

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("MAR"), and is disclosed in accordance with the company's obligations under Article 17 of MAR. Upon the publication of this announcement via regulatory news service this inside information is now considered to be in the public domain.

Creightons plc

Audited results for the year ended 31 March 2025 and Notice of Annual General Meeting

Creightons plc ("Creightons", the "Company" or the "Group"), the British-based beauty and well-being brand owner and manufacturer, is pleased to announce its audited results for the year ended 31 March 2025 ("FY25").

Financial highlights

- Revenue increased by £0.9m (1.6%) to £54.1m (2024: £53.2m), driven by private label sales growth
 - Private label £29.2m (2024: £23.8m)
 - Branded products £18.2m (2024: £21.0m)
 - Contract manufacturing £6.7m (2024: £8.4m)
- Gross profit increased by £1.3m (5.8%) with gross profit margin up 180 bps to 44.7% (2024: 42.9%)
- EBITDA¹ increased by 57.9% to £5.1m (2024: £3.2m)
- Operating profit (before exceptional items) increased by £2.0m (129.6%) to £3.5m (2024: £1.5m)
- Profit after tax increased to £2.5m (2024: loss of £3.5m – includes impairment of £4.4m) driven by higher revenue, improved gross profit margins, in particular due to cost mitigation measures, labour shift rationalisation and manufacturing efficiencies, and also reduced distribution costs
- Adjusted diluted earnings per share excluding exceptional items, was positive 3.29p (2024: 1.42p)
- Net cash on hand² is positive £3.0m (2024: positive £2.2m).
- Proposed final dividend of 0.50 pence per ordinary share for FY25 (2024: 0.45p)

¹Earnings before interest, tax, depreciation and amortisation, excludes impairment of £4.4m in 2024

²Cash and cash equivalents less short-term element of obligations under finance leases and borrowings

Operational highlights

Creightons transitioned to AIM on 31 March 2025 primarily to reduce the costs of compliance and provide greater flexibility in regulatory requirements, enabling management faster decision-making and to focus more on growth opportunities.

During FY25, Creightons has successfully continued to implement remedial measures to restore profitability, reduce costs and generate positive cash flows, with actions including:

- Improved gross profit margin particularly through continuous price monitoring of suppliers, along with gains in labour and manufacturing efficiencies.
- Cost rationalisation to ensure administrative expenses remained comparable to prior year at £17.9m (2024: £17.8m).
- Increased efficiency and capacity in factories to maximise benefit of single shift work across sites
- Warehousing, picking and packing and logistics relocated back to Peterborough, resulting in 20.8% decrease in distribution costs to £2.8m (2024: £3.5m).
- Maintaining inventory levels, against a prior year reduction of £2.0m.

- Inventory levels increased to £8.9m (2024: £8.2m) in line with revenue growth, supporting continued sales momentum and ensuring product availability to meet customer demand
- Targeted capital expenditure, enhancing operational efficiencies and supporting scalable growth, including investment in upgrading operational infrastructure

Posting of the Annual Report and Accounts and Notice of Annual General Meeting (“AGM”)

The Company’s annual report and financial statements for FY25, together with its Notice of its 2025 AGM are now available on the Company’s website at: <https://creightonsplc.com/investors/shareholder-documents/>

Copies will be posted later today to those shareholders who have elected to receive hard copies.

The AGM is to be held at the Company’s registered office, Potter & Moore Innovations Ltd, 1210 Lincoln Road, Peterborough, PE4 6ND on 28 August 2025 at 11:00 a.m.

For enquiries, please contact:

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| Paul Forster, Chairman | | |
| Philippa Clark, CEO | | |

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|---|------------------|
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| David Foreman / Ed Beddows (Investment Banking) | |
| Nick Searle (Sales) | |

Chairman’s statement

I am pleased to present our Annual Report for the year to 31 March 2025. Significant progress has been made in repositioning the business and establishing a strong foundation to support sustained performance improvements and long-term value creation for our stakeholders.

Philippa Clark and her team have continued to implement the turnaround plan which has resulted in the material improvement in operating results for the year ended 31 March 2025. I am encouraged by improvements across all key metrics, with revenue, gross margins, operating profit, profit margins, and earnings per share all trending positively.

Revenue has grown despite a difficult market environment, where challenges faced by certain customers have had an adverse effect on overall revenue performance. In addition, a competitive market for high-quality sales and marketing personnel resulted in redirecting resources to capitalise on immediate opportunities with existing customers. This highlights the strength of our multi sales stream approach where resources were directed to maximise the opportunities arising in a fast-changing retail environment.

Results and performance

In the year ended 31 March 2025 (FY 2025) revenue increased by 1.6% to £54.1m. This growth came from our private label revenue stream which more than offset falls in our branded and contract revenue streams.

The focus;

- to improve margins, though a combination of price repositioning, cost reduction and labour productivity has proved successful with gross profit margins improving by 5.8% to £24.2m and gross profit margin percentage by 180 bps to 44.7% and,
- on cost control resulting in distribution costs reducing by £0.7m (20.8%) to £2.8m and administration costs remaining in line with last year.

The result is a £2.0m (129.6%) improvement in operating profit before exceptional items to £3.5m. The operating profit before exceptional costs as a percentage of revenue has improved by 360 bps to 6.5%.

The Group has continued to generate significant cash from operations, although the planned increased investment in inventories to optimise customer service levels utilised £0.6m of working capital. The positive cash generation allowed the Group to repay all of the outstanding long term loan of £0.5m and fund a £0.3m dividend payment. Net cash on hand (cash and cash equivalents less short-term borrowing and lease liabilities) improved by £0.8m to £3.0m.

Board of Directors and Corporate Governance

Creightons plc successfully transferred its listing from the main market to AIM on 31 March 2025 following the EGM on 31 March 2025 at which 99.85% of the shareholders voting, voted in favour of the move. The Board believe that this transfer will be in the long-term interest of all stakeholders. Following the move to AIM the Group has adopted the QCA Corporate Governance Code with effect from 01 April 2025. This Annual Report will be the last report under the UK Corporate Governance Code.

The Group appointed Zeus as its Nominated Advisor (NOMAD) and broker following the move to AIM. I would like to thank the team at Beaumont Cornish, our long-standing Sponsor on the Main Market, for their valuable partnership and the excellent support and guidance they have provided, particularly throughout the transition period.

The Board has evolved over the past year as we move towards one that is aligned with the requirements of the AIM market and the QCA Corporate Governance Code.

- Mr William McIlroy, who had served as a director of the Company since 1999 as well as Executive Chairman and Chief Executive Officer, resigned in order to devote more time to his family on 10 December 2024. I would like to re-iterate my sentiments made at the time and thank him for his steadfast support and contribution to the Company over the years.
- Mr Paul Watts was appointed as an Independent Non-Executive Director on 29 January 2025. I am positive that his experience and expertise as a senior capital and assurance partner at RSM and as a director of the Quoted Companies Alliance will be a great asset to the Board. Paul immediately joined our Audit and Risk Committee (as Chair) and Remuneration Committee.
- Mrs Jemima Bird was appointed as an Independent Non-Executive Director on 31 March 2025. Jemima's marketing experience and expertise in Independent NED roles will benefit the Board and the future development of the Company. Jemima immediately joined the Remuneration Committee (as Chair) and Audit and Risk Committee.
- Mr Qadeer Mohammed was appointed Chief Financial Officer on 1 May 2025. Qadeer has worked as the senior financial executive for two years developing a close working relationship with Philippa as Chief Executive Officer (CEO). He has proven he has the skills and attributes to contribute to the continued strategic and operational development of our business.

In addition, One Advisory were appointed as our Company Secretary replacing Saxon Coast Consulting on 4 December 2024.

The move to AIM and the adoption of the QCA Corporate Governance Code was the catalyst for a wholesale review of our corporate governance practices. Principal amongst these changes were:

- Revised Statement of Matters Reserved for the Board.
- Updated terms of reference for the Audit and Risk Committee with the membership consisting of two Independent NED's and one non-independent NED.
- Updated terms of reference for the Remuneration Committee with the membership consisting of two Independent NED's and one non-independent NED.

These policies can be reviewed on our updated corporate website www.creightonsplc.com.

The Board will propose a resolution to amend the Articles of Association at the forthcoming Annual General Meeting. This amendment will the allow General Meetings, other than the Annual General Meeting, to be held following 14 days' notice and allow the Board of Directors to change the Company name, following the passing of a Board resolution where three quarters of the directors present vote in favour

Strategic development

The Board has recently undertaken a review of strategy concentrating on how to build on the company's key strengths and accelerate revenue growth to deliver continued improvements in return for shareholders whilst protecting the interests of all stakeholders.

The key outcomes from this strategy are that the Group will:

- Concentrate resources on developing existing business and will only consider acquisition opportunities if the opportunity offers significant immediate benefit to stakeholders.
- Allocate additional resources to a team dedicated to developing the timely launch of 'fast follow' products and better capture market opportunities. This new multi-disciplinary team will develop and launch product at speed to meet fast-emerging market trends. The products could be sold under our own brands, as private label, or retailer specific brands. Existing revenue streams will remain fully resourced to ensure there is no negative impact on the remaining business.
- Invest resources in sourcing finished products on a global basis to increase our capability to supply complementary product that cannot be manufactured cost effectively in house.
- Increase targeted marketing investment and retailer support on its core brands to accelerate revenue growth by increasing repeatable sales volumes with existing customers and support new listings. This spend will be closely managed to ensure an ongoing acceptable return on the investment and will be modified to maximise profitable revenue growth
- Continue to invest in the core manufacturing of liquid products (creams, lotions, gels and detergent based) and alcohol products (perfumes, edt's and colognes), to improve output and productivity
- Refocus the digital transformation team following the successful implementation of a new warehouse management system, to a project to replace our aging main business platform with a modern alternative. The aim of the project will be to deliver operational improvements whilst securing the long-term development of a secure business system environment

Dividend

Following the re-introduction of the dividend last year and in line with a policy of paying a progressive, sustainable dividend which is supported by profits and cash generation, the board has decided to recommend to shareholders a dividend to 0.50 pence per share (2024: 0.45p). This represents a 11.1% increase on last year.

The Company is pleased to confirm its provisional dividend timetable, subject to the successful passing of certain resolutions at its AGM:

- Ex-Dividend Date: 24 July 2025
- Record Date: 25 July 2025
- Payment Date: 11 September 2025

Summary and Outlook

I am pleased with the results for the year with the Executive team delivering on the goals of returning the Group to pre-covid levels of profitability and to delivering revenue growth. This puts the Group in a very strong position to move forward.

The next year will not be without its challenges largely a result of factors outside the Group's control. The key factors being:

- Managing the impact of the increase in employers' national insurance and the national minimum wage, together with associated pay increases to maintain pay differentials will cost the Group £0.9m. Our customers are facing similar challenges therefore, it is proving difficult to raise sales prices in the current market environment to offset these rising employment costs. The project to improve performance to alleviate the impact is ongoing.
- Customer credit risks. The Group is prioritising trading with resilient customers in today's tough market, while approaching others more cautiously as their future potential is assessed. The Executive team is closely monitoring risk and return.
- The impact of increased US tariffs on our direct and indirect sales to US customers, which approximate to £0.4m of revenue, will not be material. The Group will carefully monitor the knock-on impact of the

tariff situation, particularly regarding product diverted to the UK, and use our new Far East sourcing team to take advantage of opportunities to increase revenue and reduce costs.

Whilst there are significant challenges, the Group is in an excellent position to manage the downside risks and take advantages of any opportunities. The proposed investment in sales, marketing, product sourcing and development will ensure the Group can take advantage of more opportunities over the coming year. The Board will continue to work closely with the Executive team to deliver and revise the strategy to grow revenue and profits.

Finally, I would like to thank all our employees, customers and suppliers who have been instrumental in the continued success of the Group.

Chief Executive's Statement

Driving Performance, Creating Value

I am pleased to report that the Group has achieved a strong operating performance in the year. Group revenue increased by 1.6% to £54.1m (2024: £53.2m), a gross margin of 44.7% (2024: 42.9%), resulting in £2.3m increase in adjusted profit before tax (adjusted for exceptional items) of 194.1% to £3.5m (2024: £1.2m).

The results represent the key objectives of continuing to focus on strong business fundamentals and returning the Group to growth. This is despite market conditions remaining challenging with ongoing dampened consumer confidence, increasing costs and the headwinds of external economic factors.

Key achievements have been made in margins, continued cost control, positive cash generation and notably revenue improvement. This demonstrates the ongoing efforts to ensure the Group continues to deliver a sustainable, performance focused business.

FY25 has been a year of disciplined performance, delivering increased value, improving operational efficiency, investing in our people, and refining the strategic plan and priorities to support long-term, sustainable growth. Ongoing investment in the areas that differentiate us; research and development, market and product expertise, and talent development continues to strengthen our core business, securing the foundation for future innovation and value creation across all stakeholder groups.

We have demonstrated the ability to deliver results in an increasingly fast-paced and competitive sector, where flexibility and adaptability are essential. The capacity to respond to market dynamics while maintaining high standards of execution remains a key strength. Our diversified yet complementary revenue streams continue to serve the business well in navigating the ongoing challenges of both UK and global retail environments. Looking ahead, the focus remains on broadening these streams further to reinforce and enhance the resilience of the business.

Revenue stream performance

Private Label

Private label sales delivered the strongest revenue growth across all channels, increasing by 22.9% to £29.2 million (2024: £23.7 million). Creightons remains a leading private label supplier in the UK, underpinned by deep category and market knowledge, end-to-end product development capabilities, manufacturing expertise, and consistent delivery of high-quality products.

Private label continues to be both margin-enhancing and brand-strengthening for retailers, while offering consumers a compelling value proposition. As a result, it remains a strategic priority for major UK retailers, particularly in the current economic climate where value, quality, and differentiation are paramount.

Beyond category expertise, formulation aesthetics, including texture innovation and on-trend packaging formats, have become increasingly important in winning new business and retaining customer loyalty. Creightons continues to lead by excelling across all these dimensions, supported by strong performance in inventory management, forecasting, service levels, cost control, product quality, and technical compliance.

This year's growth was further supported by the addition of two key UK retailers to our private label customer base. These new partnerships are already proving to be positive contributors in terms of both margin and volume.

Margin performance in the private label channel remains strong, driven by continuous product cost engineering and ongoing improvements in sourcing, procurement, and manufacturing efficiencies.

Brands

Overall Brands have seen a reduction of sales revenue 13.5% to £18.2m (2024: £21.0m).

The process of reducing and repositioning the branded portfolio by phasing out underperforming brands and products has continued into this year, primarily affecting the UK discount channel and select international markets. Although new pricing strategies, product launches, and new product development (NPD) have been introduced, the full benefits have yet to materialise due to the timing of retailer launch windows and the inherent lead times associated with bringing new products to market.

Additionally, a comprehensive review of trading partners across several international markets has been undertaken. This has necessitated a temporary reduction in sales as we strategically reposition our brands and concentrate on market opportunities with greater long-term growth potential.

Despite the overall sales reduction, there have been encouraging gains with our priority 'must-win' brands through targeted investments and partnerships:

- **Feather & Down** is benefiting from its strategic partnership with Boots in the UK, which will result in increased shelf space, expanded store presence, and the launch of a new product range in Summer 2025. The brand has also successfully entered its first international market, securing listings with several retailers in the UAE.
- **TZone** continues to expand its footprint in the UK, achieving additional store placements and listings, with plans already confirmed for its first international market entries in FY25.
- **The Curl Company** has gained significant traction across three priority international markets, with expanded product listings and extended store distribution.
- A comprehensive relaunch of **Creightons Haircare** in Q4 in the UK, aimed at improving margins and strengthening its retail market position.

The strategic refocus of the Emma Hardie brand over the past year has led to a modest revenue decline of £0.2m, totalling £3.0m for the period (2024: £3.2m). However, the brand has achieved a positive and profitable contribution to the Group for the first time since its acquisition. This milestone was reached despite the commencement of investment in the Chinese market during Q4, ahead of anticipated sales return in FY2026. Additionally, increased investment in digital sales during the period has begun to yield growth in this channel, with an increase of 7%. Continued emphasis on entering the travel retail sector and planned new product launches in Summer 2025 are expected to provide a platform for growth throughout FY2026 and beyond.

Contract Manufacturing

The 20.3% decline in revenue to £6.7m for the period (2024: £8.4m) reflects ongoing uncertainties surrounding the performance of several brands manufactured by the Group, including the discontinuation of one sizeable brand by its owner. This particular revenue stream is not currently a strategic priority for the business. As such, we will continue to review existing customer relationships to ensure they contribute positively to the Group's overall margin and profitability.

Digital and Social (Brands)

The digital channel remains a strategic priority for a number of brands in the beauty marketplace, and notably for Emma Hardie on its own .com. (www.emmahardie.com). Throughout the year, we have continued to strengthen our presence across digital and social platforms, resulting in an overall increase in digital channel sales of 7%.

This growth has been driven primarily by the Feather & Down and Emma Hardie brands, whose pricing strategies are well aligned with digital consumer expectations while also delivering commercially for the business. Digital sales now account for 60% and 66% of total brand sales for Feather & Down and Emma Hardie respectively, up from 48% and 52% in the prior fiscal year. This includes performance across Amazon,

beauty-focused e-commerce platforms, traditional retail .com sites, and the brands' own direct-to-consumer websites.

The higher-margin profile of digital sales makes this a core area of focus for ongoing investment. We continue to allocate resources across the team, marketing spend, and social commerce agencies to further support brand building and commercial growth in this channel.

In line with our strategy, Amazon platforms in the UK and Germany, along with TikTok Shop, remain in the early stages of development. We are currently applying a test-and-learn approach to understand the unique dynamics and consumer behaviours within these channels and markets. The extension of product and brand listings on additional marketplaces moving forward are also a key objective into 2026.

Research and Development

At the core of Creightons' strategy is the unwavering commitment to R&D, which remains a fundamental driver of our growth, differentiation, and long-term relevance within the beauty industry. The ability to translate consumer needs into effective and innovative solutions is central to our value proposition and continues to earn recognition from both our retail partners and end consumers.

Our R&D and product teams have been instrumental in securing many of the business wins achieved this year with existing and new Private Label retail customers. This includes expanding our skincare expertise through the development of new textures and incorporation of trending performance ingredients, entering the private label haircare market with treatment and styling products, and continually refining our SPF formulation capabilities.

R&D has also played a pivotal role in some exciting new brand developments, including the launch of a new sub-range of Feather & Down products and Emma Hardie's first NPD launch since acquisition, both scheduled for the UK market in Summer 2025. Additionally, extensions to the Balance Active Formula and TZone skincare brands have introduced novel textures and product formats, helping us maintain a competitive edge in the fast-evolving mass skincare category.

Operationally, the R&D team undertakes several critical functions essential to the successful delivery of new products to market. These activities demand substantial laboratory time and resources and include:

- Addressing the challenges posed by rising raw material costs while maintaining product efficacy, a crucial factor in meeting the expectations of mass-market retail and consumer demands.
- Sourcing and validating new materials and ingredients to ensure quality and innovation.
- Coordinating and executing comprehensive testing protocols, including consumer trials, to guarantee product performance and safety.

Looking forward, we will maintain R&D at the heart of the business, leveraging insights, trends, and ideas to develop trusted products. The team remains focused on exploring new categories and technologies, with ongoing investments in SPF skincare, advancing skincare technologies, performance haircare (specifically styling and treatment), and fine fragrance.

Manufacturing and Operations

Manufacturing and operations functions remain fundamental pillars in delivering Creightons' core values of Quality, Innovation and Service to our customers and partners. In a highly competitive and rapidly evolving beauty industry, agility and reliability in manufacturing are critical to our continued success.

During this trading period, several key initiatives have driven progress:

- Launching a comprehensive digital transformation program to leverage technology and enhance daily operational efficiency – including automated document management, trialling a paperless management system on the production floor (full roll out to each production line on both sites planned Q2 FY2026), a new formulation management system.
- Implementing a Warehouse Management System (WMS). A timely and necessary investment designed to significantly improve supply chain efficiencies.
- Making targeted investments in manufacturing machinery to expand both our capabilities and production capacity, supporting future growth.

- Focusing on workforce development through enhanced training programs and progression incentives to build a skilled and motivated team.

The relentless focus of our teams on improving manufacturing efficiencies has enabled us to maintain production targets with a single shift, while adopting a flexible approach to scaling labour as needed. This adaptability ensures our operations remain agile and responsive to changing demands.

Cost efficiency remains at the heart of all manufacturing and operational activities. Maximising labour productivity at every stage of the process is essential to stay competitive amid rising labour costs.

Following the repatriation of the majority of our inventory in-house last year, the investment in the Warehouse Management System was critical to controlling overheads, improving speed and accuracy, maximising storage utilisation, and facilitating scalable growth. Thanks to the dedication of our team, we have accelerated the implementation timeline, with the system going live in June 2025. We anticipate realising operational benefits from the second half of the fiscal year onward.

Procurement savings continue to be a priority, with smart buying aligned to inventory holding objectives and a persistent focus on sourcing cost-effective raw materials and packaging. These ongoing efforts are vital given the fast-paced nature of the beauty sector.

Continuous improvement in manufacturing and broader operations is embedded in our business culture to ensure we remain competitive and relevant in an ever-changing market.

The Future and Our Strategy

The board has implemented an annual review process of current year strategic objectives and its three-year strategic pillars. The plan was reviewed in March 2025, driving key activities and objectives for the coming year and beyond to drive shareholder value through revenue growth, profit before tax (PBT) and diluted earnings per share.

A continual review of the market, our customers strategies, category and product opportunities coupled with our experience and knowledge is undertaken throughout the year in order to ensure that our key strategic objectives are relevant and achievable. These are reviewed and monitored with the main board and senior team to ensure consistency in approach. The goal is to deliver a consistent, stable business that delivers increasing value for all stakeholders.

Overall, the strategy of pursuing a multi-revenue stream, multi-channel approach to the market and with a broad multi-category product offering continues to serve us well, enabling the business to meet the varying demands of customers and consumers.

1. Build Brands

Focus on building ‘must win’ brands

- Expand UK distribution footprint – there are additional distribution gains to be had.
- Invest in additional sales resource to grow and expand international markets.
- Fill the ‘white space’ where possible, ensure propositions are clear and represent clear customer need states.
- Increase marketing spend on ‘must win’ brands with a focus on increasing brand awareness in all channels to fuel brand growth.

Expand with New Brands – Developed or Acquired

- Develop in-house where possible to add maximum stakeholder value.
- Acquire where the fit is right and adds to the Group’s total Brand portfolio and delivers additional business value.

Create a Fast Follow Brand/Product Team

- Enable specific focus on delivering revenue generating opportunities on fast trend opportunities with key retailer partners.
- Invest in dedicated team within the brand team to deliver this revenue stream.

Product Diversification

- Invest in sourcing third party manufactured product to extend brand and private label offer to enhance range appeal and contribute to revenue growth.

Build on Digital Platform Brand Sales

- Ongoing development of Amazon Vendor and Amazon Seller including developing selected international markets.
- Investment into our own .com sites where the brand positioning will succeed.
- Grow relationships with key pure beauty players where the brand fit makes sense.

2. Grow Private Label Share

- Retain the dominant position in UK supply.
- Focus on margin positive products.
- Work with the best in class retailers.
- Ensure Research and Development (R&D) category development drives new sales opportunities.
- Drive new Category Expertise to extend and grow supply – short term SPF, more advanced skincare and fragrance categories.
- Product Diversification – benefit from third party investment in sourcing third party manufacturer product where retailer and market opportunity exists.

3. R&D Focused Business

- Essential for growing the Private Label business by entering new product types and related categories.
- Speed to Market focus.
- Meeting and anticipating consumer needs – for both Brand and Private Label divisions.
- Remain at the cutting edge of trend, ingredients, product textures and formats.
- Evaluation of materials with low carbon footprint for more sustainable products.

4. Maintain Core Stable Foundations

- Continual review of ensuring our cost footprint fits and sales and profit profiles
- A strong value proposition for our customers and consumers
- Customer-centric focus.
- Data driven decision making throughout all core functions.
- Ensuring adaptability and invocation are in the DNA of the business.

5. Well Invested Manufacturing and Capabilities

- Output, capacity and extended capabilities focused capital investment.
- Ensure the Group's costs and asset base match demand, environmental and safety requirements.
- Digital transformation utilising IT/AI/Digital technologies to enhance productivity, data and systems management.

6. Develop Teams and People

- Structured training programmes throughout the operational functions couple with grading system for improvement and advancement.
- Apprenticeship Programme – making best use of opportunities to skill up new and aspiring talent
- Graduate Training Programme – an ongoing and successful programme for nurturing new talent across all business functions.
- Individual mentoring and external coaching for key roles and individuals to develop future leaders.

7. Deliver for Shareholders

- By aligning our people, products, and purpose with evolving market needs and global trends, we aim to outperform expectations, increase returns, and build a resilient business that thrives over time. This aim to be achieved through sustained revenue growth, operational excellence, and market responsive R+D to deliver for our customers.

Over and above the core strategic pillars there is a continued commitment to meet environmental and sustainability targets

- The business has committed to SBTi validated emissions reduction targets by 31 December 2026. Please see further detail outlined in the CRFD report of the full accounts.
- Scope 1 and 2 emissions will reduce by 42% and Scope 3 emissions by 25% by 2030.
- For FY24/25 we have seen a decrease in scope 1 and 2 emissions of 18.5% year on year and 30.8% from our base year.
- We have just completed the 11th year of holding the RSPO supply chain accreditation.
- Now sourcing 99.9% of our palm derivatives from RSPO sustainable sources.

- For FY24/25 the amount of recycled plastic in our packaging has increased to 255.8 tonnes, 23.2% of the total amount of plastic bought, an increase of 3.7%.
- We completed the climate change module for the Carbon Disclosure Project (CDP) in FY24/25 and scored a B. Please see further detail outlined in the CRFD report of the full accounts.

Summary

Whilst trading conditions remain challenging amid macroeconomic uncertainties and shifting consumer trends, the business delivered a solid financial performance. Returning to growth whilst achieving improving margins, positive cash generation and keeping costs in line with revenue is a result of the team's continued disciplined focus and clear direction.

As we look ahead, manufacturing agility and innovation are more fundamental than ever as consumers continue to demand newness and performance, trend-led product. The strategy of pursuing a multi-channel approach to the market and a broad multi-category product offering continues to serve us well during both favourable and uncertain economic times.

Looking ahead, our innovation pipeline remains a key growth driver, coupled with extending our manufacturing and sourcing capabilities in product type and format within existing and new distribution channels. These are priorities shared across all teams and are vital in achieving our overall strategic goals of revenue growth, strong financials and positive returns for shareholders.

I would like to thank all of our very dedicated teams for their continued hard work and commitment along with the ongoing support of all of our stakeholders and the Board. I am confident that with our talented teams and unwavering commitment to deliver, we are well-positioned for continued success in the evolving retail and beauty product landscape.

Financial Report

Overview of Financial performance

The Group's ongoing execution of the strategic priorities has led to improved profitability, driven by revenue growth and margin expansion across both gross and operating levels. Revenue increased by £0.9m to £54.1m (2024: £53.2m), led by private label sales growth. Gross profit margin increased by 180 bps to 44.7% from 42.9%, whilst Operating profit margin (before exceptional items) increased by 360 bps to 6.5% (2024: 2.9%). The resulting impact led to an increase in adjusted profit before tax (adjusted for exceptional items in the previous year) of 194.7% to £3.5m (2024: £1.2m). The Group remains committed and focused on delivering profitable growth, supported by continued sales momentum and expansion, operational efficiency and cash generation.

The Group continues to maintain a disciplined focus on cost rationalisation to ensure operational efficiency in line with increased activity. This approach has enabled more effective management of direct and indirect labour costs, administrative expenses, and warehousing and distribution overheads. Ongoing manufacturing efficiencies have further contributed to the effective management of both cost of sales and fixed overheads, ensuring scalable and sustainable operations. As a result of this, the operating profit before exceptional items increased by £2.0m to £3.5m (2024: £1.5m).

Despite a significant improvement in underlying operating performance, with EBITDA (before exceptional items – impairment) increasing to £5.1m (2024: £3.2m), the cash generated from operating activities decreased to £3.9m (2024: £6.1m). This decline was primarily driven by a working capital outflow of £1.2m, compared to an inflow of £2.6m in the prior year. The outflow was attributable to increases in inventory (£0.7m) and trade receivables (£1.2m), partially offset by an increase in trade payables (£0.6m). In contrast, the prior year benefited from reductions in inventory and trade receivables of £2.0m and £2.2m respectively, although trade payables decreased by £1.6m. Additionally, a £1.0m tax outflow was incurred in the current year due to the Company falling within the Quarterly Instalment Payment (QIP) regime. In the previous year, no tax payment was made as the Company benefited from an overpayment in prior periods, resulting in a payment on account that covered the tax liability.

The Group has utilised the cash to reduce its debt exposure with net gearing to negative 1.7% (2024: positive 3.5%). Net cash on hand has increased by £0.8m to positive £3.0m (2024: £2.2m).

Revenue

Overall Group sales were £54.1m for the year ended March 2025 (2024: £53.2m) representing an increase of £0.9m.

The sales generated by each revenue stream are;

| | 2025 | 2024 | Movement |
|------------------------|---------------|---------------|-------------------|
| | £000's | £000's | |
| Branded products | 18,176 | 21,020 | Decrease of 13.5% |
| Private label | 29,154 | 23,727 | Increase of 22.9% |
| Contract manufacturing | 6,720 | 8,431 | Decrease of 20.3% |
| Other | 16 | 16 | - |
| Total | 54,066 | 53,194 | Increase of 1.6% |

Please refer to the Chief Executive's statement on Revenue movements.

Gross profit margin

The ongoing challenging macroeconomic environment has led to inflationary pressures across labour, raw material (components, and commodity prices) and transport (global and domestic) costs, eroding the Group's gross profit margins. The Group implemented systems and processes to monitor Cost Price Increase ("C.P.I.") across all categories of supply. This proactive approach has enabled the Group to mitigate margin erosion through a combination of actions, including product re-engineering, reformulation, targeted price increases, and SKU rationalisation to streamline offerings and focus on higher-margin products.

Gross margin has seen an upward trend in recent years as a result of 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. Additionally, the business has reviewed its product portfolio and ensured SKU's not achieving the desired level of contribution margin were exited.

Distribution costs and Administrative expenses

Distribution costs have decreased by 20.8% to £2.8m (2024: £3.5m) despite an increase in revenue. This reflects the ongoing benefits of actions implemented in the prior year, including the decision to bring the picking and packing of finished goods in-house and exit third-party logistics arrangements where possible. Improved management of inventory levels has further supported these efficiencies, resulting in a £0.4m year-on-year reduction in underlying net costs associated with outsourced warehousing and third-party storage. This had a positive impact on both costs and the efficiencies of the business going forward. Additionally, a change in the sales mix has contributed to a reduction in outbound freight costs by £0.3m. A 2.8% decrease in international sales to £8.2m, has helped lower overall logistics expenses.

Administrative expenses rose by £0.1m to £17.9m (2024: £17.8m), despite revenue increasing by £0.9m. This growth in revenue was achieved without a material increase in overheads, demonstrating a lean and efficient cost structure. The cost reductions seen in previous years are directly attributable to cost rationalisation and manufacturing efficiencies implemented across the Group. The Group has achieved overhead savings across most cost categories through efficient utilisation of its manufacturing facilities. Production continues to be maintained on a single shift, with no impact on output or the ability to meet customer demand. Operating on a single shift also provides spare capacity, offering flexibility to scale output as required.

Exceptional items

There were no exceptional items for the year ended 31 March 2025.

In the previous year, redundancy costs incurred of £0.02m were in respect of the closure of the second shift at Peterborough.

As required by IAS 36, the Group reassesses its capitalised intangible assets for impairment on an annual basis. Following the difficult trading years of the Emma Hardie subsidiary in the prior year, management assessed that the brand value acquired on acquisition in relation to Emma Hardie was to be impaired by £4.4m in the year ended 31 March 2024. This was shown as a separate line item in the Consolidated profit and loss

account as it is an expense that is not in line with the normal trading operations of the Group. The impact of this impairment was not cash impacting and is an entry that reduced the intangible assets (Brand value for Emma Hardie) on the balance sheet with a corresponding entry in the Consolidated income statement. The associated goodwill and deferred tax liability was derecognised from the balance sheet.

Operating profit and EBITDA

Operating profit (before exceptional items) increased by £2.0m to £3.5m (2024: £1.5m). As a direct result of strong operating performance, the Group has generated EBITDA of £5.1m (2024: £3.2m).

Tax

The Group's effective tax rate for the period exceeds the standard headline rate of 25% and shows an increase from the comparative period, where the rate was -7.6%. This is due to several factors but largely a result of legislative changes to the Research and Development tax relief.

The Group continues to benefit from available R&D tax incentives; however, due to recent changes, these no longer reduce the Group's effective tax rate, a trend seen across the industry and among similar businesses.

In addition, a sizable amount of long-term share incentives, which were previously expected to give rise to a future tax deduction, lapsed during the period. This one-off event has contributed to the increased effective tax rate for the Group during the period.

The Group continues to monitor the effective tax rate and overall tax strategy of the business and is exploring opportunities to improve the tax efficiency of the group's asset base by ensuring tax relief is maximised by the Group in respect of qualifying assets.

Profit after tax

The Group reported a profit after tax of £2.5m for the year ended 31 March 2025 (2024: loss £3.5m).

Earnings per share

The diluted earnings per share increased to positive 3.29p (2024: negative 5.15p). Share options were excluded from the earnings per share calculation in the consolidated income statement for the prior year due to their anti-dilutive effect on the loss after tax attributable to equity holders. The EPS in the previous year had been adversely impacted by the reduction in profit after tax including the exceptional costs of £4.4m. The main exceptional item in the previous year pertaining to the brand impairment of Emma Hardie was a non-cash impacting item. Adjusted diluted earnings per share excluding exceptional items for the previous year was 1.42p.

Research and development

The Group undertakes significant research and development (R&D) 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 £0.6m (2024: £0.8m).

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.

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 £3.0m (2024: £2.2m). The improvement in cash of £0.8m year on year is mainly attributable to continued improvements in profit from operations and reduction in borrowings.

Inventory

Inventory on hand increased by £0.7m to £8.9m (2024: £8.2m) during the year to March 2025. Average inventory holding has been maintained throughout the year with the closing balance of inventory reflecting a timing of manufacturing quantities held for customer product launches in the new year. Third-party storage and outsourced warehousing saw a £0.4m year-on-year reduction in underlying net costs as a result. Purchasing

quantities and manufacturing batch sizes to reduce inventory holding on both raw materials and finished goods continue to be implemented.

Return on Capital Employed

The increase in operating profit before exceptional items coupled with the decrease in net equity and the reduction in borrowings has improved return on capital employed by 700 bps from 5.9% to 12.9%. This is in line with the Group's objective to provide a stable base for growth. The Group continues to look for opportunities to invest in brands that will help drive faster growth in profits.

Net gearing

With the increase in cash generation and reduction in cash outflow the business was able to utilise the cash generated to improve its liquidity by reducing its reliance on short term borrowings. Additionally, the Group has reduced its gearing by making an overpayment in August 2024 to pay in full the term loan. This resulted in a negative Net gearing of 1.7% (2024: positive 3.5%) highlighting low leverage.

Dividend

The Director's propose a final dividend for the year ended 31 March 2025 of 0.50 pence per ordinary share (2024: 0.45 pence per share). The Group has exhibited strong operational performance and generated cash which in turn has improved the Group's liquidity and reduced its gearing. 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 in the year ended 31 March 2025 was £0.3m (2024: £nil).

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.

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

Capital structure, cash flow and liquidity

The Group has a strong balance sheet. The business is funded using; retained earnings, a long term mortgage, 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 of the full accounts.

At 31 March 2025 the invoicing financing is in a surplus position of £8,000 (2024: £6,100) as the facility is not being utilised. The operations have generated sufficient cash to improve its liquidity. At 31 March 2025 the Group has not utilised its overdraft facility (2024: £37,000). Further details are set out in note 21 of the full accounts in relation to cashflow and liquidity risk.

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. All customers are credit insured or pay on proforma basis before supply.

Quality and Safety

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

Global economic environment

The cost-of-living crisis in the U.K. continues to abate consumer demand. The Group strategy of pursuing a multi-channel approach to the market and a broad multi-category product offering continues to serve us well during times when consumer demand is impacted by a cost-of-living crisis.

The BOE base interest rate has decreased by 0.75% to 4.50% (2024:5.25%) in response to inflationary pressures easing slightly. Inflation continued to have a negative impact on consumer demand and the viability of many businesses. The rate of increase in commodities has eased but core domestic inflation and the prospect of prolonged higher interest rates remains a cause for concern. The rate of domestic inflation has reduced as reflected by the reduction in the BOE base rate. Please see note 21 of the full accounts for impact of interest sensitivity on our current level of gearing.

The global supply chain continues to be impacted by the war in Ukraine and the Red Sea issues due to the ongoing conflict in the Middle East. The cost of importation of goods has increased as well as delivery lead times. These continue to be closely managed by working collaboratively with our supply base.

The recent disruption caused by higher U.S. tariffs has had no material impact on our business operations. This is primarily due to our minimal exposure to the U.S. market, with no significant customers or suppliers based in the region. As a result, our supply chains and revenue streams have remained stable, allowing us to continue operations without the challenges faced by businesses more directly connected to the U.S. economy.

The Group monitors C.P.I's across all categories of supply. Mitigation measures included product re-engineering, re-formulating, and increasing customer selling prices where appropriate.

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 driven by inflation, along with global material supply pressures, remain our key supplier-related risks. While pressure on global supply chains has eased, uncertainty around future commodity pricing persists.

We continue to work closely with our suppliers and have leveraged improved sourcing capabilities to expand our supply base. This helps us meet demand from both existing and new customers while minimising the impact of cost increases.

We maintain an active dialogue with suppliers to stay informed of commodity price movements and keep open lines of communication with customers to anticipate changes in demand, thereby mitigating potential impacts on the business.

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 is exposed to the risk of sophisticated cyber-attacks aimed at causing direct financial loss from theft of funds, ransom payments, and costs associated with system recovery and data restoration. Such attacks also lead to business interruption, causing lost productivity and revenue. There is also a heightened risk of theft and encryption of confidential data for financial gain and reputational damage.

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. The Group has an insurance policy in place to minimise its exposure to cybercrime.

Consolidated income statement

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|--|--------------------------------|--------------------------------|
| | £000 | £000 |
| Revenue | 54,066 | 53,194 |
| Cost of sales | (29,913) | (30,364) |
| Gross profit | 24,153 | 22,830 |
| Distribution costs | (2,763) | (3,488) |
| Administrative expenses | (17,859) | (17,804) |
| Operating profit before exceptional items | 3,531 | 1,538 |
| Exceptional items - Redundancy costs | - | (17) |
| Exceptional items – Impairment | - | (4,449) |
| Operating profit | 3,531 | (2,928) |
| Other income – Research and Development Expenditure Credit | 127 | - |
| Finance costs | (161) | (349) |
| Profit before tax | 3,497 | (3,277) |
| Taxation | (1,045) | (250) |
| Profit / (Loss) for the year attributable to the equity shareholders | 2,452 | (3,527) |

Consolidated statement of comprehensive income

| | Year ended 31 March 2025 | Year ended 31 March 2024 |
|---|--------------------------------|--------------------------------|
| | £000 | £000 |
| Profit / (Loss) for the year | 2,452 | (3,527) |
| Items that may be subsequently reclassified to profit and loss: | | |
| Exchange differences on translating foreign operations | 7 | 13 |
| Other comprehensive income for the year | 7 | 13 |

| | | |
|---|-------|---------|
| Total comprehensive income for the year attributable to the equity shareholders | 2,459 | (3,514) |
|---|-------|---------|

Earnings per share

| | Year ended 31 March | Year ended 31 March |
|-----------|------------------------|------------------------|
| | 2025 | 2024 |
| Basic | 3.58p | (5.15p) |
| Diluted * | 3.29p | (5.15p) |

* Share options are excluded from the earnings per share calculation for the year ended 31 March 2024 due to their anti-dilutive effect on the loss after tax attributable to equity holders. No such exclusion was necessary for the year ended 31 March 2025.

Adjusted Earnings per share – alternate performance measure

The calculation of basic and diluted earnings per share excluding exceptional items was presented in the prior year ended 31 March 2024 to provide a more meaningful comparison of underlying performance. This reconciliation is not required for the current year ended 31 March 2025 as no such exceptional items have been adjusted for in the current period.

The prior year figures are presented below for comparative purposes only:

| | Year ended 31 Mar | Year ended 31 Mar |
|--|-------------------------|-------------------------|
| | 2025 | 2024 |
| | £000 | £000 |
| Profit / (Loss) for the period from operations attributable to the equity shareholders of the parent Company | 2,452 | (3,527) |
| Exceptional items – Impairment | - | 4,449 |
| Exceptional items – Deferred tax charge in relation to the Impairment | - | 165 |
| Adjusted Earnings excluding exceptional items | 2,452 | 1,087 |
| Adjusted Basic earnings per share – excluding exceptional items | 3.58p | 1.59p |
| Adjusted Diluted earnings per share – excluding exceptional items | 3.29p | 1.42p |

Dividends

| | Year ended 31 Mar | Year ended 31 Mar |
|--|----------------------|----------------------|
| | 2025 | 2024 |
| | £000 | £000 |
| Final dividend paid – £0.45 (2024: £Nil) per share | 307 | - |
| Total dividend paid in year – £0.45 (2024: £Nil) per share | 307 | - |
| Proposed – £0.50 pence (2024: 0.45) per share | 349 | 307 |

Consolidated balance sheet

| | 31 March | 31 March |
|--|----------|----------|
| | 2025 | 2024 |
| | £000 | £000 |

| | | | | | | | | |
|---|------------|--------------|--------------|--------------|--------------|-----------|----------------|----------------|
| Exchange differences on translation of foreign operations | - | - | - | - | - | 13 | - | 13 |
| Total comprehensive loss for the year | - | - | - | - | - | 13 | (3,527) | (3,514) |
| Contributions by and distributions to owners | | | | | | | | |
| Exercise of options | - | 2 | - | - | - | - | - | 2 |
| Share-based payment charge | - | - | - | - | - | - | 111 | 111 |
| Deferred tax through Equity | - | - | - | - | - | - | (23) | (23) |
| Total contributions by and distributions to owners | - | 2 | - | - | - | - | 88 | 90 |
| At 31 March 2024 | 700 | 2,024 | 2,476 | (576) | (211) | 27 | 17,615 | 22,055 |
| Comprehensive income for the year | | | | | | | | |
| Profit for the year | - | - | - | - | - | - | 2,452 | 2,452 |
| Exchange differences on translation of foreign operations | - | - | - | - | - | 7 | - | 7 |
| Total comprehensive loss for the year | - | - | - | - | - | 7 | 2,452 | 2,459 |
| Contributions by and distributions to owners | | | | | | | | |
| Share-based payment charge | - | - | - | - | - | - | 36 | 36 |
| Deferred tax through Equity | - | - | - | - | - | - | (20) | (20) |
| Dividends paid | | | | | | | (307) | (307) |
| Total contributions by and distributions to owners | - | - | - | - | - | - | (291) | (291) |
| At 31 March 2025 | 700 | 2,024 | 2,476 | (576) | (211) | 34 | 19,776 | 24,223 |

Consolidated cash flow statement

| | Year ended 31 Mar | Year ended 31 Mar |
|--|----------------------|----------------------|
| | 2025 | 2024 |
| | £000 | £000 |
| Profit from operations including redundancy costs | 3,531 | 1,521 |
| Adjustments for: | | |
| Depreciation on property, plant and equipment | 956 | 992 |
| Depreciation on right of use assets | 445 | 368 |

| | | |
|---|----------------|----------------|
| Amortisation of intangible assets | 183 | 358 |
| (Profit) /Loss on disposal of Right of Use assets | (12) | 59 |
| Loss on disposal of PPE | 34 | - |
| Share based payment charge | 36 | 111 |
| | 5,173 | 3,409 |
| (Increase)/Decrease in inventories | (647) | 2,003 |
| (Increase)/Decrease in trade and other receivables | (1,179) | 2,215 |
| Decrease/(Increase) in trade and other payables | 589 | (1,570) |
| Cash generated from operations | 3,936 | 6,057 |
| Taxation paid | (1,030) | (30) |
| Net cash generated from operating activities | 2,906 | 6,027 |
| Investing activities | | |
| Purchase of property, plant and equipment | (429) | (321) |
| Purchase of intangible assets | (243) | (287) |
| Proceeds from sale of assets | 10 | - |
| Net cash used in investing activities | (662) | (608) |
| Financing activities | | |
| Proceeds on issue of shares | - | 2 |
| Cancellation of leases | - | (59) |
| Principal paid on lease liabilities | (507) | (568) |
| Repayment of invoice financing facilities | - | (1,557) |
| Repayment of amounts borrowed | (34) | (61) |
| Repayment on term loan | (611) | (1,329) |
| Interest paid on term loan | (18) | (123) |
| Repayment on mortgage loan facility | (187) | (180) |
| Interest paid on mortgage loan facility | (66) | (72) |
| Dividends paid to owners of the parent | (307) | - |
| Net cash used in financing activities | (1,730) | (3,947) |
| Net increase in cash and cash equivalents | 514 | 1,472 |
| Cash and cash equivalents at start of year | 3,138 | 1,653 |
| Effect of foreign exchange rate changes | 7 | 13 |
| Cash and cash equivalents at end of year | 3,659 | 3,138 |

Notes to financial statements:

1. Significant accounting policies

Basis of accounting

The Group financial statements have been prepared in accordance with UK-adopted international accounting standard in conformity with the requirements of the Companies Act 2006.

The IFRSs applied in the Group financial statements are subject to ongoing amendment by the IASB and therefore subject to possible change in the future. Further standards and interpretations may be issued that will be applicable for financial years beginning on or after 1 April 2025 or later accounting periods but may be adopted early.

The preparation of financial statements in accordance with IFRS requires the use of certain accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The primary statements within the financial information contained in this document have been presented in accordance with IAS1 Presentation of Financial Statements.

The financial statements have been prepared on the historical cost basis as modified for the fair value of business combinations. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Adoption of new and revised accounting standards

None of the standards adopted during the year had a material impact on the Group's financial statements for the year ended 31 March 2025.

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

2. Financial instruments and treasury risk management

Market risk

Market risk is the risk that arises from movements in inventory prices, interest rates, exchange rates, and commodity prices.

Market risk for the 31 March 2025 year end is reflected within the interest rate and foreign currency risk which are discussed further below.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations.

Trading exposures are monitored by the operational Companies against agreed policy levels. Credit insurance with a world leading insurer is employed across the majority of our trade debtors. At 31 March 2025 all trade debtors (2024: all) are covered by credit insurance with a cover of 90% of the debtor balances. Non-trading financial exposures are incurred only with the Group's bankers or other institutions with prior approval of the Board of Directors.

The majority of trade receivables are with retail customers. The maximum exposure to credit risk is represented by the carrying amount of those financial assets in the balance sheet.

Impairment provisions on trade receivables have been disclosed in note 19 of the full accounts.

The credit risk on liquid funds such as cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

All trade debtors are credit insured, therefore the maximum write off balance on any customer default would be 10% of the invoiced value (net of VAT).

Interest rate risk

The Group's interest rate exposure arises mainly from its interest-bearing borrowings.

The Group finances its operations through a mixture of debt associated with working capital facilities and equity. The Group is exposed to changes in interest rates on its floating rate working capital facilities. The variability and scale of these facilities is such that the Group does not consider it cost effective to hedge against this risk.

The Group also secured a fixed rate mortgage for a 15 year term, 9.5 years remaining, secured on the property with an interest rate of 3.04% fixed for the first 10 years, 4.5 years remaining, of the loan, therefore reducing the interest rate risk. The interest charge on the mortgage for the year ended 31 March 2025 was £66,000 (2024: £72,000).

On 3 September 2021, the Group took out a term loan of £3,000,000 to fund part of the purchase of the acquisitions in the prior year. The term loan is for a 4 year term secured on the assets of the Group with an interest rate of 2.70% above the Bank of England base rate. The term loan was fully repaid during the financial year. The interest charge on the term loan for the period to 31 March 2025 was £17,000 (2024: £123,000). A 1% increase in the interest rate would have resulted in an additional charge of £5,900 (2024: £41,000). As a result of repaying the loan in full, there was no outstanding balance on the loan at the year end. The repayment of the loan has reduced the company's exposure to interest rate risk.

Interest rate sensitivity

The interest rate sensitivity is based upon the Group's borrowings over the year assuming a 1% increase or decrease which is used when reporting interest rate risk internally to key management personnel.

A 1% increase in bank base rates would reduce Group pre-tax profits by £12,000 (2024: £36,000). A 1% decrease would have the opposite effect. The Group's sensitivity to interest rates has changed during the current year due to the current economic climate, which has had the impact of decreasing BOE base rates.

Foreign currency risks

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

Transaction risk arises on income and expenditure in currencies other than the functional currency of each Group Company. The magnitude of this risk is relatively low as the majority of the Group's income and expenditure are denominated in the functional currency. Approximately 0.3% (2024: 1%) of the Group's income is denominated in US dollars and 1% (2024: 4%) in Euros. Approximately 3% (2024: 7%) of the Group's expenditure is denominated in US dollars and 4% (2024: 8%) in Euros.

Foreign currency sensitivity

A 5% strengthening of sterling would result in a £142,000 (2024: £258,000) increase in profits and equity. A 5% weakening in sterling would result in a £157,000 (2024: £285,000) reduction in profits and equity.

When appropriate the Group utilises currency derivatives to hedge against significant future transactions and cash flow. There were no outstanding contracts as at 31 March 2025 or 31 March 2024.

Cash flow and liquidity risk

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

The Group manages its working capital requirements through overdrafts and invoice finance facilities. These facilities were renewed in March 2025 for a further 12 months. The maturity profile of the committed bank facilities is reviewed regularly and such facilities are extended or replaced well in advance of their expiry. The Group has complied with the terms of these facilities. At 31 March 2025 the Group had available £6,193,000 (2024: £5,616,000) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. The Group has a fixed rate mortgage for a 15 year term secured on the property with an interest rate of 3.04% fixed for the next 4.5 years of the loan. The Company also took out a term loan of £3,000,000 to fund part of the purchase of the acquisitions in the prior year. The term loan is for a 4 year term secured on the assets of the Group with an interest rate of 2.70% above the Bank of England base rate. The term loan was fully repaid during the financial year. As a result, there was no outstanding balance on the loan at the year end. The repayment of the loan has reduced the company's exposure to cash flow and liquidity risk by eliminating the need for future principal and interest payments, thereby improving the company's financial flexibility and overall liquidity position.

3. Financial assets

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

| | Group | Company |
|--|-------|---------|
|--|-------|---------|

| | 2025 | 2024 | 2025 | 2024 |
|-----------------------------|---------------|---------------|--------------|--------------|
| | £000 | £000 | £000 | £000 |
| | | | | |
| Trade and other receivables | 11,100 | 10,172 | 3,988 | 4,351 |
| Cash and cash equivalents | 3,659 | 3,138 | 42 | 20 |
| | | | | |
| Total | 14,759 | 13,310 | 4,030 | 4,371 |

4. Financial liabilities

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

At 31 March 2025

| | Group | | | | |
|---------------------------------|---------------------------|------------------------------------|------------------------------|---------------------|---------------|
| | Less than 6 months | Between 6 months and 1 year | Between 1 and 5 years | Over 5 years | Total |
| | £000 | £000 | £000 | £000 | £'000 |
| | | | | | |
| Trade payables | 5,585 | - | - | - | 5,585 |
| Accruals | 2,354 | - | - | - | 2,354 |
| Obligations under leases | 220 | 227 | 702 | 3 | 1,152 |
| Overdraft and invoice financing | - | - | - | - | - |
| Loan | 94 | 96 | 830 | 1,080 | 2,100 |
| | | | | | |
| Total | 8,253 | 323 | 1,532 | 1,083 | 11,191 |

At 31 March 2024

| | Group | | | | |
|---------------------------------|---------------------------|------------------------------------|------------------------------|---------------------|---------------|
| | Less than 6 months | Between 6 months and 1 year | Between 1 and 5 years | Over 5 years | Total |
| | £000 | £000 | £000 | £000 | £'000 |
| | | | | | |
| Trade payables | 4,976 | - | - | - | 4,976 |
| Accruals | 2,235 | - | - | - | 2,235 |
| Obligations under leases | 182 | 169 | 633 | - | 984 |
| Overdraft and invoice financing | 37 | - | - | - | 37 |
| Loan | 286 | 297 | 1,017 | 1,298 | 2,898 |
| | | | | | |
| Total | 7,716 | 466 | 1,650 | 1,298 | 11,130 |

5. Earnings per share

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

| | Year ended 31-Mar | Year ended 31-Mar |
|--|--------------------------|--------------------------|
| | 2025 | 2024 |
| | £000 | £000 |
| Earnings | | |
| Profit / (Loss) attributable to the equity holders of the parent Company | 2,452 | (3,527) |

| | Year ended 31-Mar | Year ended 31-Mar |
|--|-------------------|-------------------|
| | 2025 | 2024 |
| | Number | Number |
| Number of shares | | |
| Weighted average number of ordinary shares for the purposes of basic earnings per share | 68,435,383 | 68,433,858 |
| | | |
| Effect of dilutive potential ordinary shares relating to share options * | 6,205,687 | 8,310,548 |
| | | |
| Weighted average number of ordinary shares for the purposes of Adjusted Earnings per share (2024: for the purpose of Diluted Earnings per share) | 74,641,070 | 76,744,406 |

| | | |
|--|-------|---------|
| Basic earnings per share – including exceptional items | 3.58p | (5.15p) |
| Diluted earnings per share – including exceptional items * | 3.29p | (5.15p) |

* Share options were excluded from the earnings per share calculation for the year ended 31 March 2024 due to their anti-dilutive effect on the loss after tax attributable to equity holders. No such exclusion was necessary for the year ended 31 March 2025.

Adjusted Earnings per share – alternate performance measure

The calculation of basic and diluted earnings per share excluding exceptional items was presented in the prior year ended 31 March 2024 to provide a more meaningful comparison of underlying performance. This reconciliation is not required for the current year ended 31 March 2025 as no such exceptional items have been adjusted for in the current period.

The prior year figures are presented below for comparative purposes only:

| | Year ended 31-Mar | Year ended 31-Mar |
|--|-------------------|-------------------|
| | 2025 | 2024 |
| | £000 | £000 |
| (Loss) / Profit for the period from operations attributable to the equity shareholders of the parent Company | 2,452 | (3,527) |
| Exceptional items – Impairment | - | 4,449 |
| Exceptional items – Deferred tax charge in relation to the Impairment | - | 165 |
| Adjusted Earnings excluding exceptional items | 2,452 | 1,087 |
| | | |
| Adjusted Basic earnings per share – excluding exceptional items | 3.58p | 1.59p |
| Adjusted Diluted earnings per share – excluding exceptional items | 3.29p | 1.42p |

6. Share capital

| | Ordinary shares of 1p each | |
|--------------------|----------------------------|------------|
| | £000 | Number |
| | | |
| At 1 April 2023 | 700 | 70,029,583 |
| Issued in the year | 0 | 5,800 |
| At 31 March 2024 | 700 | 70,035,383 |
| Issued in the year | 0 | - |
| At 31 March 2025 | 700 | 70,035,383 |

The Company has one class of ordinary shares which carry no right to fixed income. All of the shares are issued and fully paid. The total proceeds from the issue of shares from the exercise of share options in the year was £Nil (2024: £2,000).

7. Notes to cash flow statement

Analysis of changes in net debt

| | Overdraft | Invoice Financing | Mortgage | Loan | Total |
|--------------------------|-----------|----------------------|--------------|-------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| At 1 April 2024 | 37 | - | 2,287 | 611 | 2,935 |
| Cash outflow – principal | (34) | - | (187) | (611) | (832) |
| Cash outflow – interest | - | - | (66) | (18) | (84) |
| Interest accruing | (3) | - | 66 | 18 | 81 |
| At 31 March 2025 | - | - | 2,100 | - | 2,100 |

| | Overdraft | Invoice Financing | Mortgage | Loan | Total |
|--------------------------|-----------|----------------------|--------------|------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| At 1 April 2023 | 26 | 1,557 | 2,467 | 1,940 | 5,990 |
| Cash outflow – principal | (61) | (1,557) | (180) | (1,329) | (3,127) |
| Cash outflow – interest | - | - | (72) | (123) | (195) |
| Interest accruing | 72 | - | 72 | 123 | 267 |
| At 31 March 2024 | 37 | - | 2,287 | 611 | 2,935 |

The mortgage balance pertains specifically to the Company.