**(13.3%)**
P Forster	(10.0%)	–	(100%)	**(13.6%)**	(71.4%)	(66.7%)	(95.7%)	**(77.1%)**
N O'Shea	0.0%	–	(100%)	**(5.3%)**	5.9%	–	–	**11.8%**
W Glencross	5.9%	–	(100%)	**0%**	(10.5%)	–	–	**(5.3%)**
Average Employee	11.7%	–	(50.2%)	**6.2%**	6.7%	0.0%	14.3%	**7.3%**

	2021			
	Salary and fees	All taxable benefits	Annual bonus	Total
W McIlroy	4.0%	–	33.2%	**29.9%**
B Johnson	0.0%	–	(33.2%)	**(22.7%)**
P Clark	18.5%	50.0%	362.5%	**46.2%**
M Stevens	11.6%	–	187.5%	**24.3%**
P Forster	(16.7%)	(62.5%)	228.6%	**(3.0%)**
N O'Shea	(22.7%)	–	–	**(22.7%)**
W Glencross	5.6%	–	–	**5.6%**
Average Employee	6.5%	–	(1.8%)	**5.8%**

Supplementary material
continued

Pay ratios

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

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile ratio
2023	Option B	6:1	5:1	4:1
2022	Option B	8:1	7:1	6:1
2021	Option B	14:1	14:1	12:1
2020	Option B	15:1	13:1	11:1

The pay ratio has reduced slightly from previous years due to the reduction in the profit-related bonus of the Directors.

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

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

	Base salary £000's	Total pay and benefits £000's
Highest paid director	92	137
75th percentile employee	30	31
50th percentile employee	24	26
25th percentile employee	21	22

Supplementary material

continued

Relative importance of spend on pay

The table below shows the total expenditure of the Group for all employees compared to retained profits and distributions to shareholders for the years ended 31 March 2023 and 31 March 2022 and the year on year change.

	Year ended 31 March 2023 £000's	Year ended 31 March 2022 £000's	Change %
Employee costs	14,716	15,489	(5.0%)
Profit after tax for the year	514	3,110	(83.5%)
Dividends paid	–	428	(100%)

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

The following table sets out actual voting in respect of the approval of the Directors' Remuneration report and policy in respect of the year ended 31 March 2022:

Resolution	Number of votes cast for	% of votes cast for	Number of votes cast against	% of votes cast against	Total votes cast	Number of votes cast withheld
Directors' Remuneration Report	24,819,447	99.13%	210,590	0.84%	25,036,804	6,767
Directors' Remuneration Policy	24,817,269	99.12%	212,768	0.85%	25,036,804	6,767

Supplementary material
continued

Policy report
Remuneration Committee
The Board has established a Remuneration Committee to determine the remuneration of Directors of the Company.

Consideration by the Directors of matters relating to Directors' remuneration
The members of the Committee were Nicholas O'Shea, William Glencross and Paul Forster. In determining the Directors' remuneration, the Committee consulted the Chairman. There has been one meeting of the Committee during the period, attended by Mr Glencross, Mr O'Shea and Mr Forster. The committee has considered market rates and increases awarded to all employees in determining the base salary increases for the executive Directors. The Committee has not sought advice from any consultants during the period.

Statement of consideration of employee employment conditions elsewhere in the Company

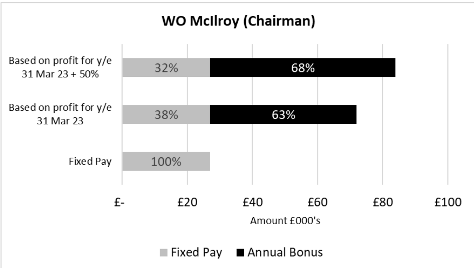
When determining the remuneration of Executive Directors, the Committee considers the pay of employees across the Group. When conducting salary reviews, the average base salary increase awarded to the UK workforce and senior managers across the Group provides a key reference point when determining levels of increase for Executive Director remuneration.

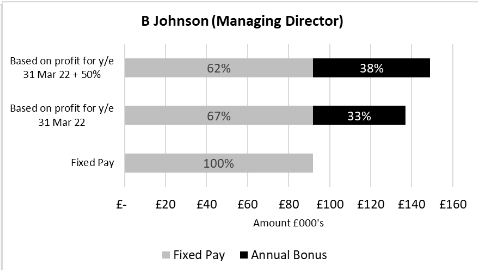
Illustrations of application of the Remuneration Policy
Under the Remuneration Policy a significant portion of the remuneration is variable for Mr McIlroy and Mr Johnson. The variable element of the remuneration is directly linked to the profit of the Group as detailed in the policy below. The remuneration for Ms Clark and Mr Stevens is reviewed in line with all other employees of the Group and also contains a variable element which is payable only if the Group hits the profit target for the period.

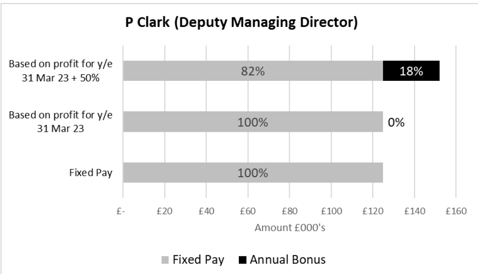
Supplementary material

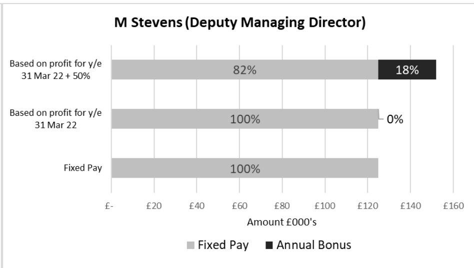
continued

The charts below indicate the level of remuneration that could be received by each executive director in accordance with the Directors' Remuneration Policy at different levels of performance.









Note: The bonuses for Directors are uncapped and directly related to profits. The charts above illustrate the level of remuneration based on the level of profit as at 31 March 2023 and an increase in profit of 50% from this level.

These bonuses are not impacted by an increase in the share price.

Statement of implementation of remuneration policy in the following financial year

There has been no change to the Directors' remuneration policy during the year ended 31 March 2023.

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 in line with those of employees. The last review was undertaken during 2022 and the Directors received pay increases and bonuses in line with other employees of the Group. The Committee considers that improved performance should be recognised by achievement of performance bonuses. Whilst no absolute maximum is prescribed, increases will take account of other salary increases across the Group. However, in certain circumstances, including changing roles and responsibilities, market levels and individual and group performance, the committee will have discretion to award larger increases.

Pensions

Pension contributions for Executive Directors are broadly in line with other employees. Contracts for Ms Clark and Mr Stevens include contributions to an auto-enrolment pension and fixed defined contributions to Company pension schemes. Pension contributions for the year ended 31 March 2023 were as follows; Ms Clark £6,000 and Mr Stevens £9,000.

Supplementary material

continued

Directors' performance bonuses

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

Both Mr McIlroy and Mr Johnson have contracts which provide for bonuses should the Group achieve profitability, and Mr McIlroy's also provides for a bonus should a complete or partial sale of the Group's toiletries business be achieved. The profit criterion was met in 2023, and as a consequence, provision for payment of the profit-related performance bonus has been made in the financial statements, and will be paid as required by the contracts within one month of the approval and publication of these financial statements.

The contract for Mr McIlroy's services as a Director provides for a bonus to be paid after the deduction of tax and National Insurance by the Company to Oratorio Developments Ltd in respect of the Group's net profits before tax at the rate of 12.5% in respect of net profits up to £50,000, 7.5% of net profits between £50,001 and £100,000, and 5% of net profits in excess of £100,000. During the year, a bonus of £45,000 was payable for Mr McIlroy. During the previous year a bonus of £177,000 was payable to Mr McIlroy. He chose to waive £106,000 (60%) of his bonus for the year ended 31 March 2022. 40% was waived to allow for employee bonuses and 20% was fully waived for the year ended 31 March 2022.

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

The contract for Mr Johnson's services as a Managing Director provides for a performance bonus to be paid after the deduction of tax and National Insurance by the Company to Carty Johnson Limited in respect of the Group's net profits before tax at the rate of 12.5% in respect of net profits up to £50,000, 7.5% of net profits between £50,001 and £100,000, and 5% of net profits in excess of £100,000. During the year, a bonus of £45,000 was payable for Mr Johnson. During the previous year, a bonus of £177,000 was payable to Mr Johnson. Mr Johnson waived £106,000 (60%) of his bonus for the year ended 31 March 2022. 40% was waived to allow for employee bonuses and 20% was fully waived for the year ended 31 March 2022.

Supplementary material

continued

The contracts for Ms Clark and Mr Stevens include a Group bonus scheme, where employees are entitled to a bonus of 7.5% of basic pay if the Group hits the profit target for the period and additional payments of up to 14% of earnings (10% for other employees) in relation to key performance indicator targets which were partially achieved during the year. No bonus was payable to either Ms Clark and Mr Stevens in respect of the year ended 31 March 2023 (2022: Ms Clark £3,000 and Mr Stevens £3,000).

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

Share option schemes

The policy of the Company is to grant share options to all employees including both Executive and Non-executive Directors as a further incentive to align with the interests of shareholders. Options are granted periodically at the discretion of the Board and on approval by the Remuneration Committee to Directors and certain key employees who in the opinion of the Board are in a position to contribute to the long-term growth of the business.

Options will normally be granted at market value on the date of grant with a vesting period of three years. However the options may be granted at a discount to the market value upon approval by the Remuneration Committee.

Recruitment

On appointment or promotion, base salary levels will be set taking into account a range of factors including market levels, experience, internal relativities and cost. If an individual is appointed on a base salary below the desired market positioning, the Committee retains the discretion to re-align the base salary, contingent on individual performance, which may result in a higher rate of annualised increase above ordinary levels.

Loss of office

Any loss of office payment will be approved by the Remuneration Committee. Any payment will be made at discretion and on a case-by-case basis. Any payments made beyond contractual and statutory obligations would be exceptional in nature either due to additional obligations taken on by the departing Director or due to specific circumstance and always benchmarked against market practice.

Supplementary material

continued

Service contracts

Name of Director	Date of service contract	Date contract last amended	Notice periods
WO McIlroy (chairman's contract)	6 Feb 2003	1 Apr 2023	12 months
WO McIlroy (Director's contract with employer)	16 Jan 2002	1 Apr 2023	12 months
BJM Johnson (Director's contract)	16 Jan 2002	1 Apr 2023	12 months
BJM Johnson (manager's contract with employer)	16 Jan 2002	1 Apr 2023	12 months
NDJ O'Shea (non-executive)	5 Jul 2001	1 Apr 2023	3 months
WT Glencross (non-executive)	31 Jul 2005	1 Apr 2023	3 months
P Clark (Deputy Managing Director)	9 Feb 2015	1 Apr 2023	3 months
M Stevens (Deputy Managing Director)	9 Feb 2015	1 Apr 2023	3 months
P Forster (non-executive from 1 April 2021)	1 Apr 2021	1 Apr 2023	3 months

All contracts were revised on 1 April 2023 to reflect current legislation and salaries.

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.

Supplementary material

continued

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

Approval

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

The Directors' Remuneration Report was approved by the Board of Directors on 06 July 2023 and signed on its behalf by:

Mr Nicholas O'Shea
Remuneration Committee

Supplementary material

continued

Consolidated income statement

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Revenue	**58,567**	61,157
Cost of sales	**(34,219)**	(35,001)
Gross profit	**24,348**	26,156
Distribution costs	**(3,902)**	(3,535)
Administrative expenses	**(18,862)**	(18,256)
Exceptional items – Redundancy costs	**(165)**	–
Operating profit	**1,419**	4,365
Exceptional items – Acquisition costs	**(312)**	(602)
Finance costs	**(420)**	(308)
Profit before tax	**687**	3,455
Taxation	**(173)**	(345)
Profit for the year from operations attributable to the equity shareholders	**514**	3,110

Supplementary material

continued

Consolidated statement of comprehensive income

	Year ended 31 March 2023 £000	**Year ended 31 March 2022 £000**
Profit for the year	**514**	3,110
Items that may be subsequently reclassified to profit and loss:		
Exchange differences on translating foreign operations	**(9)**	(7)
Other comprehensive income for the year	**(9)**	(7)
Total comprehensive income for the year attributable to the equity shareholders	**505**	3,103

Dividends

	Year ended 31 March 2023 £000	**Year ended 31 March 2022 £000**
Final dividend paid – £Nil (2022: 0.50p) per share	**–**	324
Interim dividend paid – £Nil (2022: 0.15p) per share	**–**	104
Total dividend paid in year – £Nil (2022: 0.65p) per share	**–**	428
Proposed – £Nil (2022: Nil) per share	**–**	–

Earnings per share

	Year ended 31 March 2023	**Year ended 31 March 2022**
Basic	**0.74p**	4.62p
Diluted	**0.65p**	3.98p

Supplementary material

continued

Consolidated balance sheet

	31 March 2022 £000	31 March 2021 £000
Non-current assets		
Goodwill	**2,857**	2,853
Other intangible assets	**10,894**	10,867
Property, plant and equipment	**5,890**	6,065
Right-of-use assets	**1,285**	1,120
	20,926	20,905
Current assets		
Inventories	**10,228**	12,479
Trade and other receivables	**12,733**	13,624
Cash and cash equivalents	**1,653**	840
	24,614	26,943
Total assets	**45,540**	47,848
Current liabilities		
Trade and other payables	**9,836**	10,127
Corporation tax payable	**3**	–
Lease liabilities	**373**	303
Borrowings	**2,502**	2,663
Deferred and contingent consideration	**–**	1,187
	12,714	14,280
Net current assets	**11,900**	12,663

Supplementary material
continued

Consolidated balance sheet
continued

	31 March 2023 £000	31 March 2022 £000
Non-current liabilities		
Deferred tax liability	**2,942**	2,640
Lease liabilities	**917**	864
Borrowings	**3,488**	4,386
	7,347	7,890
Total liabilities	**20,061**	22,170
Net assets	**25,479**	25,678
Equity		
Share capital	**700**	697
Share premium account	**2,022**	1,951
Merger reserve	**2,476**	2,476
Treasury shares	**(576)**	-
Other reserves	**(211)**	(211)
Translation reserve	**14**	23
Retained earnings	**21,054**	20,742
Total equity attributable to the equity shareholders of the parent Company	**25,479**	25,678

These financial statements were approved by the board of directors and authorised for issue on 6 July 2023. They were signed on its behalf by:

Bernard Johnson
Managing Director

Supplementary material

continued

Consolidated statement of changes in equity

	Share capital £000	Share premium account £000	Merger reserve £000	Treasury Shares £000	Other reserves £000	Translation reserve £000	Retained earnings £000	Total equity £000
At 1 April 2021	648	1,410	–	–	25	30	17,973	20,086
Comprehensive income for the year								
Profit for the year	–	–	–	–	–	–	3,110	3,110
Exchange differences on translation of foreign operations	–	–	–	–	–	**(7)**	**–**	(7)
Total comprehensive income for the year	–	–	–	–	–	**(7)**	**3,110**	3,103
Contributions by and distributions to owners								
Exercise of options	23	541	–	–	–	–	–	564
Shares issued on acquisitions	26	–	2,476	–	–	–	–	2,502
Purchase of own shares by EBT	–	–	–	–	(236)	–	–	(236)
Share-based payment charge	–	–	–	–	–	–	330	330
Deferred tax through Equity	–	–	–	–	–	–	(243)	(243)
Dividends	–	–	–	–	–	–	(428)	(428)
Total contributions by and distributions to owners	**49**	**541**	**2,476**	**–**	**(236)**	**–**	**(341)**	**2,489**
At 31 March 2022	**697**	**1,951**	**2,476**	**–**	**(211)**	**23**	**20,742**	**25,678**
Comprehensive income for the year								
Profit for the year	–	–	–	–	–	–	514	514
Exchange differences on translation of foreign operations	–	–	–	–	–	(9)	–	(9)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**(9)**	**514**	**505**
Contributions by and distributions to owners								

Supplementary material
continued

Consolidated statement of changes in equity
continued

	Share capital £000	Share premium account £000	Merger reserve £000	Treasury Shares £000	Other reserves £000	Translation reserve £000	Retained earnings £000	Total equity £000
Exercise of options	3	71	–	–	–	–	–	74
Purchase of own shares	–	–	–	(576)	–	–	–	(576)
Share-based payment charge	–	–	–	–	–	–	101	101
Deferred tax through Equity	–	–	–	–	–	–	(303)	(303)
Total contributions by and distributions to owners	**3**	**71**	**–**	**(576)**	**–**	**–**	**(202)**	**(704)**
At 31 March 2023	**700**	**2,022**	**2,476**	**(576)**	**(211)**	**14**	**21,054**	**25,479**

Supplementary material

continued

Consolidated cash flow statement

	Year ended 31 March 2023 £000	Year ended 31 March 2022 £000
Profit from operations	**1,419**	4,365
Adjustments for:		
Depreciation on property, plant and equipment	**1,000**	888
Depreciation on right of use assets	**294**	256
Amortisation of intangible assets	**288**	435
Loss/(Profit) on disposal of Right of Use assets	**34**	(10)
Share based payment charge	**101**	330
	3,136	6,264
Decrease/(increase) in inventories	**2,250**	(2,515)
Decrease/(increase) in trade and other receivables	**776**	(1,820)
(Decrease)/increase in trade and other payables	**(288)**	59
Cash generated from operations	**5,874**	1,988
Taxation paid	**(62)**	(575)
Net cash generated from operating activities	**5,812**	1,413
Investing activities		
Purchase of property, plant and equipment	**(825)**	(1,106)
Purchase of right-of-use assets	**–**	(286)
Proceeds from sale and lease back	**–**	264
Purchase of intangible assets	**(315)**	(338)
Acquisition of Brodie & Stone	**(75)**	(3,507)
Acquisition of Emma Hardie	**(1,424)**	(2,775)
Exceptional costs in relation to acquisitions	**–**	(343)
Net cash used in investing activities	**(2,639)**	(8,091)

Supplementary material
continued

Consolidated cash flow statement
continued

	Year ended 31 March 2023 £000	Year ended 31 March 2023 £000
Financing activities		
Proceeds on issue of shares	**74**	564
Cancellation of leases	**(35)**	–
Principal paid on lease liabilities	**(436)**	(240)
Interest on lease liabilities	**–**	(117)
Interest paid on mortgage loan	**–**	(83)
Interest paid on overdrafts	**–**	(108)
Increase in invoice financing facilities	**290**	1,267
(Decrease)/increase of borrowings	**(600)**	495
Draw down of loan facility	**–**	3,000
Repayment on term loan	**(816)**	(314)
Repayment on mortgage loan facility	**(252)**	(169)
Dividends paid to owners of the parent	**–**	(428)
Purchase of own shares via EBT	**–**	(236)
Purchase of shares - Share buy back	**(576)**	–
Repayment of debt – Emma Hardie	**–**	(2,201)
Repayment of debt – Brodie & Stone	**–**	(463)
Net cash generated from/(used in) financing activities	**(2,351)**	967
Net increase in cash and cash equivalents	**822**	(5,711)
Cash and cash equivalents at start of year	**840**	6,558
Effect of foreign exchange rate changes	**(9)**	(7)
Cash and cash equivalents at end of year	**1,653**	840

Notice of meeting

We encourage shareholders to exercise their voting rights in relation to the resolutions set out in the Notice (the "Resolutions") by appointing a proxy using one of the methods set out in the notes to the Notice. A form of proxy is enclosed with the Notice.

The Company will also continue to welcome questions from shareholders on the business of the AGM, or any other matters relating to the Company, which should be submitted by e-mail to cosec@creightons.com by 12:00 noon on 11 September 2023. Questions should include: the shareholder's full name, number of shares held and telephone contact details. Responses will be given at the meeting and either by e-mail or by publication on the Company's website at the appropriate time.

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 13 September 2023 at 12:00 noon in order to consider and, if thought fit, pass the following resolutions

1. To receive and consider the Group's financial statements and reports of the directors and auditor for the year ended 31 March 2023.

2. To receive and approve the directors' remuneration report for the year ended 31 March 2023.

3. To approve the directors' remuneration policy as detailed in pages 58 to 64 of the directors' remuneration report.

4. To re-appoint Mazars LLP as auditors and to authorise the directors to determine their remuneration.

5. As an ordinary resolution:-

   "That, in terms of Article 6 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 £233,431.94 (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 the 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."

Notice of meeting

continued

6. As a special resolution:-

"That, without prejudice to any existing powers in terms of Article 6 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 7 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 £35,014.79 (representing approximately 5% of the current issued ordinary share capital);

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."

7. 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:

Notice of meeting

continued

(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 3,501,479 Ordinary Shares (representing 5% of the company's issued share capital as at 19 July 2023; 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."

By order of the board

Mr Bernard Johnson
Managing Director

1210 Lincoln Road
Peterborough PE4 6ND
6 July 2023

Notice of meeting

continued

Notice of Meeting Notes:

The following notes explain your general rights as a shareholder and your right to attend and vote at this Meeting or to appoint someone else to vote on your behalf.

1. To be entitled to attend and vote at the Meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 11 August 2023. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the Meeting.

2. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the Meeting. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.

3. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).

4. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

5. You can vote either:

   - by logging on to www.signalshares.com and following the instructions;

   - You may request a hard copy form of proxy directly from the registrars, Link Group, on Tel: 0371 664 0300. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 09:00 – 17:30, Monday to Friday excluding public holidays in England and Wales.

Notice of meeting

continued

- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.

In order for a proxy appointment to be valid a form of proxy must be completed. In each case the form of proxy must be received by Link Group at PXS1, Central Square, 29 Wellington Street, Leeds LS1 4DL by 12 pm on 11 September 2023.

6. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.

7. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12 noon on 11 September 2023 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.'

8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Meeting (and any adjournment of the Meeting) by using the procedures described in the CREST Manual (available from www.euroclear.com/site/public/EUI). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

9. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID RA10) by 12 pm on 11 September 2023. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from

Notice of meeting

continued

which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

10. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

11. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.

12. As at 11 August 2023 (being the latest practicable business day prior to the publication of this Notice), the Company's ordinary issued share capital consists of 68,435,383 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 11 August 2023 are 68,435,383.

13. Under Section 527 of the Companies Act 2006, shareholders meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's financial statements (including the Auditor's Report and the conduct of the audit) that are to be laid before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial statements and reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the shareholders propose to raise at the relevant meeting. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527

Notice of meeting

continued

of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting for the relevant financial year includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

14. Any shareholder attending the Meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the Meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the Meeting that the question be answered.

15. The following documents are available for inspection during normal business hours at the registered office of the Company on any business day from the date of this Notice until the time of the Meeting and may also be inspected at the Meeting venue, as specified in this Notice, from 9:00am on the day of the Meeting until the conclusion of the Meeting:

Copies of the Directors' letters of appointment or service contracts.

16. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in either this Notice or any related documents (including the form of proxy) to communicate with the Company for any purposes other than those expressly stated. A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found on the Company's website 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*
Nicholas DJ O'Shea	*Non-executive Director*
Philippa Clark	*Deputy Managing Director*
Martin Stevens	*Deputy Managing Director*
Paul Forster	*Non-executive Director*

Company Secretary

Saxon Coast Consultants Ltd

Registered Office and number

1210 Lincoln Road
Peterborough
PE4 6ND
Registered in England & Wales No 01227964

Registrars

Shareholder information

Link Group 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

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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 Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.