ProCook®

Registration Document

October 2021

REGISTRATION DOCUMENT

This document, which comprises a registration document relating to Project Berry Topco Limited prepared in accordance with the Prospectus Regulation and the Prospectus Regulation Rules made under section 73A of FSMA, has been approved by the FCA and has been made available to the public in accordance with paragraph 3.2.1 of the Prospectus Regulation Rules.

This document has been approved by the FCA, as competent authority under the Prospectus Regulation. The FCA only approves this document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the issuer that is the subject of this document.

This document may be combined with a securities note and summary to form a prospectus (the "Prospectus") in accordance with the Prospectus Regulation Rules. A prospectus is required before an issuer can offer transferable securities to the public or request the admission of transferable securities to trading on a regulated market. However, this document, where not combined with a securities note and summary to form a prospectus, does not constitute an offer or invitation to sell or issue, or a solicitation of an offer or invitation to purchase or subscribe for, any securities in the Company in any jurisdiction, nor shall this document alone (or any part of it), or the fact of its distribution, form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment whatsoever with respect to any offer or otherwise.

The Company and the Directors, whose names appear on page 28 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document does not omit anything likely to affect the import of such information.

ProCook®

PROJECT BERRY TOPCO LIMITED

(*incorporated under the Companies Act 2006 and registered in England and Wales with number 13679248)*

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Without limitation, the contents of the Group's websites do not form part of this document (including the contents of any websites accessible from the hyperlinks of such website).

Capitalised terms have the meanings ascribed to them in the section entitled "Definitions" of this document.

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The date of this document is 15 October 2021.

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RISK FACTORS

The risks and uncertainties described below are not an exhaustive list and do not necessarily comprise all, or explain all, of the risks associated with the Group and the industries within which it operates (but do comprise the material risks and uncertainties in this regard that are known to the Directors) and should be used as guidance only. Additional risks and uncertainties relating to the Group that are not currently known to the Directors, or which the Directors currently deem immaterial, may arise or become (individually or collectively) material in the future and may have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Risks specific to the Group

1. Risks related to the Group's financial performance and position

1.1 ***The Covid-19 pandemic has affected and could continue to have longer-term effects on the Group's business, results of operations, financial condition or prospects***

The Covid-19 pandemic has created very significant challenges for companies, given its widespread adverse global economic, as well social and operational, impact, the longer-term effects of which are continuing to unfold.

During the course of the Covid-19 pandemic, all of the Group's retail stores have been closed at times, resulting in a significant decrease in retail revenue. Despite proactive measures by the Group to address the Covid-19 pandemic and the significant increase in ecommerce revenue during the course of the pandemic, the Group's retail revenue was adversely affected by that pandemic.

While the Group continues to monitor the effects of the Covid-19 pandemic on its business and the economies of the countries where the Group operates or in which its products are sold, it believes that, whilst precautionary measures have been taken to invest in additional inventory levels to try to prevent further effects, there is still potential for further disruption to its supply chain and distribution channels. Given evolving government policies and a recent resurgence of variants of the Covid-19 virus, and despite the development and rollout of vaccines, there may be further impacts on the economies or the consumer purchasing power of the countries where the Group operates or in which its products are sold.

The Group's suppliers may experience disruptions in their ability to supply the Group and/or may seek to excuse their performance under their existing contracts by claiming that the ongoing pandemic, and government responses, constitute a force majeure event. Additionally, any further disruption to international marine freight could lead to higher costs and delays in the inventory purchasing cycle. If such supply disruptions were to occur, the Group may not be able to develop alternative sourcing quickly.

If one or several of the Group's key executive members were to contract Covid-19, this could negatively impact the Group's ability to execute its business strategy.

The Covid-19 pandemic is likely to continue to adversely affect the global economy for some time. The full effects of the pandemic remain uncertain, including its duration, new variants, new information that may emerge concerning the severity of the infection, the scope, duration and economic impact of actions taken to contain or reduce the spread of the virus or treat its impact, the rollout and success of vaccination programmes and the impact of each of those matters and the virus generally on macroeconomic conditions and financial markets globally.

Even after the pandemic abates, its impact on consumer behaviour and their preferences may continue in the longer term. The Group has found that, although its stores have been closed for periods during the pandemic as a result of the Government restrictions in response to it, its ecommerce revenues have been positively affected. The Directors believe that this is as a result of consumers being at home more of the time, and less able to dine out, leading to an increased desire for the Group's products in order to cook at home which enhanced sales of certain products. There is a risk that such demand for the Group's products reduces, as consumers are able to dine out again and having already purchased the Group's products during the pandemic, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

All of the above factors also mean that forecasting the performance of the business (including any medium or long term effect on consumer trends and the impact of any further restrictions which are imposed should the pandemic deteriorate) has additional uncertainties and risks.

If the pandemic results in further Government restrictions and/or lockdowns, there can be no guarantee that there will be the same level of Government support as there was in connection with the start of the pandemic and the initial Government restrictions and lockdowns.

Any of the foregoing, including any resulting deterioration in general economic conditions or change in consumer behaviour, could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

1.2 ***The Group is exposed to fluctuations in foreign currency exchange rates***

The Group's financial performance is subject to the effects of fluctuations in foreign exchange rates, which have been particularly volatile over recent years, impacted by macroeconomic effects such as Brexit and Covid-19. In particular, the Group sources a significant proportion of its products from East Asia which are denominated in foreign currencies (primarily US Dollars). Approximately 95% of the Group's retail product supplies are denominated in currencies other than Sterling. Whilst the Group seeks to hedge against this issue by using derivative financial instruments and foreign exchange forward contracts where appropriate, should Sterling weaken against the major currencies, this could result in an increase in future input costs. There is no guarantee that the Group's hedging strategy will be successful and, if the Group fails to adequately protect against currency exchange risk, the costs of supplies of its products may increase and its results of operations may be materially adversely affected.

In addition, the results of operations and financial conditions of the certain individual members of the Group are reported in the relevant functional currency of that Group member, which may not be Sterling. Those Group members' assets and liabilities are converted based on the exchange rate on the balance sheet date, and income statement items are converted based on the average exchange rate during the relevant financial period. Foreign exchange rates have seen significant fluctuation in recent years, and significant increases in the value of Sterling relative to foreign currencies could have a material adverse effect on the Group's reported financial results.

1.3 ***The Group's future growth depends on the success of its marketing efforts***

The Group's success and future growth depends on its ability to attract and retain customers, which in part depends on its marketing practices. The Group intends to increase its investment in brand marketing spend to raise awareness of the brand's customer offer as a key component of its growth strategy. The Group's future growth therefore depends in part upon the effectiveness and efficiency of its marketing efforts, including its ability to continue to improve brand awareness, identify the most effective brand messaging and efficient levels of spending in each market, determine the appropriate creative messages and media mix for marketing and promotional expenditure, and effectively manage marketing costs to maintain acceptable consumer acquisition costs. Any factors adversely affecting the Group's ability to increase or enhance its marketing activities and capabilities could adversely affect demand for its products and, in turn, have a material adverse effect on its business, results of operations, financial condition or prospects.

1.4 ***Brexit, a global trade war and potential tariffs could have a material adverse effect on the Group's business***

On 29 March 2017, the United Kingdom formally notified the European Council of its intention to leave the European Union ("Brexit"). On 24 January 2020, a withdrawal agreement was entered into between the European Union, the European Atomic Energy Community and the United Kingdom, setting the terms of the withdrawal of the latter from the former two. On 24 December 2020, the United Kingdom and the European Union agreed a trade and cooperation agreement (the "Trade and Cooperation Agreement"), which took provisional effect from 1 January 2021 and entered into force on 1 May 2021 and provided for, among other things, zero-rate tariffs and zero quotas on the movement of goods between the United Kingdom and the European Union.

Due to the size and importance of the economy of the United Kingdom, the uncertainty and unpredictability concerning the United Kingdom's future laws and regulations (including financial laws and regulations, tax and free trade agreements, immigration laws and employment laws), as well as its legal, political and economic relationships with Europe following its exit of the European Union, may continue to be a source of instability in international markets, create significant currency fluctuations or otherwise adversely affect trading agreements or similar cross-border cooperation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future. The long-term effects of Brexit will depend on the implementation of the Trade and Cooperation Agreement and any future agreements (or lack thereof) between the United Kingdom and the European Union and, in particular, any potential changes in the arrangements for the United Kingdom to retain access to European Union markets. Brexit could result in adverse economic effects across the United Kingdom and Europe, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

In recent years, the US government has announced various import tariffs on goods imported from certain trade partners, such as the European Union and China, which have resulted and may continue to result in reciprocal tariffs on goods exported from the United States to such trade partners. The announcement of unilateral tariffs on imported products by the US has triggered retaliatory actions from certain foreign governments (including China) and may trigger further retaliatory actions, potentially resulting in a "trade war". Whilst some of these recently-added US import tariffs are now being loosened or reversed, trade barriers and other governmental action related to tariffs or international trade agreements around the world, in particular in China, have the potential to decrease demand for the Group's products (for example, by increased tariffs making the Group's cost of goods, and their retail prices, more expensive or negative public opinion on the supply chain reducing sales), negatively impact suppliers and adversely impact the economies in which the Group operates. In addition, trade barriers and other governmental action related to tariffs or international trade agreements could increase the cost of raw materials and components used in certain of the Group's products, which could in turn increase its cost of goods sold. The occurrence of any such events could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

1.5 ***Changes in tax rates or law, misinterpretation of tax laws or failure to manage tax risks adequately could have an adverse effect on the Group's financial condition and future prospects***

Changes in tax rates or law, misinterpretation of tax laws or any failure to manage tax risks adequately could result in increased charges, financial loss (including penalties and reputational damage), which may have an adverse effect on the Group's financial condition and future prospects. The Group is likely to be subject to periodic tax audits, which could result in additional tax assessments, which may be material, relating to past periods being made. Furthermore, the increasing complexity of the Group's operations and routes to market, especially through a more pronounced entry into new overseas territories, increases this risk.

A material change in the level or applicability of VAT, sales and/or other consumption taxes in the United Kingdom or other jurisdictions could have an adverse effect on the Group's sales, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Any change in the Group's tax status or taxation legislation in the United Kingdom or other territories could affect the Group's ability to provide returns to Shareholders. Statements in this document concerning the taxation of investors in shares are based on current law and practice, which is subject to change. The taxation of an investment in the Group depends on the individual circumstances of investors.

The nature and amount of tax which members of the Group expect to pay and the reliefs expected to be available to any member of the Group are each dependent upon a number of assumptions, any one of which may change and which would, if so changed, affect the nature and amount of tax payable and reliefs available. In particular, the nature and amount of tax payable is dependent on the availability of relief under tax treaties and is subject to changes in tax laws or practice in any of the jurisdictions affecting the Group. Any limitation in the availability of relief under those treaties, any change in the terms of any such treaty or any changes in tax law, interpretation or practice could increase the amount of tax payable by the Group.

1.6 ***The Group is exposed to interest rate fluctuations***

The Group is exposed to the risks of fluctuations in interest rates. The Group's trade credit facility is subject to variable interest rates, through its linkage to base rates from major international banking institutions, including the Bank of England. The Group may also enter into additional indebtedness bearing variable rates of interest in the future. Any variable interest rates applicable to such indebtedness could rise significantly in the future. If interest rates increase significantly, the Group's interest expense will correspondingly increase, thereby reducing its cash flow.

Any of those risks could adversely affect the Group's business, financial condition, results of operations or prospects.

2. Risks related to the Group's ability to execute its strategic plan

2.1 ***Failure to implement the Group's growth strategy could adversely affect the Group's business, financial condition, results of operations or prospects***

The Board must adopt the correct business strategy, implement its strategies effectively and understand and properly manage strategic risk, taking into account specific retail sector risks and wider economic risks. The Board reviews the business strategy on a regular basis (taking into account wider economic and industry specific trends) to determine how sales and profit budgets can be achieved or bettered, business operations made more efficient and the competitive position of the Group's products. Monthly and annual budgets, together with longer term financial objectives and cash flow forecasts, are produced. The impact of this risk not being appropriately managed by the Board and senior management would be evidenced by under-achievement against financial targets and other non-financial KPIs, a negative impact on customer confidence and loss of the Group's brand reputation. Any of those effects could adversely affect the Group's business, financial condition, results of operations or prospects.

The Group's ecommerce channel has been its fastest growing business over the last several years and the Group expects to continue to increase the revenue that comes from this channel. The success of the Group's ecommerce channel depends, in part, on its ability to offer attractive, reliable, secure and user-friendly ecommerce platforms for consumers across its markets, including by continuing to invest in its digital infrastructure and ecommerce team. The success of the Group's ecommerce channel also depends on factors over which the Group has limited control, including changing consumer preferences and buying trends relating to ecommerce usage, as well as promotional or other advertising initiatives employed by third-parties. Any failure by the Group, or by its third-party digital partners, to provide attractive, reliable, secure and user-friendly ecommerce platforms could negatively impact the shopping experience of consumers, resulting in reduced website traffic, diminished loyalty to the ProCook brand and lost sales. In addition, as the Group continues to expand and increase the presence of its ecommerce channel in the United Kingdom and internationally, sales from its retail stores may decline due to changes in consumer shopping habits and cannibalisation.

The Group is also subject to certain additional risks and uncertainties associated with its ecommerce platforms, including changes in required technology interfaces, website downtime and other technical failures, costs and technical issues from website software upgrades, data and system security, computer viruses and changes in applicable regulations. In addition, the Group must keep up to date with competitive and emerging technology trends, including, among other things, the use of new or improved technology, creative user interfaces and other ecommerce marketing tools, such as paid and unpaid search and mobile applications, which may increase its costs and which may not succeed in increasing sales or attracting consumers. Any of those risks could have a material adverse effect on the Group's reputation, business, financial condition, results of operations or prospects.

As a result of the Group investing in its business, it has increased its operational leverage and, therefore, sales volatility may have a more pronounced impact on its Adjusted EBITDA profit margins.

2.2 ***The Group's business is dependent on the image and reputation of the ProCook brand***

The Group's business and financial performance is largely dependent on the image, perception and recognition of the ProCook brand, which, in turn, depends on many factors, such as the quality of its products, product design, the image and presentation of its stores and ecommerce website, its communication activities including social media, public relations and marketing, and its general corporate and market profile, which can be adversely affected for reasons within and outside the Group's control. For example, negative publicity arising from product defects, widespread recalls, personal injuries caused by the Group's products or the use of the Group's products for unintended purposes could adversely impact future sales, even if the direct cost of remediation is not material.

The Group's brand value also depends on its ability to maintain a positive consumer perception of its corporate integrity and culture. Negative claims or publicity involving the Group or its products, or the production methods of any of its suppliers (for example, claims about factory working conditions), could seriously damage the Group's reputation and brand image, regardless of whether such claims or publicity are accurate. The Group's social media presence amplifies consumer engagement with the ProCook brand but comes with less control due to consumer comments and hashtags compared to more traditional public relations and marketing methods, which could associate the brand with content which is not aligned with the Group's values. Further, the Group's brand reputation could be harmed if it became associated with negative media, personal injuries caused by the Group's products or the use of its products for unintended purposes. The Group's brand reputation could also be harmed if the Group experiences a cyber-attack or loss of consumer data. Adverse publicity could undermine consumer confidence in the ProCook brand and reduce long-term demand for the Group's products, even if such publicity is unfounded.

Any failure to maintain favourable brand recognition could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

2.3 ***The Group's business is influenced by economic conditions that impact consumer confidence and spending and market conditions***

The Group's business is influenced by economic conditions that impact consumer spending. Many factors affect the level of consumer spending on the Group's products, including the state of the economy as a whole, stock market performance, interest rates, currency exchange rates, recession, inflation, deflation, political uncertainty, the availability of consumer credit, taxation, unemployment and other matters that influence consumer confidence. For example, discretionary spending generally declines during periods of economic uncertainty. While the Group did not observe an adverse impact on consumer demand as a result of the Covid-19 pandemic, in a prolonged economic downturn, the Group may experience declining sales as a result of general reduced consumer spending. Recent increases in the rates of inflation and house prices in the countries in which the Group's products are sold, forecasted further increases in those rates of inflation and house prices and central banks' responses to those and other changes in economic conditions could impact consumer spending. Any downturns in general economic conditions that impact consumer spending in the countries in which the Group's products are sold could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

2.4 ***The Group's future growth depends on the successful expansion of its product range***

ProCook plans to expand its offering to include other types of products. There can be no guarantee that any such endeavour will succeed. Any such expansion that is not favourably received by consumers and/or suppliers could damage ProCook's reputation and brand, and any expansion or alteration of its operations could require significant additional expenses and divert management and other resources, which could in turn negatively affect its results of operations. If ProCook launches but fails to generate satisfactory returns from any such expansion, it could have a material adverse effect on its business, financial condition, results of operations or prospects.

2.5 ***The Group's future growth depends on the successful expansion of its international operations, including into new geographic markets***

ProCook plans to further expand its existing international operations and also enter new geographic markets. There can be no guarantee that any such endeavour will succeed. Any such initiatives that are not favourably received by consumers and/or suppliers could damage ProCook's reputation and brand, and any expansion or alteration of its operations could require significant additional expenses and divert management and other resources, which could in turn negatively affect its results of operations. In addition, if ProCook was to enter into new geographic markets and needed to develop a new brand for this purpose, or if it was to try to reposition its brand in existing geographic markets, consumers might not accept its revised brand image. If ProCook launches, but fails to generate satisfactory returns from any such initiatives, it could have a material adverse effect on its business, financial condition, results of operations or prospects.

2.6 ***The Group operates in a competitive environment***

Competing effectively across the key areas of product and customer services remains a key driver of growth through customer recruitment and retention. Potential consequences of increased competition include loss of market share, reduced sales, erosion of margins and a fall in customer satisfaction scores. Given the current macro-economic uncertainty arising from Brexit and Covid-19, the need to remain competitive is further heightened in order to deliver business growth.

New competitors may enter the markets in which the Group operates and some of the Group's current competitors have, and future competitors of the Group may have, significant financial, marketing and other resources and established brand names. The Group's competitors could use their significant resources to increase their marketing, develop new products or reduce their prices in a manner that adversely affects the Group's ability to sell its products at prices that generate the same margins it has earned in the past or at all.

Existing and/or increased competition, or the inability of the Group to maintain its competitiveness, could adversely affect the Group's market share and/or force it to consider price reductions, which could have a material adverse effect on its business, financial condition, results of operations or prospects. Those and other competitive pressures may prevent the Group from competing successfully against current or future competitors. Such competitive pressures could have a material adverse effect on the Group's business, financial position, results of operations or prospects.

There is a risk that other parties may copy the Group's products and sell them at a lower cost, with the Group being unable to prevent the production of such products and such sales or incurring material costs and suffering material diversion of management time and attention in order to do so, which could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

2.7 ***Failure to ensure corporate social responsibility and ethical sourcing could have a material adverse effect on the Group's business, financial condition, results of operations or prospects***

The Group supports strong corporate social responsibility and works with its suppliers to ensure they comply with the Group's values and standards covering production methods, employee working conditions, packaging materials, quality control and inspection processes.

There is increased risk in this respect arising out of the Group's use of suppliers in other jurisdictions (including in particular East Asia), which have different laws and standards to those which apply in the United Kingdom and the other jurisdictions in which the Group operates or in which its products are sold. Those differences, and the distances involved, make it more difficult and expensive for the Group to monitor compliance by suppliers and such difficulties have been exacerbated by Covid-19 and the actions being taken by governments around the world to try to mitigate the effects of it. Failure to meet the Group's ethical sourcing standards may adversely affect its brand reputation and customer demand for its products, which could adversely affect the Group's business, financial condition, results of operations or prospects.

The Group uses a reputable third party ethical trade service supplier (Sedex) to audit its supplier base and has satisfied itself with audits of 95 of its product suppliers, representing approximately 78% of the Group's product purchases in FY21. In relation to the Group's top 10 product suppliers, nine have been subject to this audit (purchases from these suppliers representing 70% of the Group's product purchases in FY21), the remaining top 10 product supplier is subject to audit by another provider of supplier ethical audits which is currently subject to review by the Group. However, the Group can give no assurance that its suppliers are or will remain in compliance with such terms, laws or regulations. A violation, or allegations of a violation, of such laws or regulations, or failure to achieve particular standards, by any of those individuals or entities could lead to financial penalties, adverse publicity or a decline in public demand for the Group's products, or require the Group to incur expenditure or make changes to its supply chain and other business arrangements to ensure compliance. Any such events could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

2.8 ***The ability of the Group to achieve its strategic ambitions requires continued business change***

The ability of the Group to achieve its strategic ambitions requires continued business change as necessary to remain competitive and improve capabilities, drive performance and evolve its market leadership position. The Group's change programmes are intended to deliver incremental, value-added changes to ensure that its growth plans are achievable. The potential consequences of not achieving change goals include loss of competitive position, under-achievement against the Group's growth targets, inefficient returns on investment and constrained ability to respond to market forces. Any of those effects could adversely affect the Group's business, financial condition, results of operations or prospects.

2.9 ***Natural disasters, public health crises, political crises, civil unrest and other catastrophic events or events outside the Group's control may adversely affect the Group's business***

Natural disasters, such as fires, earthquakes, power shortages or outages, floods or monsoons, public health crises, such as pandemics and epidemics, political crises, such as terrorism, war, civil unrest, political instability or other conflict, or other events outside of the Group's control, have in the past, and may in the future, adversely impact the Group's sales. For example, the Covid-19 pandemic, led to reduced footfall at the Group's retail stores and adversely impacted the Group's retail revenue in FY21. This risk is enhanced if any of those events occur during peak sales periods (historically November and December) of the Group's financial year, during which the Group generates a significant proportion of its annual revenue.

As a significant proportion of the Group's revenue is derived from in-store sales, its retail revenue may be materially adversely affected by events that could deter consumers from shopping in-store. Such events could also disrupt the internet or mobile networks and may also prevent or deter consumers from shopping through the Group's ecommerce channel, which could materially adversely affect its ecommerce revenue.

In addition, if any of the Group's facilities, including its distribution facilities, retail stores or the facilities of its suppliers or third-party service providers, are affected by any such natural disasters, catastrophic events or other events outside of the Group's control, its business and results of operations could be materially adversely affected. Moreover, those types of events could negatively impact consumer spending in the impacted regions or, depending upon the severity, globally, which could materially adversely impact the Group's business, financial condition, results of operations or prospects.

2.10 ***The Group's business is subject to changes in consumer preferences***

The Group's continued success depends in part on the continued attractiveness of the Group's design, styling, production, merchandising and pricing of its products to consumers. The Group's products must appeal to a consumer base whose preferences cannot be predicted with certainty and are subject to change. In addition, to ensure adequate inventory supply, the Group must forecast inventory needs and place orders with its suppliers based on its estimates of future demand for particular products. If the Group misjudges the market for its products, it may be faced with excess inventories for some products and missed opportunities for others. If the Group is unable to predict or respond to sales demand or to changing styles or trends successfully, its sales could be lower or less profitable. The Group may also experience inventory shortfalls on unexpectedly popular products, which would also result in reduced sales through lack of availability. In addition, there can be no assurance that the Group will be able to distribute and market new products efficiently or that any product category that it may expand or introduce will achieve sales levels sufficient to generate profits. Any of those outcomes could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The success of the Group's business depends, in part, on its ability to identify and respond to evolving macro-economic and sector trends in demographics and customer preferences. Failure to identify or effectively respond to changing requirements and preferences of its customer base could adversely affect the Group's business, financial condition, results of operations or prospects.

The Group's success also depends on designing and selecting products and product ranges that customers want to buy, at appropriate price points which are stocked in the right quantities. The Group continually reviews the design, selection and performance of the product ranges sold by it. It regularly reviews product range trends and performance to assess and correct any key selection or product issues. Corrections to significant missed trends or poorer performing ranges are targeted for amendment, with alternative products being sourced, where deemed necessary. In the short to medium term, a failure to manage product ranges successfully may mean that the Group is faced with surplus stocks that cannot be sold at full price and may have to be disposed of at a loss. Over the longer term, the reputation of the Group may suffer if its product ranges are not meeting customer quality, design or price expectations, which could result in lower customer demand for its products. Any of those effects could adversely affect the Group's business, financial condition, results of operations or prospects.

The Group's success also depends on its continued ability to engage with customers through different media. Such media, and trends relating to them, is subject to constant change. Failure to identify or effectively respond to changing trends in the media used by customer base could adversely affect the Group's business, financial condition, results of operations or prospects.

2.11 ***Failure to successfully develop new business opportunities which the Group chooses to develop could have a material adverse effect on its business, financial condition, results of operations or prospects***

If ProCook chooses to develop any new businesses or enter into joint ventures and strategic partnerships, there can be no guarantee that any such endeavour will succeed. Any such initiative that is not favourably received by consumers and/or suppliers could damage ProCook's reputation and brand, and any expansion or alteration of its operations could require significant additional expenses and divert management and other resources, which could in turn negatively affect its results of operations. If ProCook launches but fails to generate satisfactory returns from any such initiative, it could have a material adverse effect on its business, financial condition, results of operations or prospects.

2.12 ***Third-party intermediaries ceasing to allow the Group to sell its products through them could materially adversely impact the Group's business, financial condition, results of operations or prospects***

As ProCook sells some of its products through third-party intermediaries, there is a risk that any such third-party intermediary could cease to allow the Group to continue to do so, without cause and with little or no notice. Even if the Group is able to replace such lost sales with sales through its own websites, it would take time before it is able to do so and that would divert management from other activities.

Any such risks could materially adversely impact the Group's business, financial condition, results of operations or prospects.

3. Risks related to the Group's business operations

3.1 ***Any problems with the Group's IT systems, or any material disruption in such systems, could have a material adverse effect on its business, financial condition, results of operations or prospects***

The Group relies to a significant degree on its IT systems to, among other things, track inventory, manage its supply chain, record and process transactions, summarise results and manage its business. The Group adopts a hybrid approach to IT systems, which sees it utilise its own bespoke software, coupled with third-party technology where appropriate, generally on the third party's terms and conditions. The Group's IT systems may be subject to damage and/or interruption from, among other things, power outages, computer, network and telecommunications failures, computer viruses, security breaches and usage errors by its employees. If the Group's IT systems are damaged or cease to function properly, it may have to make a significant investment to fix or replace them and it may suffer loss of critical data and disruptions or delays in its operations, including its ecommerce channel. Where such damage or interruption is caused by a provider of third party technology, given that the Group generally contracts with those third parties on the third party's terms and conditions, the remedies available to the Group under those terms and conditions are limited.

In recent years, the Group has implemented multiple modifications and upgrades to its systems, including in connection with its ecommerce platforms. The Group plans to continue to invest in its IT infrastructure over the next several years, including investing in solutions to support its international growth ambitions. The Group's results of operations may be affected by the timing, effectiveness and costs associated with the successful implementation of any upgrades or changes to those systems and infrastructure. Those activities subject the Group to inherent costs and risks associated with replacing and upgrading those systems, including impairment of the Group's ability to fulfil customer orders, potential disruption of its internal control structure, substantial capital expenditure, additional administration and operating expenses, retention of sufficiently skilled personnel to implement and operate the new systems, demands on management time and other risks and costs of delays or difficulties in transitioning to new or upgraded systems or of integrating new or upgraded systems into the Group's current systems. The ongoing Covid-19 pandemic may also add to potential delays in the implementation of new or upgraded systems. The Group's system implementations may not result in productivity improvements at a level that outweighs the costs of implementation, or at all. In addition, the difficulties with implementing new or upgraded technology systems may cause disruptions in the Group's business operations and have an adverse effect on its business and operations, if not anticipated and appropriately mitigated.

Any problems with the Group's IT systems, or any material disruption in such systems, could have a material adverse effect on its business, financial condition, results of operations or prospects.

3.2 ***The success of the Group relies on the continued service and expertise of its senior management and technical personnel, and on its ability to continue to attract, motivate and retain highly qualified employees***

The success of the Group relies on the continued service and expertise of its senior management and technical personnel, and on its ability to continue to attract, motivate and retain highly qualified employees.

There can be strong competition for personnel from other companies and organisations and there may, at any time, be shortages in the availability of appropriately skilled people at any particular levels within the Group. While the Group has employment or service contracts with its key executives and personnel, and the Group has in place incentive schemes to incentivise key executives and technical personnel, the Group cannot guarantee the retention of such key executives and personnel. The failure to retain and/or recruit additional or substitute senior managers and/or other key employees could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Board will consider the development of senior managers to ensure adequate career development opportunities for key personnel, with orderly succession and promotion to important management positions. The Company's Remuneration and Nomination Committees will identify senior personnel, review remuneration at least annually and formulate packages to retain and motivate those employees, including long term incentive schemes. However, there can be no assurance that those measures will be successful or that the Group will be able to attract, develop or retain senior managers of the right calibre. Any loss of Board directors and senior management could adversely affect delivery of short and medium term strategic plans and/or the quality of the Group's product offering, resulting in both operational and financial under-performance. Any failure by the Group to attract or retain key personnel of the right calibre and any resultant impact on the delivery of its strategic plans or the quality of its product offering could adversely affect the Group's business, financial condition, results of operations or prospects.

3.3 ***Any adverse events influencing either the sustainability of the supply chain or the Group's relationship with any major supplier could adversely affect its business***

Wherever possible, the Group attempts to source materials from multiple suppliers and work is ongoing to continue the diversification of the supplier base. The Group's products are manufactured mainly in East Asia, under arm's length arrangements and the Group has procedures in place to prevent over-dependence on any single supplier. The Group sources products from over 100 suppliers globally but 70% of its supplies came from its top 10 suppliers in FY21 (with 29% of its supplies coming from the Group's top product supplier in that period). One or more of the Group's key suppliers may be unable to supply, or decide to cease supplying, the Group with products for reasons beyond the Group's control, or they may increase prices significantly. For example, during the first months of 2021, following rising demand from other customers and a typhoon causing disruption, the Group experienced stock shortages of cast iron products from a supplier on which it is, to some degree, reliant for cast iron products and, as a result, it ordered large quantities of cast iron to attempt to mitigate such reliance going forward. Alternative suppliers may be difficult to identify and, in any event, may take a significant period of time to begin supplying the Group. Moreover, if the Group expands beyond the production capacity of its current suppliers as it continues to grow, it may not be able to find new suppliers with an appropriate level of expertise and capacity in a timely manner.

The Group's supply chain could also be materially adversely affected by a number of other factors, including, among other things, potential economic and political instability in countries where its suppliers are located, increases in shipping or other transportation costs, manufacturing and transportation delays and interruptions, whether as a result of natural disasters or force majeure events (including without limitation unrest, civil disorder, war, terrorist attacks, subversive activities or sabotage, fires, floods, explosions, other catastrophes, epidemics or pandemics, including the Covid-19 pandemic), industrial action in the supply chain or other factors, supplier compliance with applicable laws and regulations, adverse fluctuations in currency exchange rates and changes in laws affecting the importation and taxation of goods, including duties, tariffs and quotas or changes in the enforcement of those laws. The Group may also be subject to potential reputational damage if one or more of its suppliers violates or is alleged to have violated applicable laws or regulations including improper labour conditions or human rights abuses, fails to meet the Group's requirements or does not meet industry standards and safety specifications.

If there were delays in product shipments due to freight difficulties or industrial action (including strikes by personnel at ports through which products are transported) or elsewhere in its supply chain, the Group's business, financial condition, results of operations or prospects could be materially affected. There is currently increased risk of such issues resulting from Brexit, Covid-19 and the actions being taken by governments around the world to try to mitigate the effects of Covid-19.

The Group aims to capitalise on the longstanding relationships it has developed with suppliers. Those relationships can change over time as a result of many factors, including change of personnel (either at the Group or at the supplier), change in ownership of the supplier or disagreement over the manner in which products are sold by the Group. Any significant deterioration in the Group's relationship with any of its key suppliers, whether as a result of any of those factors or otherwise, could have a material adverse effect on its business, financial condition, results of operations or prospects.

Any of those risks, in isolation or in combination, could restrict the availability of products or significantly increase the cost of such products, require the Group to divert financial and management resources from more beneficial uses and subject the Group to reputational damage, any of which could have a material adverse effect on its reputation, business, financial condition, results of operations or prospects.

3.4 ***The Group relies on third-party freight service providers and disruptions to freight could have a material adverse effect on its business, financial condition, results of operations or prospects***

ProCook relies on third-parties with respect to freight services in relation to its products and is dependent on the continued efficient operation of such services. ProCook cannot control all of the various factors that might affect the timely and effective shipment of products from its suppliers. All products that ProCook purchases overseas must be shipped to one of its warehouses by third-party freight service providers. ProCook's dependence on imports shipped by third-party freight service providers exposes it to various risks. Those risks include damage, destruction or confiscation of products in transit to the warehouse and work stoppages (including as a result of strikes). They also include transportation and other delays in shipments (including as a result of inspection processes or other port-of-entry limitations or restrictions in the United Kingdom as ProCook's main port-of-entry) and lack of freight availability and freight cost increases, including as a result of events such as Brexit, the Covid-19 pandemic and the recent block of the Suez Canal.

If ProCook is unable to obtain sufficient freight capacity on a timely basis or at expected shipping rates, it may not be able to ensure that it receives products from its suppliers in a timely manner and at an acceptable cost level, which could impact its lead times and have a material adverse effect on its customer satisfaction. For example, as a result of the Covid-19 pandemic, which has led to market-wide reduced freight capacity, ProCook has recently been experiencing delays in freight shipping and higher freight costs, which has adversely impacted its gross margins. ProCook has also been subject to a greater administrative burden and port disruptions as a result of Brexit and growing regulation and increasing customs scrutiny on imported goods. Those delays and burdens are continuing at present and there is no guarantee that similar issues might not result in future disruption to ProCook's business. The continued impact, worsening or repeat of such events and factors could have a material adverse effect on ProCook's business, financial condition, results of operations or prospects.

As nearly all of the Group's supplies are sourced from China, this risk is elevated given the distances involved.

3.5 ***The Group is subject to cyber security risks and security breaches***

The Group relies on systems and websites that allow for the secure storage and transmission of proprietary or confidential information regarding its consumers, customers, suppliers, employees and others, including credit card information and personal information. The Group also stores data in third-party data centres, as well as third-party servers or applications by means of "cloud computing". As the Group's ecommerce channel continues to increase in importance to the Group's results of operations, the salience of this risk has increased and will continue to do so.

The Group's systems, websites, data (wherever stored), software or networks, and those of third-parties (including data centres), are inherently vulnerable to security breaches, including unauthorised access (from within the Group's organisation or by third-parties), computer viruses or other malicious code and other cyber threats that could have a security impact. The Group and third-parties may not be able to anticipate evolving techniques used to effect security breaches (which change frequently and may not be known until launched) or prevent attacks by hackers, including phishing or other cyber-attacks, or prevent breaches due to employee error or malfeasance, in a timely manner, or at all. Cyber-attacks have become far more prevalent in the past few years, leading potentially to the theft or manipulation of confidential and proprietary information or loss of access to, or destruction of, data on the Group's or third-party systems, as well as interruptions or malfunctions in the Group's or third-parties' operations.

The Group is subject to malicious attacks on its IT networks on an ongoing basis, and these risks may increase in the future should the Company become a publicly-listed company. The Group and its suppliers are at a risk of suffering materially from such attacks and breaches, which could adversely affect the Group's ability to process customer and consumer transactions and manage inventories, resulting in the Group incurring significant additional costs to modify its protective measures or to investigate and remediate vulnerabilities, and result in significant losses, reputational harm, competitive disadvantage and sometimes physical damage. The Group may also be subject to related litigation and financial losses that are either not insured against or not fully covered through the Group's insurance policies. The Group may also be subject to regulatory intervention, significant regulatory fines and sanctions, particularly as a result of GDPR/UK GDPR and, more broadly, the increasing regulatory focus on promoting the protection of customer information and the integrity of IT systems.

In addition, while the Group has established business continuity and recovery plans and strategies and its core systems are periodically tested to ensure that they can be fully operational within a short period of time following any system failure, there are inherent limitations in such plans, strategies, systems, policies and procedures, including the possibility that certain risks have not been identified or that new cyber security threats emerge. As techniques used to sabotage or obtain unauthorised access to systems change frequently, and generally are not recognised until they are launched against a target, the Group and its third-party service providers may be unable to anticipate these techniques or implement adequate preventative measures.

Any of those risks could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

3.6 ***The Group is dependent on the continued efficient operation of several warehouses***

ProCook is reliant on the continued efficiency of its storage and warehouse operations. The inability of ProCook to manage those operations efficiently could have a material adverse effect on its processes and operations. In addition, there is a risk that ProCook may not be able to scale its operations in line with its growing business and its increased demand for storage and warehouse facilities. Such inefficiency or inability to scale could limit ProCook's operations and, in turn, have a material adverse effect on its business, financial condition, results of operations or prospects.

ProCook plans to move to a new warehouse, which would include a new head office, in 2022. There is a risk that, if such move is not managed efficiently or encounters difficulties, the Group's business will be disrupted as a result. Upon such move, the Group will also need to sub-let or assign the leases of its current two warehouses and, if it were unable to do so, it would bear the continued costs of those leases.

ProCook is also exposed to risks due to external factors beyond its control, including accidents, vandalism, natural hazards, acts of terrorism, damage and loss caused by fire, power failures, floods or other events that could potentially lead to the interruption of business operations, personal injuries, damage to third-party property or the environment. For example, ProCook's warehouse operations are subject to specific risks such as fire, falls from height, objects falling from storage shelving and during movement or traffic movements which could result in damage to equipment, damage to property of third-parties and personal injury or death. Accidents or other incidents that occur at ProCook's warehouses or other facilities or involve its personnel or operations could result in claims for damages against it and could damage its reputation. Although ProCook insures itself against such losses to a level and at a cost it deems appropriate, its insurance policies are subject to exclusions and limitations, and it cannot guarantee that all material events of damage or loss will be fully or adequately covered by an applicable insurance policy. In addition, ProCook's insurance providers could become insolvent.

Damage resulting from any of those events may cause significant disruption to ProCook's operations and take considerable time to repair. Moreover, the complete destruction of a warehouse through a single catastrophic event, such as a fire, may increase lead times for products stored at the warehouses, affecting the efficiency of ProCook's operations. The direct effect of any such event and prolonged period before rectification could have a material adverse effect on ProCook's business, financial condition, results of operations or prospects.

Any of those risks could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

3.7 ***The Group's results and success are dependent, in part, on its ability to attract and retain effective personnel, as well as on its ability to preserve its culture***

The Group's results and success are dependent, in part, on its ability to attract and retain effective personnel. The Group's performance depends significantly on the efforts and abilities of its senior management. The Group's senior management have substantial experience and expertise in retail, technology and consumer goods industries and have made significant contributions to the Group's continuing growth and success. The loss of key senior managers or other key personnel without the prompt addition of appropriate replacements could therefore adversely affect the Group's operations and prospects. The Group may be unable to find appropriate replacements in a timely manner or the replacements, once appointed, may not perform as effectively as expected. In addition, there can be no assurance that the Group will continue to be able to retain or attract a sufficient number of skilled personnel, including within the design, merchandising and ecommerce teams, on attractive terms or at all. The Group believes that the image, reputation and popularity of the ProCook brand improves the Group's ability to recruit skilled personnel and any significant deterioration of the Group's brand could negatively affect its ability to retain or attract those skilled personnel. Any inability to recruit, train or retain such personnel could hinder the Group's ability to successfully operate its business, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

Further, the Group believes that a critical component of its success is its corporate culture. As the Group continues to expand, it may find it difficult to maintain the valuable aspects of its corporate culture, and this risk may increase in the future should the Company become a publicly-listed company. Any failure to preserve this culture could adversely affect the Group's ability to attract and retain talent, encourage creativity, teamwork, passion and transparency, and effectively focus on and execute on the Group's vision and strategy.

3.8 ***The Group's performance depends on the attraction and retention of customers and on its ability to drive and service customer demand***

The Group's performance depends on the attraction and retention of customers and on its ability to drive and service customer demand. This includes having attractive, functional and reliable online platforms, such as websites and mobile applications, as well as well laid-out stores which provide inspiration and the ability to browse, trial products and receive advice from knowledgeable colleagues. It must also be able to deliver successful marketing strategies, operate effective call centres, and provide customers with service levels that meet or exceed their expectations. Should the Group's online, retail or call centre experience not meet customers' expectations or match the experience offered by other retailers, this may lead to reputational damage and lower demand for the Group's products as customers may shop elsewhere. Any of those effects could adversely affect the Group's business, financial condition, results of operations or prospects.

3.9 ***If the Group encounters operational challenges relating to the distribution of its products, its business could be adversely affected***

The Group relies on both Group-owned and third-party distribution facilities to warehouse and distribute products to its retail stores and ecommerce consumers. Those facilities are subject to operational risks, including, among other things, mechanical and IT system failure, work stoppages, increases in transportation costs, the impact of pandemics (including the Covid-19 pandemic), cross border trade barriers (including as a result of Brexit), natural disasters, political crises, civil unrest and other catastrophic events. Such disruption could have an adverse effect on the availability of the Group's in-store and warehoused inventory and would divert financial and management resources from beneficial uses. In addition, distribution capacity is dependent on the timely performance of services by third parties, including the transportation of products to and from their distribution facilities. If the Group encounters problems with its distribution systems, whether Group-owned or third-party, its ability to meet customer and consumer expectations, manage inventory, complete sales and achieve operating efficiencies could be adversely affected. Additionally, the success of the Group's ecommerce channel and the satisfaction of consumers depend on their timely receipt of products. The efficient flow of the Group's products requires that the Group-owned and third-party operated distribution facilities have adequate capacity to support the current level of operations and any anticipated increased levels that may follow from the growth of the Group's business activities. If any of those events occur, the Group could incur significantly higher costs and longer lead-times associated with distributing its products to consumers and experience dissatisfaction from consumers, which could have a material adverse effect on its business, financial condition, results of operations or prospects.

Third party carriers make all of ProCook's deliveries to its stores and ecommerce customers and there is a risk that they may cease making deliveries for ProCook at any time. In addition, the quotes for the delivery companies are refreshed periodically. If ProCook was to lose a significant number of its third-party carriers due to a disagreement on a price increase or any other reason, and was unable to recruit a sufficient number of qualified replacement delivery teams in a timely manner, its ability to make deliveries would be materially adversely affected.

ProCook is also subject to the risks associated with the ability of its carriers to provide prompt delivery services. The efficiency of delivery to the ultimate customer is exposed to factors such as traffic congestion, road works, inclement weather (particularly flooding or snow), power loss, earthquakes, labour disputes, acts of war or terrorism and travel and other restrictions, including as a result of events such as the Covid-19 pandemic, all of which could render deliveries difficult or impossible. Any significant interruption to ProCook's delivery of products may have a material adverse effect on its reputation, business, financial condition, results of operations or prospects.

3.10 ***Product returns, product recalls and product liability claims could have a material adverse effect on the Group's business, financial condition, results of operations or prospects***

ProCook is subject to standard UK, EU and national regulations and legislation regarding distance selling, including sale of goods and consumer rights regulations and legislation. For example, online sales to consumers in the United Kingdom are subject to the UK Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. In general, under those regulations (subject to some limited exemptions), consumers are afforded the right to return products for any reason within a period of 14 days after the date on which goods are delivered. Whilst this UK statutory 14 day cancellation period is limited to "distance" and "off-premises" sales, ProCook does, in fact, offer an enhanced contractual "*30 day, no quibble, money back guarantee*" returns policy for purchases, whether these are made online or in-store.

In addition, under UK law, all goods sold direct to consumers will need to comply with the statutory "warranties" implied under the UK Consumer Rights Act 2015, and all consumers will be afforded rights under the statutory remedies set out in the same piece of legislation in relation to defective goods. In addition to those statutory warranties, ProCook also offers 10 year and 25 year extended warranties.

The exercise by consumers of their rights under relevant laws and regulations, including in relation to cancellation and statutory warranties (as well as the enhanced contractual rights afforded to customers under ProCook's own policies/terms) could cause ProCook to have unanticipated returns, resulting in an increase in inventory, which may include damaged goods. In addition, ProCook may be required to refund, repair, replace and/or pay compensation for any products that do not meet the express terms of the contract for sale, the implied terms of satisfactory quality, fitness for purpose or correspondence with description or any other mandatory warranties relating to a product, including those regarding hidden defects. While the customer may have similar rights against the manufacturer of the product, those rights are in addition to the rights that the customer has against ProCook as the seller. If claims are made against ProCook by customers, it may not be able to recover the costs of such claims from the manufacturer, particularly if the manufacturer has entered into administration or becomes insolvent.

Further, the use of ProCook's products involves the risk of injury to its customers or other persons and damage to property, as well as costs of replacement. The actual or alleged sale of defective products by ProCook could result in product recalls or product liability claims, the settlement or outcome of which could have a material adverse effect on its reputation, business, financial condition, results of operations or prospects. Although ProCook insures itself against such claims to a level and at a cost it deems appropriate, its insurance policies are subject to exclusions and limitations and it cannot guarantee that all claims will be fully or adequately covered.

Even if an event causing a product recall proves to be unfounded or if a product liability claim against ProCook is unsuccessful or is not fully pursued, the negative publicity surrounding any assertion that the products sold by it caused injury or damage, or any product recall or allegation that the products sold by ProCook were defective, could adversely affect both its reputation with existing and potential new customers and its corporate and brand image, which in turn could have a material adverse effect on ProCook's business, financial condition, results of operations or prospects.

3.11 ***The Group's operations may be adversely affected by labour disputes and work stoppages in relation to its workforce***

ProCook's operations may be adversely affected by labour disputes and work stoppages in relation to its workforce. There is a risk that ProCook may face employee-related disagreements, which may result in extended work stoppages or prolonged labour disputes. Any extended work stoppage or labour dispute within ProCook could adversely affect its ability to continue its operations, which could have a material adverse effect on its business, financial condition, results of operations or prospects. As it develops its channel capability and presence in Europe, ProCook will become subject to employment and labour laws which are different and provide different rights to employees than in the UK.

3.12 ***Business interruption events could adversely affect the Group's business, financial condition, results of operations or prospects***

Business interruption events are an ever-present possibility for the Group. These could include loss of IT systems or connectivity, loss of access to trading or distribution sites (caused by landlords, civil unrest, damages, natural disasters or pandemics etc.), data breach disruptions, distribution disruptions (caused by road closures or vehicles etc.) and fuel shortages. Potential impacts are broad ranging and include disruption to trade and customer service and impact on revenue, margin or reputation. Any of those effects could adversely affect the Group's business, financial condition, results of operations or prospects. ProCook's planned move to a new warehouse, including a new head office, in 2022 would give rise to a heightened risk of such business interruption.

3.13 ***If the Group is unable to protect its trade marks and other intellectual property rights, its business could be materially adversely affected***

The ProCook brand has been, and will continue to be, key to the success of the Group. Additionally, the Group's business is dependent on its ability to protect and promote its trade marks and other intellectual property rights. Third parties have in the past attempted and may in the future attempt to counterfeit the Group's brand and trade marks, otherwise infringe the Group's intellectual property rights or try to challenge the validity of the Group's intellectual property. The Group may not always be able to secure protection for, or stop infringements of, its intellectual property, and may need to resort to litigation to enforce its intellectual property rights. Any litigation or dispute involving the scope or enforceability of the Group's intellectual property rights, however, as well as any allegation that the Group has infringed the intellectual property rights of others, could be costly and time-consuming and, if determined adversely to the Group, result in harm to its business, financial condition, results of operations or prospects.

The Group's continuing success will depend on its ability to operate without infringing the intellectual property rights of others. There can be no assurance that the products that the Group is currently marketing do not, or that the products that the Group may market in the future will not, infringe any proprietary rights of others. Therefore, the Group may need to engage in litigation to defend itself against any such claims. Litigation is inherently expensive and time consuming and, even if the outcome of litigation is ultimately favourable to the Group, litigation could result in the diversion of substantial resources from the Group's other activities as well as exposing it to adverse publicity and reputational risk. Any of those effects could adversely affect the Group's business, financial condition, results of operations or prospects.

3.14 ***Any failure of the Group's payment services to function properly or prevent fraudulent transactions could have a material adverse effect on its business, financial condition, results of operations or prospects***

ProCook accepts payments using a variety of methods, including credit and debit cards, PayPal, Verifone, Amazon Pay, Google Pay and Apple Pay, which subjects it to certain regulations and the risk of fraud, and it may in the future offer new payment options to customers that would be subject to additional regulations and risks. ProCook pays interchange and other fees in connection with credit card payments, which may increase over time and adversely affect its operating results. ProCook's third-party payment arrangements are predominantly based on the standard terms and conditions of the service provider and contain provisions which are generally favourable to the service provider. ProCook currently relies on a small number of payment processor providers for a significant portion of its payments. If those payment processor providers were to experience an interruption, delay or service unavailability, ProCook may not be able to process payments on a timely basis. Although ProCook uses third parties to process payments, its processes must comply with payment card association operating rules and certification requirements, including the PCI – DSS and rules governing electronic funds transfers, the EU regulation on regulatory technical standards for strong customer authentication and common and secure open standards of communication and the EU directive on payment services in the internal market. If ProCook fails to comply with applicable rules and regulations of any payment provider, if the volume of fraud in its transactions triggers limits or terminates its rights to use any existing payment methods or if a data breach occurs relating to its payment systems, it may be subject to fines or higher transaction fees and may lose its ability to accept online payments.

Further, if services of ProCook's payment providers are interrupted, harmed or such payment providers are subject to fraud or cyber security attacks, this may result in the data of its customers being compromised and loss or theft of their personal information, as well as an inability to process their payments. In addition, ProCook has, in the past, incurred and may, in the future, incur losses from various types of fraud, including stolen credit card details, claims that a customer did not authorise a purchase, merchant fraud and customers who have closed bank accounts or have insufficient funds in bank accounts to satisfy payments. Although ProCook has measures in place to detect and reduce the occurrence of fraudulent activity on its website, those measures may not always be effective. In addition to the direct costs of such losses, if the fraud is related to credit card transactions and becomes excessive, it could potentially result in ProCook paying higher fees or losing the right to accept credit cards for payment. ProCook's failure to adequately prevent fraudulent transactions could damage its reputation, result in litigation or regulatory action and lead to expenses that could substantially impact its results of operations.

The occurrence of any of those events could have a material adverse effect on ProCook's business, financial condition, results of operations or prospects.

3.15 ***The Group's business may be impacted by weak sales in peak selling seasons***

The Group's business may be impacted by weak sales during peak selling seasons. Historically, the most important trading period in terms of sales has been in November and December. In FY21, 24% of the Group's sales occurred in this period. If sales during this period are significantly lower than expected for any reason, the Group may be left with a substantial amount of unsold inventory. In that event, the Group may be forced to rely on markdowns or promotional sales to dispose of excess inventory or hold excess inventory for longer than originally anticipated, which could have a material adverse effect on the Group's business, financial condition or results of operations. At the same time, if the Group fails to purchase a sufficient quantity of merchandise, it may not have an adequate supply of products to meet consumer demand, which could materially adversely affect its gross transaction value and, in turn, its results of operations.

3.16 ***The Group is subject to risks associated with international markets***

As a company that markets, sells and manufactures (through third-party manufacturers) its products in foreign countries, the Group faces a variety of risks generally associated with doing business in foreign markets and importing merchandise from, and exporting merchandise to, those regions, including, among others, political instability resulting in the disruption of trade, quotas and other trade regulations, export licence requirements, delays associated with customs procedures, including increased security requirements applicable to foreign goods and measures related to the Covid-19 pandemic, imposition of taxes, other charges and restrictions on imports, currency and exchange rate risks, risks related to labour practices increasing minimum wages and inflationary pressures, environmental matters or other issues in the foreign countries or factories in which the Group's products are manufactured, risk of loss at sea or other delays in the delivery of products caused by transportation problems and increased costs of transportation.

In recent years, global trade has been adversely affected by increasing protectionism and regulatory unpredictability, including the ongoing trade disputes between China and the US, and the impact of Brexit.

Any of those risks could have a material adverse effect on the Group's reputation, business, financial condition, results of operations or prospects.

4. Legal and regulatory risks

4.1 ***Any failure, or perceived failure, by the Group to comply with e-commerce, consumer protection and advertising laws or regulations could result in damage to the Group's reputation, a loss of revenue and substantially increased legal expenses and/or penalties***

Laws and regulations applicable to e-commerce, as well as consumer protection and advertising laws and regulations of broader application, that apply to the Group's business are subject to evolution and can be subject to differing interpretation. Given the extensive scope of the legislative framework in place, the Group may be unable to guarantee that its practices have complied or will comply fully with all applicable laws and regulations and their interpretation. Any failure, or perceived failure, by the Group to comply with any of those laws or regulations could result in damage to the Group's reputation and a loss of revenue, and any legal or enforcement action brought against the Group as a result of actual or alleged non-compliance could further damage its reputation and result in substantially increased legal expenses and/or penalties. In addition, legislative and regulatory bodies or self-regulatory organisations may extend the scope of current laws or regulations, enact new laws or regulations or issue revised rules or guidance regarding e-commerce and consumer protection. It is also anticipated that, following Brexit, there is likely to be an ever-increasing divergence between the UK and EU positions on e-commerce and consumer protection and advertising law, which is likely to result in the need for the Group to develop different internal and customer facing processes and supporting contracting documentation to ensure compliance across multiple jurisdictions.

4.2 ***Any perceived or actual failure by the Group, including its third-party service providers, to protect confidential data or any material non-compliance with data protection, e-privacy, privacy or other consumer protection laws or regulations could have a material adverse effect on the Group's business, financial condition, results of operations or prospects***

The Group is subject to a number of laws relating to data protection, e-privacy and privacy, including PECR, the GDPR, the UK GDPR, the UK Data Protection Act 2018 and other applicable data protection, privacy and cyber security laws across its various markets. Such laws govern the Group's ability to collect, use and transfer personal data, including relating to consumers and business partners, as well as any such data relating to employees and others. The Group routinely transmits and receives personal, confidential and proprietary information (including debit and/or credit card details of consumers) by electronic means and therefore relies on the secure processing, storage and transmission of such information in line with regulatory requirements (including the PCI – DSS). Therefore, the Group is exposed to the risk that such data could be wrongfully appropriated, lost or disclosed, damaged or processed in breach of data protection or privacy laws, which could lead to regulatory investigation and the imposition of fines or regulatory action, together with associated negative publicity and the risk of compensation claims for financial loss or distress, or both, brought by affected staff and customers under the GDPR/UK GDPR. For example, breaches of the GDPR/UK GDPR can result in maximum fines of up to £17.5 million or 4% of annual global turnover, whichever is highest. Any perceived or actual failure by the Group, including its third-party service providers, to protect confidential data or any material non-compliance with data protection, e-privacy, privacy or other consumer protection laws or regulations may harm the Group's reputation and credibility, adversely affect revenue, reduce its ability to attract and retain customers and consumers, result in litigation or other actions being brought against the Group and the imposition of significant fines and, as a result, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

4.3 ***Any failure, or perceived failure, by the Group to comply with product liability/safety regulations could result in damage to the Group's reputation, a loss of revenue and substantially increased legal expenses and/or penalties***

The Group is subject to a range of regulations in the UK, the EU and elsewhere concerning product liability/safety, the specific application and requirements of which vary from product to product. Those regulations include those addressing general product safety, as well as requirements related to specific product features, for example, in relation to food contact materials/biocidal, electromagnetic compatibility, low voltage electrical equipment, packaging, waste and chemical composition. The relevant regulations impose a number of requirements as regards safety and quality. The regulations include mechanisms under which national authorities can bring enforcement action for non-compliance, which could include requiring product recalls or taking corrective action in relation to products in the market, as well as fines or potentially imprisonment. Any failure, or perceived failure, by the Group to comply with any of those regulations could result in damage to the Group's reputation and a loss of revenue, and any legal or enforcement action brought against the Group as a result of actual or alleged non-compliance could further damage its reputation and result in substantially increased legal expenses and/or penalties.

4.4 ***If the Group fails to comply with the laws and regulations in the range of international markets in which it operates, it may face fines, penalties or other sanctions, as well as result in damage to the Group's brand, which could have a material adverse effect on the Group's business, financial condition, results of operations or prospects***

The Group operates in a range of international markets and is subject to a variety of laws and regulations and it routinely incurs costs in complying with those laws and regulations. New laws or regulations or changes in existing laws and regulations, particularly those governing the sale of products or in other regulatory areas such as consumer protection, privacy, information security, labour and employment, tax, competition, health and safety or environmental protection, may conceivably require extensive system and operating changes that may be difficult to implement and could increase the Group's cost of doing business.

For example, the Group is subject to laws and regulations relating to restricted substances. If the Group fails to comply with those laws and regulations, it may face fines, penalties or other sanctions, as well as resulting in damage to the Group's brand. In addition, the Group could incur future expenditure in relation to past non-compliances that could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

The Group is also subject to those regulations provided under the Modern Slavery Act 2015 (the "Modern Slavery Act") as well as to the risk of forced labour and modern slavery in its supply chain. The Group has taken steps to mitigate against any risk of breaching the Modern Slavery Act or of forced labour or modern slavery in its supply chain, including audits to ensure its key suppliers comply with its policies, procedures and applicable laws. However, there can be no assurances that suppliers, or their labour practices, are fully compliant with the Group's policies and procedures as well as the relevant laws and regulations in which they operate.

In addition, changes in laws and regulations, more stringent enforcement or alternative interpretation of existing laws and regulations in jurisdictions in which the Group currently operates can change the legal and regulatory environment, making compliance with all applicable laws and regulations more challenging. Various governments and intergovernmental organisations could introduce proposals for tax legislation, or adopt tax law, that may have an adverse effect on the Group's worldwide effective tax rate, or increase its tax liability, the carrying value of deferred tax assets, or its deferred tax liabilities. Changes in laws and regulations in the future could have an adverse economic impact on the Group by tightening restrictions, reducing its freedom to do business, increasing its costs of doing business or reducing its profitability. In addition, the compliance costs associated with such evolving laws and regulations may be significant. Failure to comply with applicable laws or regulations can lead to civil, administrative or criminal penalties, including but not limited to fines or the revocation of permits and licences that may be necessary for the Group's business activities. The Group could also be required to pay damages or civil judgments in respect of third-party claims.

Any of those developments, alone or in combination, could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

4.5 ***Failure to comply with the UK Bribery Act 2018 and other anti-bribery, anti-corruption, anti-money laundering, sanctions and competition laws could result in fines, litigation, disruption or cessation of business activity, and also damage the Group's reputation or cause a loss of business opportunity in the markets in which the Group operates***

The Group is subject to a wide range of anti-bribery, anti-corruption and anti-money laundering laws, such as the UK Bribery Act 2018 and similar laws in other countries, as well as sanctions and competition laws, across the markets in which it operates. The increasing broad and stringent legal and regulatory framework creates pressure on both business performance and market sentiment, requiring continual improvements on how the Group operates as a business to maintain compliance. Actual or alleged violations of applicable laws, regulations or anti-corruption compliance contractual requirements could result in fines, litigation, disruption or cessation of business activity, and also damage the Group's reputation or cause a loss of business opportunity in the markets in which the Group operates. Any non-compliance could also result in criminal prosecution for the Group or its people.

However, the Group is subject to a wide variety of requirements in a large number of jurisdictions and the Group's existing and any further safeguards may prove to be ineffective. If employees or agents of the Group violate regulatory requirements or the Group's policies, or fail to maintain adequate record-keeping and internal accounting practices to accurately record the Group's transactions, the Group may be subject to regulatory sanctions, including monetary fines, criminal penalties, disgorgement of profits and suspension or debarment of the Group's ability to contract with government agencies or public international organisations or to receive export licenses, any of which could materially adversely affect the Group's business, financial condition, results of operations or prospects.

4.6 ***The Group relies on its suppliers to comply with employment, environmental and other laws and regulations***

The Group has put in place policies and procedures to ensure that its suppliers are in material compliance with employment, environmental and other relevant laws and regulations generally. The Group seeks to monitor the social and environmental compliance of its key suppliers through third-party audits. However, the Group can give no assurance that its suppliers are or will remain in compliance with such terms, laws or regulations. A violation, or allegations of a violation, of such laws or regulations, or failure to achieve particular standards, by any of those individuals or entities could lead to financial penalties, adverse publicity or a decline in public demand for the Group's products, or require the Group to incur expenditure or make changes to its supply chain and other business arrangements to ensure compliance. Any such events could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

4.7 ***Climate change and related regulatory responses may adversely impact the Group's business***

There is increasing concern that a gradual increase in global average temperatures due to increased concentration of carbon dioxide and other greenhouse gases in the atmosphere will cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Changes in weather patterns and an increased frequency, intensity and duration of extreme weather conditions could, among other things, disrupt the operation of the Group's supply chain, increase its product costs and impact the types of products that consumers purchase. As a result, the effects of climate change could have a long-term adverse impact on the Group's business, financial condition, results of operations or prospects.

In many of the countries in which the Group operates, governmental bodies are increasingly enacting legislation and regulations in response to the potential impacts of climate change. Those laws and regulations, which may be mandatory, have the potential to impact the Group's operations directly or indirectly as a result of required compliance by the Group, as well as by its suppliers. The Group's manufacturing processes may be affected by new regulations in response to climate change, specifically the use of plastics and other materials in the manufacturing of the Group's products. If the Group is perceived to be a contributor of greenhouse gas emissions or global warming, or if it is perceived as not taking appropriate steps to mitigate its effect on the environment, this could result in damage to the Group's image and brand.

In addition, the Group has taken, and may continue to take, voluntary steps to mitigate its impact on climate change. As a result, the Group may experience increases in energy, production, transportation and raw material costs, capital expenditure or insurance premiums and deductibles.

Any of those events could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

PRESENTATION OF INFORMATION

General

The contents of this document are not to be construed as legal, business or tax advice.

This document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Directors or any of their respective affiliates and representatives regarding the Shares.

Presentation of financial information and non-financial operating data

Historical financial information

The historical financial information in Part 6 (Historical financial information) of this document has been prepared in accordance with the requirements of the Prospectus Regulation and the Listing Rules and in accordance with IFRS. The basis of preparation is further explained in Part 6 (Historical financial information).

The financial information included in this document includes some measures which are not accounting measures within the scope of IFRS and which the Group uses to assess the financial performance of its business.

This document contains a number of non-IFRS measures and ratios (together, the "Non-IFRS Measures"). These measures and ratios are not required by, or presented in accordance with, IFRS. The Non-IFRS Measures do not have any standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures reported by other companies. The Directors believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. This is provided as additional information and should not be considered in isolation, or as a substitute, for measures of performance prepared in accordance with IFRS.

Prospective investors should exercise caution in comparing the Non-IFRS Measures to other companies as these measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. None of the Non-IFRS Measures is recognized as a measure of financial performance or liquidity under IFRS and none of the Non-IFRS Measures is indicative of the Company's historical operating results, nor are they meant to be predictive of future results. The Non-IFRS Measures are used by the Company's management to monitor the underlying performance of the business and the operations. In some cases, the Non-IFRS Measures presented throughout this document have not consistently been disclosed by the Company previously and have been calculated and presented for comparability purposes in this document only. As a result of the foregoing, prospective investors should not place undue reliance on this data. The Non-IFRS Measures have limitations as analytical tools and prospective investors should not consider them in isolation or as a substitute for an analysis of the Company's results as reported under IFRS.

Some of these limitations are:

- they do not reflect the Company's cash expenditure or future requirements for capital expenditure or contractual commitments;
- they do not reflect changes in, or cash requirements for, the Company's working capital needs;
- they do not reflect the significant interest expense, or the cash requirements necessary, to service interest or principal payments on the Company's debts;
- although depreciation and amortisation are non-cash charges, the assets being depreciated and amortized will often need to be replaced in the future and Adjusted EBITDA and other ratios that use Adjusted EBITDA do not reflect any cash requirements that would be necessary for such replacements; and

- the fact that other companies in the Company's industry may calculate Adjusted EBITDA, adjusted net earnings, and other ratios that use Adjusted EBITDA differently than the Company does, which limits their usefulness as comparative measures.

As a result of the above limitations, none of the Non-IFRS Measures should be considered in isolation or as a substitute for performance measures calculated in accordance with IFRS. The Company relies primarily on its IFRS results and uses the Non-IFRS Measures only as a supplement to its results prepared in accordance with IFRS. These measures include:

Adjusted EBITDA	Profit (or loss) for the year before income tax expense, financing expenses, depreciation (including of right-of-use assets), impairment of tangible fixed assets, amortisation, gain on bargain purchase and other gains and losses
Free cash flow	Free cash flow represents the Group's cash flows from operations less cash used in the purchase of capital expenditure
Revenue growth %	Revenue growth % represents the increase/(decrease) in total Group revenue between financial periods. This includes the impact of both organic growth and acquisitions
Gross margin %	Gross margin % represents the Gross Profit generated by the Group expressed as a percentage of the Group's revenue for the same period
Adjusted EBITDA margin %	Adjusted EBITDA margin % represents the Adjusted EBITDA generated by the Group expressed as a percentage of Group revenue for the same period

Adjusted EBITDA is quantified as follows:

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Profit for the period	1,971	7	6,502	911	2,194
Add back					
Finance expense	425	483	415	94	123
Tax expense	217	136	1,892	210	393
Depreciation and amortisation	2,417	3,051	3,354	741	940
EBITDA	5,030	3,677	12,163	1,956	3,650
Impairment of tangible fixed assets	–	–	209	–	–
Gain on bargain purchase	(1,763)	–	–	–	–
Other gains/(losses)[1]	(681)	173	949	114	(223)
Adjusted EBITDA	2,586	3,850	13,321	2,070	3,427

1 Other gains/(losses) comprise gains or losses made on the fair valuation of foreign currency hedges.

Free cash flow is quantified as follows:

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
Net cash flows from operating activities	3,952	4,398	7,563	3,534	3,471
Less capital expenditure	(668)	(659)	(1,966)	(17)	(387)
Free cash flow	3,284	3,739	5,597	3,517	3,084

Key performance indicators

To assist recipients of this document in comparing the Group's historical financial performance from period to period, certain key performance indicators and other operating measures have been presented in this document. Save where indicated, these measures have been extracted from the Group's management reporting systems but have not been audited or reviewed by external auditors, consultants, independent experts or other third parties. Set out below is a description of the key performance indicators used by the Group, other than the non-IFRS measures referred to above:

Transaction volume ('000)	Transaction volume represents the total gross number of customer transactions completed in retail stores and ecommerce channels during the relevant financial period before any customer returns
Average transaction value (£)	Average transaction value represents the average value (including VAT) of the customer transactions during the relevant financial period across all customer channels
Average number of open stores	Average number of open stores represents the average number of stores open and able to trade (using a daily average) throughout the relevant financial period. This takes into account all available stores, and incorporates the effect of temporary closures due to Covid-19 restrictions
Number of active customers	Number of active customers represents the total number of customers on the customer database which have made at least one purchase during the previous financial year excluding those derived from third party marketplaces
Ecommerce mix	Ecommerce mix represents the revenue from own website(s) plus marketplace sites as a percentage of total Group revenue
Trustpilot score	Trustpilot score represents the average Trustpilot review score for the Group during the relevant financial period

Financial periods

A financial period is the period of 52 weeks in FY19 and FY20, and 53 weeks in FY21.

Market, industry and economic data

Unless the source is otherwise identified, the market, economic and industry data and statistics in this document constitute Directors' estimates, using underlying data from third parties. The Company obtained market and economic data and certain industry statistics from internal reports as well as from third party sources as noted next to such information (including from research commissioned by the Company from Euromonitor International in April and May 2021 on the homeware markets from 2005 to 2025 in the UK, France, Germany and the Netherlands and GfK weekly point of sale market data on the UK kitchenware market). The Company confirms that all third party information set out in this document has been accurately reproduced and that, so far as the Company is aware and has been able to ascertain from information published by the third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this document, the source of such information has been identified. Such third party information has not been audited or independently verified.

Where sales data in the Euromonitor reports related to territories has been sourced and is stated in EUR, it has been translated into Pounds Sterling or "£" at rate of 1.25EUR:£1.

GfK data is derived from the Homewares Total Category Report, which includes sales data from a panel of retailers across a variety of channels, including variety chains, department stores, supermarkets, mail order houses, pure players and DIY superstores. The GfK panel of retailers in the UK kitchenwares market has a total value of £2bn for the 12 months to June 21. This is smaller than the market size estimated by certain other data providers as a result of GfK not including independent retailers' results within their reporting.

References to numbers of the Group's stores throughout this document are as at 14 October 2021, unless stated otherwise.

Information regarding forward-looking statements

This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Directors' current beliefs and expectations about future events. Forward-looking statements are sometimes identified by the use of forward-looking terminology such as "believes", "expects", "may", "will", "could", "should", "shall", "risk", "intends", "estimates", "aims", "plans", "predicts", "continues", "assumes", "positioned" or "anticipates" or the negative of those terms, other variations on those terms or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs and current expectations of the Directors or the Group concerning, among other things, the results of operations, financial condition, prospects, growth, strategies and dividend policy of the Company and the industries in which it operates.

In particular, the statements in the section entitled "Risk factors", Part 1 (Industry overview), Part 2 (Business overview) and Part 5 (Operating and financial review) of this document regarding the Group's strategy and other future events or prospects are forward-looking statements. These forward-looking statements and other statements contained in this document regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved: actual events or results may differ materially as a result of risks and uncertainties facing the Group. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Please refer to the section entitled "Risk factors" for further confirmation in this regard.

The forward-looking statements contained in this document are made only as of the date of this document. The Company and the Directors expressly disclaim any obligation or undertaking to update these forward-looking statements contained in this document to reflect any change in their expectations or any change in events, conditions, or circumstances on which such statements are based unless required to do so by applicable law or the Prospectus Regulation Rules.

Information not contained in this document

No person has been authorised to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been so authorised. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company or the Group since the date of this document or that the information in this document is correct as of any time subsequent to the date of this document.

Rounding

Certain data contained in this document, including financial information, have been subject to rounding adjustments. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data. In certain statistical and operating tables contained in this document, the sum of numbers in a column or a row may not conform to the total figure given for that column or row. Percentages in tables and elsewhere in this document have been rounded and accordingly may not add up to 100%.

Interpretation

Certain terms used in this document are defined in the section entitled "Definitions" and certain technical and other items are defined and explained in the section entitled "Glossary".

All references to time in this document are to London time, unless otherwise stated.

DIRECTORS, SECRETARY, REGISTERED AND HEAD OFFICE AND ADVISERS

Directors	Daniel O'Neill, *Founder and Chief Executive Officer* Stephen (Steve) Sanders, *Chief Operating Officer* Daniel (Dan) Walden, *Chief Financial Officer*
Proposed directors	Gregory (Greg) Hodder, *Non-Executive Chair* David Stead, *Senior Independent Non-Executive Director* Gillian Davies, *Independent Non-Executive Director* Luke Kingsnorth, *Independent Non-Executive Director*
Company secretary	One Advisory Limited
Registered and head office	ProCook Davy Way Waterwells Gloucester GL2 2BY
Telephone no	+44 (0)330 100 1010
Company website	www.procookgroup.co.uk
Reporting Accountant	BDO LLP 55 Baker Street London W1U 7EU
Auditors to the Company	Mazars LLP 1 St Peter's Square Manchester M2 3DE
Solicitors to the Company	Eversheds Sutherland (International) LLP 115 Colmore Row Birmingham B3 3AL
Financial public relations advisers to the Company	MHP Communications 60 Great Portland Street London W1W 7RT

PART 1

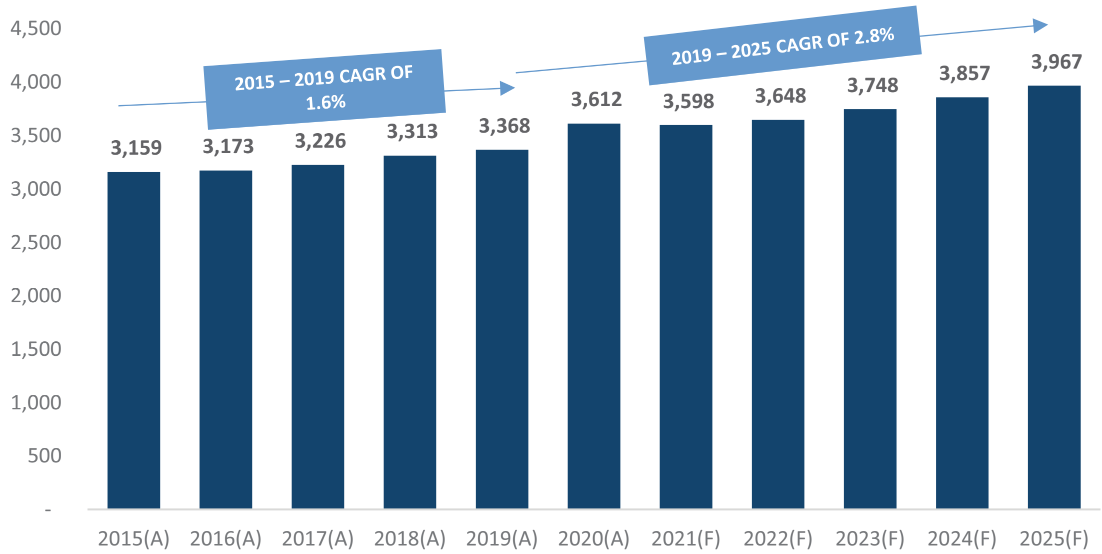
INDUSTRY OVERVIEW

The following information relating to the Group's industry has been provided for background purposes only. The information has been extracted from a variety of sources released by public and private organisations. The information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. This Part 1 (Industry overview) should be read in conjunction with the more detailed information contained in this document, including the section entitled "Risk factors" and Part 5 (Operating and financial review).

UK kitchenware market

ProCook operates primarily in the UK kitchenware market. Market data by Euromonitor estimates that UK sales of kitchenware in 2020 were £3.6 billion. Over the period between 2015 and 2019 (being the last full year prior to the impact of Covid-19), the industry grew steadily at a compound annual growth rate ("CAGR") of 1.6% and has remained resilient during economic downturns. In 2020, the market grew by 7.2% due to the impact of Covid-19, as further explained below. Euromonitor estimates that UK sales of kitchenware in 2025 will be £4.0 billion, representing a CAGR of 2.8% from 2019, with the acceleration in growth rate also explained below.

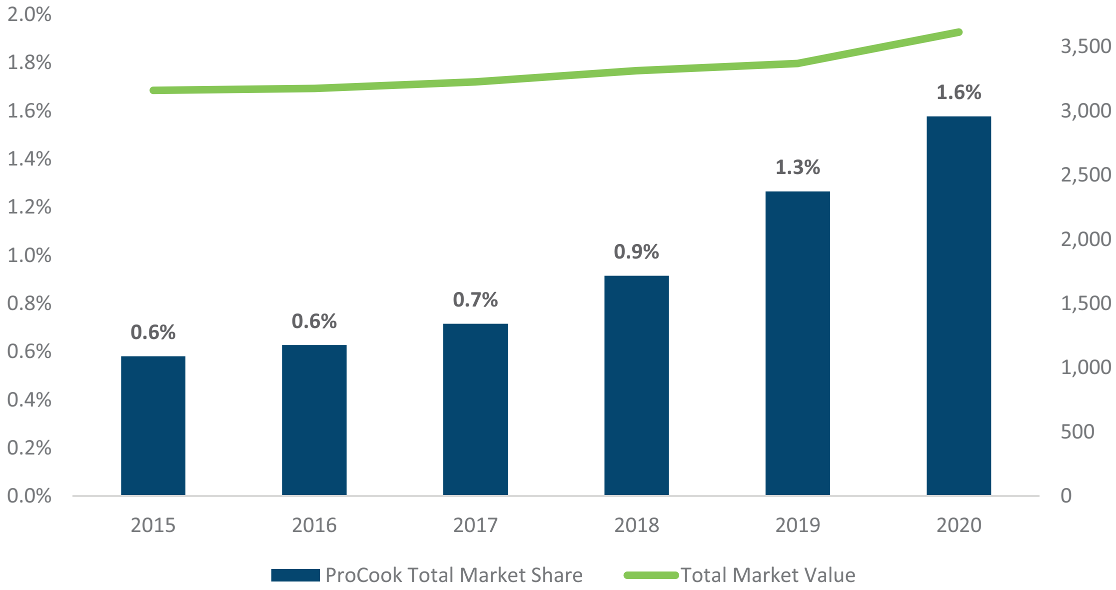
UK kitchenware market size (retail sales including VAT, £ millions)



Source: Euromonitor International Ltd: Home & Garden 2021ed – Kitchenware sales defined as Euromonitor's Homewares category. Retail Value sales RSP – GBP million – 2015 – 2025, current prices. Homewares includes Dining (items relating to the consumption of food, not its preparation, including beverageware, cutlery and dinnerware) and Kitchen (items relating to products used in the preparation of food, not its consumption, including cookware, stove top cookware, food storage and kitchen utensils).

The Directors believe that ProCook's market share of the UK kitchenware market was 1.6% in 2020, based on the relevant gross revenue for the 2020 calendar year of £56.9 million (including VAT). This has grown from a 0.6% share in 2015, which the Directors believe is due to ProCook's compelling customer proposition as set out in Part 2 (Business overview) of this document.

ProCook share of UK kitchenware market (%)



Source: Kitchenware market size as per Euromonitor International Ltd: Home & Garden 2021ed – Kitchenware sales defined as Euromonitor's Homewares category. Retail Value sales RSP – GBP million – 2015 – 2025, current prices. ProCook's market share has been calculated based on unaudited management accounts for the periods stated.

UK kitchenware category split

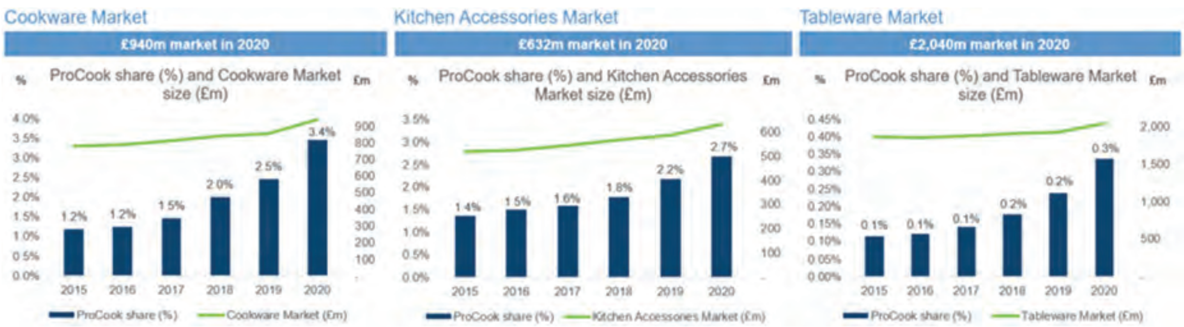
The Directors have segmented the UK kitchenware market into the following categories using a combination of Euromonitor data and internal management information:

- Cookware (Pots and Pans, Baking and Cast Iron) – Approximately £940 million market size in 2020, with ProCook's market share being approximately 3.4%

- Kitchen Accessories (Knives, Utensils and Food storage) – Approximately £632 million market size in 2020, with ProCook's market share being approximately 2.7%

- Tableware (Glassware, Crockery, Cutlery, Table Dressings and Accessories) – Approximately £2,040 million market size in 2020, with ProCook's market share being approximately 0.3%

The UK kitchenware category mix has been materially consistent over recent years:



Source: Market Sizes as per Euromonitor International Ltd: Home & Garden 2021ed – Cookware sales defined as Euromonitor's Cookware category. Kitchen Accessories sales defined as Euromonitor's Kitchenware category (which is further subcategorised into Food Storage and Kitchen Utensils). Tableware sales defined as Euromonitor's Dining category. Retail Value sales RSP – GBP million – 2015 – 2025, current prices. ProCook's market share has been calculated based on unaudited management accounts for the periods stated.

Consumer trends

The Directors believe that ProCook is well positioned with respect to long-term societal trends which have impacted and may continue to impact consumer behaviour:

- Cooking as a hobby has long been popular, and this interest has increased over the last 18 months. Publicly available data from market research undertaken by Bain & Co in July 2020 across five European economies (the UK, France, Germany, Italy and Sweden) indicates that this trend is unlikely to subside rapidly, with survey responses indicating that the likelihood of people making their own meals at home is expected to remain almost 10% above pre-pandemic levels, with over 40% expecting to make more homecooked meals compared to before the Covid-19 pandemic.

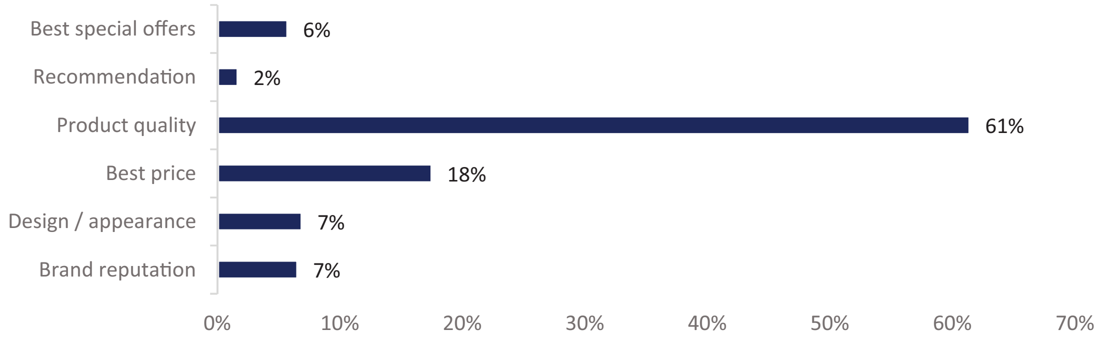
- The increase in flexible working has led many UK consumers to take an interest or increased interest in home cooking and baking. With flexible working expected to be more prevalent, this increase in consumer interest is expected to continue.

- With restaurants forced to close for large periods over the last 18 months, consumers sought to recreate the restaurant and bar experience at home when entertaining. Whilst restaurants are now open, this trend of entertaining at home is expected to remain to a degree.

- As a response to government guidance and restrictions, retailers had to close their stores for large parts of 2020. Retailers with established ecommerce platforms were able to maintain sales as consumers shifted their purchasing channel to online. Whilst consumers were shifting to digital-first purchasing before the pandemic, the pandemic has accelerated this transition.

- The Directors believe that consumers are increasingly seeking brands that are authentic and reflect their values. One element of this is sustainability, with consumers increasingly seeking products that last. The Directors believe the durability of ProCook products complemented by great value pricing are two of the principal reasons for purchase. This is supported by market research commissioned by ProCook which found that the most important factor for customers when considering buying kitchenware was product quality, followed by price, brand reputation and product design/appearance:

Factors customers rate as most important in purchase consideration



Source: YouGov market research prepared for ProCook based on 9,000 survey responses.

Covid-19 impact

The spread of the Covid-19 outbreak into a global pandemic in March 2020 led to the UK government introducing strict lockdown measures. This had a positive impact on the UK kitchenware market in 2020, with the market growing by 7.2% compared to 2019, as consumers spent more time in their homes. That led many UK consumers to take an interest or increased interest in home cooking and baking. The Directors believe that, whilst not all that new or increased interest will be retained, there will be some element of retention going forward. According to Euromonitor, the UK kitchenware market is expected to grow by 10.3% between 2021 and 2025, a growth rate of 2.5% CAGR versus the 1.6% CAGR achieved between 2015 and 2019.

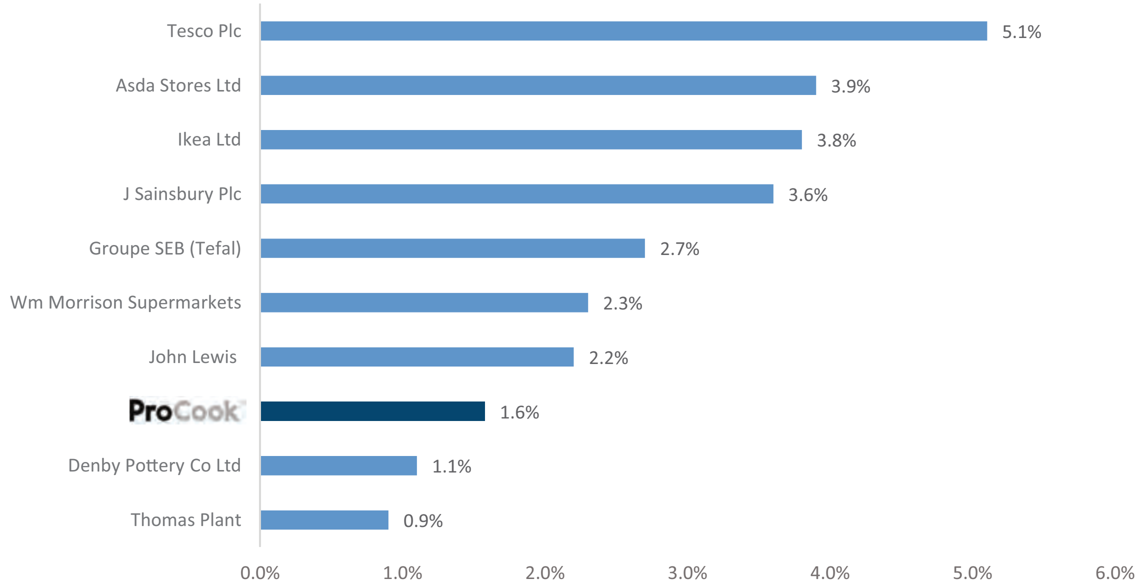
During Covid-19, ProCook experienced strong growth in its ecommerce channel and made overall market share gains despite the Group's stores being temporarily closed for approximately six months in the financial year ended 4 April 2021. The Directors believe this was due to ProCook's strong ecommerce foundations and therefore its ability to meet the significant increase in online demand without compromising its service quality. Furthermore, ProCook's business model flexibility and agility allowed it to rapidly reallocate stock previously intended for distribution to its stores. The Directors believe, due to its compelling customer proposition, it will be able to retain a large proportion of these gains made during the Covid-19 pandemic.

Competitive landscape

The UK kitchenware market is fragmented with no dominant player. The big 4 supermarkets (Tesco, Sainsbury's, Asda and Morrisons) collectively hold 14.9% of the market. These retailers typically offer products in the low to mid-price ranges. The kitchenware brands and the specialists are even more fragmented and operate a variety of distribution models. The recent decline of department stores has also impacted traditional wholesale brands.

With a broad product range and direct-to-consumer model, ProCook is able to compete effectively with a wide range of brands, retailers and marketplaces. The Directors believe that, with ProCook's own-brand focus, its main competition comes from other kitchenware brands in terms of share of customer wallet. ProCook has grown its share of the UK kitchenware market from 0.6% in 2015 to 1.6% in 2020. The Directors believe this is due to ProCook's compelling customer proposition as set out in Part 2 (Business overview) of this document.

UK kitchenware market share – Top 10 companies



Source: Kitchenware market size as per Euromonitor International Ltd: Home & Garden 2021ed – Kitchenware sales defined as Euromonitor's Homewares category. Retail Value sales RSP – GBP million – 2015 – 2025, current prices. ProCook's market share has been calculated based on unaudited management accounts for the period stated.

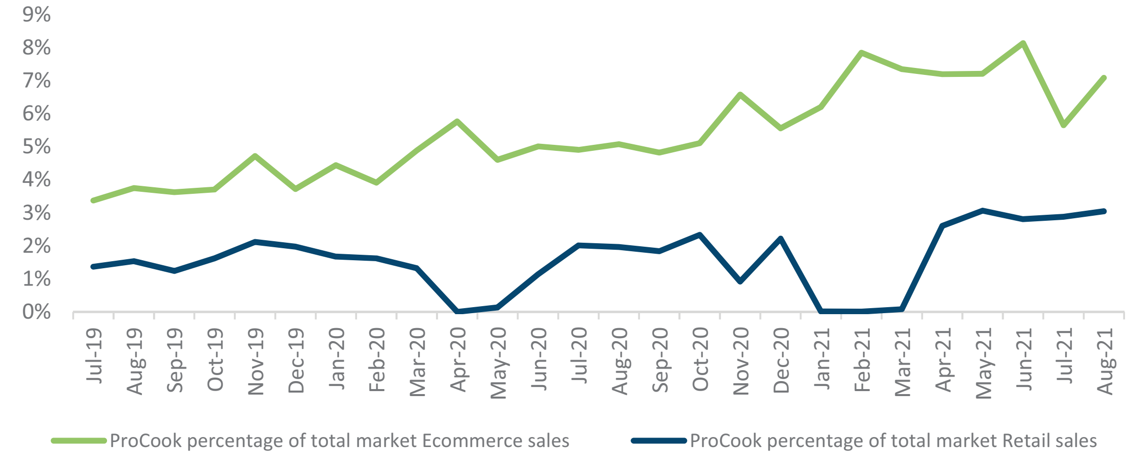
UK kitchenware market split

The UK kitchenware market is segmented into retail and ecommerce channels by GfK. According to GfK data, which reflects weekly sales data from a leading panel of retailers in the UK, which the Directors believe to be broadly reflective of the market dynamics, 65.5% of UK kitchenware retail sales were through retail channels in calendar year 2020 and 34.5% through online channels.

Whilst the shift to a more ecommerce orientated market was already taking place, the Covid-19 pandemic further accelerated the channel shift towards ecommerce in 2020 and beyond, with the temporary closures of retail stores accelerating ecommerce adoption. Whilst customers have returned to retail channels following the end of the national lockdown in April 2021, it has not been back to pre-Covid-19 levels. The percentage of customers who shopped online in the six months prior to 31 December 2019 was 21.6%. During the 15 months to 31 March 2021, the percentage of customers who shopped online was 36.4%. In the three months to 30 June 2021, the percentage of customers who shopped online was 28.6% (Source: GfK). The Directors believe that consumers will continue to shift to shopping online in the coming years and will continue to use digital channels, including social media, to engage with brands.

ProCook's revenue from ecommerce channels significantly accelerated during Covid-19. This was due, in part, to its stores being impacted by the various restrictive measures put in place by the UK Government on physical retail. However, the Directors believe that it is also as a result of its compelling customer proposition (as set out in Part 2 (Business overview) of this document), resulting in the Group taking significant market share gains. ProCook's share of the online kitchenware market (as measured by GfK) increased from 3.4% in July 2019 to 8.1% in June 2021.

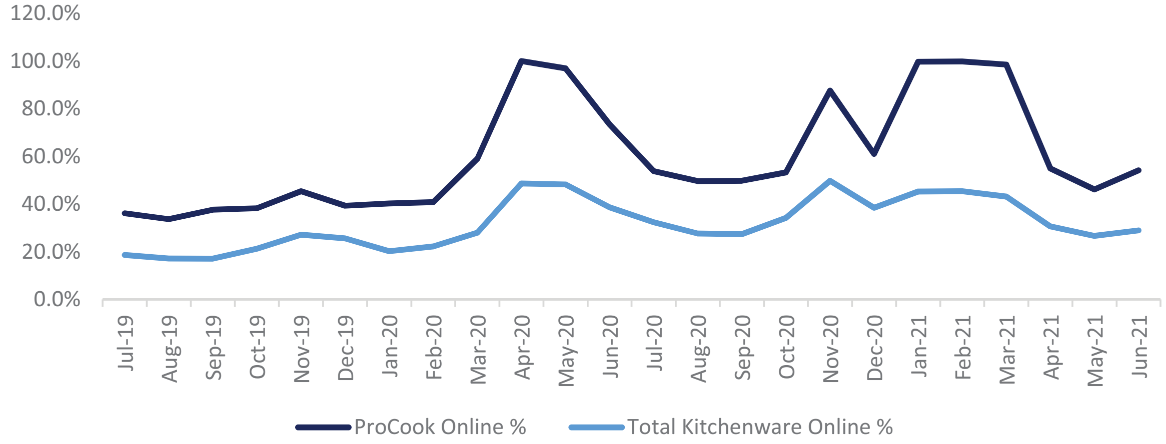
ProCook % share of market by channel



Source: Management Information: ProCook sales data presented as a percentage of total GfK reported market (Homewares Total Category Reporting).

The channel mix shift towards ecommerce was more pronounced for ProCook than the market which was due, in part, to supermarkets being able to remain open throughout the lockdown period and therefore were able to continue selling via the retail channels. However, ProCook's channel mix is consistently weighted more towards ecommerce than the channel mix of the kitchenware market as a whole, which the Directors believe reflects the quality of ProCook's ecommerce platform.

Ecommerce percentage of sales – ProCook vs Kitchenware Market



Source: GfK weekly data accumulated to calendar months and management information.

ProCook's headroom in international markets and product categories

As set out in Part 2 (Business overview) of this document, the Group believes that it has a significant opportunity to expand its international operations, specifically in Germany, France and the Netherlands. The Group currently generates revenue in Germany (FY21: 3.6% of Group revenue) and in France (FY21: 2.5% of Group revenue) by selling its products on ecommerce marketplaces. In 2020, the kitchenware market size in Germany was £4.7 billion, in France it was £2.5 billion, and in the Netherlands it was £0.9 billion (Source: Euromonitor).

On the basis that ProCook could increase its operations and earn a similar market share in these regions to its current (2020) UK kitchenware market share (1.6%), this would indicate a potential annual revenue opportunity based on the forecasted market size in 2025 of approximately £142 million (Germany – £84 million, France – £43 million and Netherlands – £15 million).

Similarly, as set out in Part 2 (Business overview) of this document, the Group believes that it has a significant opportunity to expand its product ranges in tableware and by developing ranges of small kitchen electrical appliances. In tableware and small kitchen electrical appliances, in 2020, these markets in the UK were worth £2.0 billion and £1.1 billion respectively (Source: Euromonitor). On the basis ProCook was able to expand its market share in these categories to its current (2020) UK kitchenware market share (1.6%), this indicates a potential annual revenue opportunity based on the forecasted market size in 2025 of approximately £50 million (tableware – £32 million, small kitchen electrical appliances – £18 million).

PART 2

BUSINESS OVERVIEW

This Part 2 (Business overview) should be read in conjunction with the more detailed information contained in this document, including the financial and other information appearing in Part 5 (Operating and financial review) of this document. Where stated, financial information in this Part 2 (Business overview) has been extracted without material adjustment from Part 6 (Historical financial information) of this document.

1. Overview

The Directors believe that ProCook is the UK's leading direct-to-consumer specialist kitchenware brand. Since the ProCook brand was first established in 2008, it has operated a direct-to-consumer proposition, designing, sourcing and retailing a high-quality range of cookware, kitchen accessories and tableware with a pricing architecture which aims to provide customers with significant value for money. In FY21, ProCook's revenue grew by 37% to £53.4 million, and over the period from FY17 to FY21, ProCook has delivered annual growth in sales of 33% CAGR.

In the UK, ProCook sells directly to customers through its own proprietary website, www.procook.co.uk. It also operates its own portfolio of over 50 retail stores that are spread geographically across the UK to offer customers choice, convenience, and the opportunity to test, trial and seek advice from knowledgeable and helpful colleagues. In FY21, 94% of ProCook's revenue was generated in the UK.

ProCook also sells its products to customers in continental Europe via third party marketplace websites, predominantly to customers in Germany and France, with additional delivery options extending to customers in Belgium, Austria, Luxembourg, the Netherlands and Poland. The Group first entered Germany in 2016, and subsequently France in 2017, via third party marketplaces to test and learn about these markets, to understand any differences in customer tastes and preferences and to begin to build brand awareness in a controlled manner. ProCook has learned that the product range is highly transferable into these markets.

Preserving its reputation for value and quality is of utmost importance for the brand. Today, the product range (which is designed in-house by ProCook's design teams) spans over 1,600 items and has an established price range architecture which appeals to a broad spectrum of customers (across mid to premium price points). Pricing is targeted to be at least 30% lower than similar quality products from competitor brands, offering customers great value for products that are built to last. Complemented by a next day home delivery service as standard in the UK, ProCook's offering is rated as "Excellent" on TrustPilot with over 66,000 customer reviews.

ProCook has developed a dynamic and highly scalable bespoke tech platform, which has supported its rapid growth in sales and brand profile and continues to support effective decision-making in the business. ProCook has invested in its own proprietary IT infrastructure over many years, and continues to do so in future, complemented by specialist third party technologies where appropriate.

The Group's management and approximately 700 employees are passionate about continually developing the brand and customer offer. The Group's culture retains its family business heritage and is nimble, supportive and customer-focused. There is a deep-rooted loyalty and pride in the brand among the Group's employees, which has resulted in high levels of colleague engagement, with 72% saying they are proud of the brand, 73% saying they would recommend ProCook as a place to work, and a low level of staff turnover, with the staff turnover level in its head office at 9.8% in the 12 months to August 2021. As a Living Wage Employer, management are committed to providing an environment where people can thrive, and careers can be developed.

ProCook is committed to having as minimal impact on the environment as it possibly can and is taking positive action to help achieve this. ProCook is targeting reductions in carbon emissions per employee, and targets eliminating the majority of single use plastic across the business including in its product ranges and packaging. ProCook has recently appointed an ESG Director to drive forward this important area.

These foundations have enabled the development of a robust and disruptive business model which has allowed it to grow rapidly in recent years while delivering strong and improving financial results as highlighted by the following table which sets out certain key financial and operating metrics of the Group:

	Financial year ending			*12 weeks ending*	
	31 Mar 2019	*29 Mar 2020*	*04 Apr 2021*[1]	*28 Jun 2020 (unaudited)*	*27 Jun 2021*
Financial KPIs (£'000)					
Revenue	27,780	38,868	53,417	7,913	14,778
Gross profit	17,938	24,130	36,652	5,276	10,242
Operating profit	169	799	9,758	1,329	2,487
Adjusted EBITDA*	2,586	3,850	13,321	2,070	3,427
Free cash flow*	3,284	3,739	5,597	3,517	3,084
Growth & Margins %					
Revenue growth	31.8%	39.9%	37.4%	10.4%	86.8%
Gross margin	64.6%	62.1%	68.6%	66.7%	69.3%
Operating profit margin	0.6%	2.1%	18.3%	16.8%	16.8%
Adjusted EBITDA margin*	9.3%	9.9%	24.9%	26.2%	23.2%
Non-financial KPIs					
Transaction volume ('000)	1,066	1,437	1,314	181	398
Average transaction value (£)	32	33	50	53	45
Average number of open stores	40	52	24	7	44
Number of active customers ('000)	398	482	557	461	655
Ecommerce mix	42%	37%	75%	92%	53%
Trustpilot score	4.8	4.8	4.8	4.8	4.8

1. ProCook operates a 52-week financial year with a 53rd week occurring approximately once every five years. The year ending 4 Apr 2021 was a 53-week financial year

* These are on-IFRS measures and are defined and reconciled to IFRS measures on pages 24 and 25

In the 24 weeks to 19 September 2021, the Group's revenue has grown 38.8% against the comparable period in FY21 and 67.2% on a two year basis against the comparable period in FY20.[1]

ProCook's purpose is centred around '**sharing our passion for cooking**'. The customer proposition is to offer beautiful, high-quality products at great value accompanied by high levels of service and personalised inspiration and experiences.

ProCook has grown into a leading direct-to-consumer specialist kitchenware brand with a business model that the Directors believe provides a competitive advantage in the kitchenware sector. With a high performing ecommerce platform and over 50 retail stores nationwide, the Directors believe that it is poised to deliver continued profitable growth and yet still retain the values and ethos of a family-owned, ambitious, agile and entrepreneurial business.

2. History of the brand and the Group

ProCook began its journey over 25 years ago, in the mid-1990's, after launching as a family business, selling cookware sets by direct mail in the UK. The first sales were made through a direct mail advert in the Good Food Magazine featuring a 12-piece stainless steel pot and pan set which retailed at £199. The pan set was sourced directly from the Far East and over 350 orders were placed from the single page advertisement. The founders, the O'Neill family, had spotted an opportunity to offer great value, quality kitchenware products directly to the consumer.

Following a series of similarly successful advertising campaigns, the family launched the Professional Cookware Company's first Designer Outlet Centre store in 1999, in Mansfield. The store performed well from the start and remains in ProCook's retail estate today.

During these early years, the Professional Cookware Company gradually increased the number of stores, trialling various different locations and formats and also expanded the product ranges.

1. Based on unaudited management accounts

Relationships were established and developed with a range of suppliers, predominantly in the Far East and additional product was sourced through traditional kitchen wholesale channels in the UK. During this time, the product range was a mix of own-branded items and third party branded product.

In 2005 the business launched its first website, built on proprietary code, under the URL www.cookware.co.uk. This also saw the foundations being laid for ProCook's operational systems which have since been continually developed, in-house, to suit the business' needs.

With the founders having a background in software development, all business systems were intentionally designed to capture and manage transactions at a customer level, facilitating the creation of a comprehensive customer database from an early stage. This has enabled the development of a deep understanding of the customer and a CRM focus within the business.

In 2008, Daniel O'Neill, CEO and a founder, took the decision to consolidate the website and retail businesses under one brand name, ProCook. From this time, the product range was gradually transitioned to exclusively sell only ProCook branded products, which were directly sourced from a now well-established supplier base with increasing design input from the ProCook team. The business had established its direct-to-consumer approach since its origins but the shift to selling just one singular brand enabled ProCook to accelerate the development of its own brand, business model and customer base.

In 2009, ProCook began experimenting with marketplace trading on third party websites (including Amazon), initially in the UK and subsequently in Germany in 2016, followed by France in 2017. These new channels allowed ProCook to capture demand that might otherwise be lost to competitors and also enabled it to profitably develop brand awareness through ProCook-branded online store fronts offering equally high levels of customer service.

In 2019, ProCook acquired the trade and certain assets of Steamer Trading Limited out of administration, including the right to occupy 27 of its retail stores, which were primarily located in popular retail destinations in city and town centres. The stores were converted to ProCook branding, and as legacy stock acquired as part of the acquisition was sold through, the ProCook ranges gained further prominence and popularity with customers. Eight of the stores in the original Steamer Trading estate have been retained by ProCook and the remaining 19 stores have been closed since the acquisition.

In mid-2019, ProCook began to experiment with allocating more store space and focus to tableware ranges which has resulted in significant growth in sales (and market share gains) in this category.

In 2020 and into 2021, the Covid-19 pandemic has had, like for many retail businesses, a profound impact on ProCook as described in further detail in Part 1 (Industry overview) above ("Covid-19 impact"). Throughout prolonged periods of store closures with no revenue being generated from the retail channel, ProCook, as result of its direct-to-consumer business model which provides high levels of operational control, was able to successfully repurpose stock originally planned for its retail estate to fulfil online orders. Furthermore, the Group extended its distribution facilities in the summer of 2020. The Directors believe that, as a result of these actions, alongside the Group's attractive product designs and prices, ecommerce platform, next day delivery promise and high levels of product availability, the Group successfully captured rising demand resulting in 177% ecommerce revenue growth in FY21 and a 0.3 percentage point increase in market share to 1.6% in 2020 (Source: Euromonitor).

In summer 2021, ProCook ceased trading on third party online marketplaces in the UK to focus management effort on its own website, which provides better opportunity for customer retention and engagement, now that the brand is more established, as well as a stronger margin opportunity.

3. Investment case

The Directors believe that ProCook has a number of competitive strengths and attributes that differentiate it from its peers and that the markets in which it operates are large and attractive which will support its ability to continue delivering growth. The competitive strengths and market discussed below are discussed in more detail in paragraph 4 (Business description) and 5 (Strategy), and also Part 1 (Industry overview) of this document.

1. **Market – *Highly attractive market dynamics with a fragmented competitive landscape in the UK and overseas***

   The Directors believe that ProCook has a significant opportunity for growth in the £3.6 billion UK kitchenware market as well as the £8.1 billion kitchenware market in Germany, France and the Netherlands (Source: Euromonitor). These four markets are large, well established and forecast to grow steadily to an estimated combined size of £13.0 billion by 2025 from £11.2 billion in 2019 (the last year to be unaffected by Covid-19), representing 2.8% CAGR (Source: Euromonitor). There are further opportunities to expand the market boundaries in the form of small kitchen electricals (which are not included with the kitchenware market above) and additional overseas territories. The growth in the market is forecast to be supported by the increase in cooking as a hobby over the last 18 months which is a trend which research indicates is unlikely to subside.

   With a highly fragmented competitive kitchenware market landscape in the UK (with the leading retailer accounting for only 5% of sales in 2020 (Source: Euromonitor)) and well-publicised adverse conditions for independents and department stores (and a traditional wholesale model which is reliant on these routes to market), the Directors believe ProCook's direct-to-consumer business model is very well positioned to take advantage of these growing but fragmented markets.

2. **D2C Brand – *A direct-to-consumer business model which transcends all aspects of the business***

   As a direct-to-consumer brand with complete control over its business model and its customer journey in the UK, the Directors believe ProCook is advantaged over many of its traditional competitors which operate a wholesale business model, particularly in the following areas:

   (a) ***Products*** – *Beautifully designed, great value, high quality products*

   The Directors believe ProCook's product design experience and capabilities, coupled with its established abilities to source directly from manufacturers and cut out middlemen (agents, importers, retailers) provides great quality and value for customers.

   These attributes are not straightforward for competitors or prospective competitors to imitate and have been developed by the Group since it was first formed. Market research commissioned by the Group indicates that the two most important factors for customers considering a kitchenware purchase are: 1) Product quality and 2) Price – the two primary areas that ProCook's product offering seeks to address.

   (b) ***Supply Chain*** – *Well established, efficient supply chain*

   ProCook's direct sourcing capabilities with its long-established supplier base, enables it to develop new product and ranges to its own specification and bring them to market in an efficient manner.

   The efficiency in the direct sourcing supply chain and ProCook's volume scale has helped to facilitate healthy gross margins over time, which has enabled ProCook to invest in the proposition and the foundations for future growth. Scale benefits from higher volumes, and its long-standing relationships with its supplier base helps protects the business from cost increases.

   ProCook also operates its own distribution and warehousing facilities in the UK, enabling it to maintain strong availability levels in stores and online, and facilitate rapid home delivery services (next day delivery as standard, 7 days a week) in the UK. The Directors consider these factors key to ProCook's continued growth and success.

   (c) ***Channels*** – *Multi-channel offer appealing to a broad customer base*

   The proprietary website, www.procook.co.uk is controlled, operated, and developed by ProCook teams, allowing for flexibility and direct understanding of customer needs and behaviours which provides real time feedback allowing ProCook to continually improve its proposition.

The profitable[1] and flexible store estate provides a distinct benefit in terms of customer experience, and awareness, and is well placed in locations where footfall has been more resilient over recent years, with an average selling space of approximately 2,100 sq.ft.

In the UK the ProCook brand enjoys high levels of customer satisfaction, and yet with its current prompted brand recall rate of only 39%, the Directors believe that it has significant opportunity to raise customer awareness and repeat rates, and therefore increase sales volumes. ProCook's products attract a broad customer base across multiple price points in a structured range architecture.

ProCook's ability to acquire customers profitably provides compelling support to the ability of the business to continue to grow.

(d) ***Customer*** *– Complete control of the customer journey*

ProCook is able to control pricing and promotions, including product launches and replacement cycles in a way that is not possible in a wholesale model. ProCook is able to set and develop the channels in which it operates, managing the customer experience from end to end – order to delivery – and resolving any issues which the customer may have directly. This helps protect the brand from any potential adverse customer experiences.

The Group's ability to determine and develop its own routes to market, has provided the ability for the business to control its customer experience, collect data and develop the brand in a controlled fashion. This has enabled the Group to deliver high levels of service and build trust and loyalty with its customer base with favourable Trustpilot rankings.

In addition to having control over its product, pricing and marketing; by not selling to third party retailers, ProCook "cuts out the middleman" which results in lower pricing for customers and stronger margins.

(e) ***Marketing*** *– In-house marketing capabilities allow ProCook to control its engagement with customers*

ProCook's marketing efforts are focused on building brand awareness and increasing customer acquisition, with the majority of its approximately £6 million marketing expenditure in FY21 used to support its ecommerce platform. The Group has recently begun more extensive brand-building campaigns including TV advertising, national press, and social media, to further enhance its brand presence and support its multi-channel offering.

3. **Infrastructure –** ***Well invested infrastructure provides an agile and scalable platform for growth***

ProCook has invested, and will continue to invest, for the long term. Long term sustainable growth is a key priority for the Group, and as such, identifying development needs and opportunities is critical. With its proprietary technology, own-operated warehousing and distribution in the UK, and its retail estate, ProCook has developed capabilities and the foundations which will support its growth ambitions.

4. **Growth –** ***Clear strategy for growth through customer acquisition and retention, and channel development***

The Directors have identified three opportunities to further develop the customer offer and four further focus areas to continue to build on the Group's strong foundations to support growth over the long term, as follows, and described in more detail in Section 5, 'Strategy'.

1. All stores generate positive contribution when fully operational.

Opportunities to develop the customer offer:

(1) Organic growth in the UK market

(2) Develop channel capabilities in Europe

(3) Extend and improve the product range

Building on our foundations:

(1) Continually develop agile and scalable technology solutions

(2) Further develop supply chain capability and capacity

(3) Make ProCook an even better place to work

(4) Reduce our environmental footprint

5. **Financials – *Consistent growth in revenue and stable margins leading to excellent cash conversion***

The Group's business model has been evolved and developed over time to become highly scalable and poised for continued growth. The Group has achieved revenue growth of 33% (CAGR) over the period from FY17 to FY21, with consistently strong gross margins and a history of positive contributions in all channels highlights the track record of success.

The Group is highly profitable, with attractive gross and Adjusted EBITDA margins, and has strong cash generation. The business is asset light and generates a high return on capital employed. The Directors believe these financial attributes provide a strong foundation for future growth.

6. **Management – *Highly experienced management team with strong governance framework***

ProCook has appointed an experienced Board and senior management team with deep experience in the retail and consumer sector, and proven track records of delivering growth, led by CEO and founder, Daniel O'Neill, with 25 years' experience in developing the business. Other key hires over recent years include a Chief Financial Officer and a People Director.

The Board, led by Chairman, Greg Hodder, alongside David Stead, Gillian Davies and Luke Kingsnorth, provides an additional level of experience of successfully navigating and delivering growth in a range of brand and product led businesses including Naked Wines plc, Hotel Chocolat Group Plc, Dunelm Group Plc, IG Design Group Plc, 4Imprint Group Plc and Charles Tyrwhitt amongst others.

4. Business description

The ProCook Brand

ProCook's purpose is all about **sharing our passion for cooking**. The customer proposition is to offer beautiful high-quality products at great value accompanied by high levels of service and personalised inspiration and experiences.

The proposition is focused on three key ingredients:

(1) To design and source beautiful products at great value

(2) To create inspirational and memorable experiences for customers

(3) To offer friendly, knowledgeable service customers can trust

Originally offering high quality, functional cookware products at great value pricing, ProCook has been developed over the last decade to provide a broader and strengthened product offering across cookware, tableware and kitchen accessories, resulting in the brand now having a much wider reach and appeal.

The "ProCook Promise" which builds on the first of the three proposition ingredients above, is frequently communicated in customer messaging:

The brand offers high levels of customer service across all its channels with a UK Trustpilot service score of 4.8/5 (excellent rated).

ProCook staff (known in the business as colleagues) are equally engaged with the brand as a place to work with 72% saying they are proud of the brand and 73% saying they would recommend ProCook as a place to work.

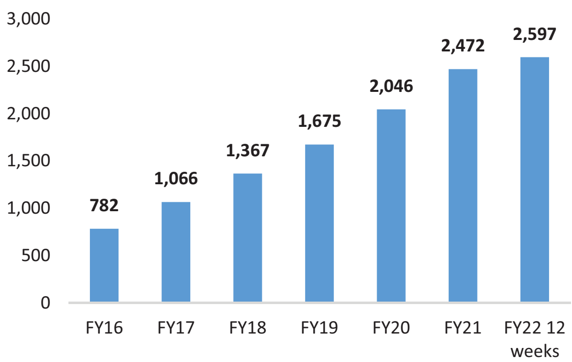
From a brand perspective, there remains significant opportunity to raise the profile and awareness of the ProCook brand. In the UK as a whole, prompted brand awareness is approximately 40%, whilst within the Greater London region it is 32%, where 14% of the UK's population live and where, in 2017, average gross disposable household income was 43% higher than the UK average. That 40% is significantly lower than a number of ProCook's competitors such as Tefal (93%) and Le Creuset (75%).

ProCook's growing customer base

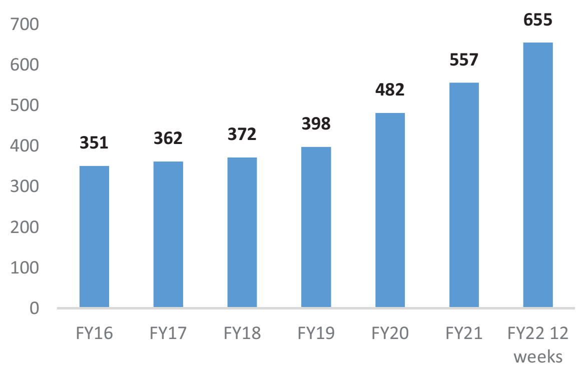
ProCook has a broad and growing customer base as the brand has made efforts to increase awareness of its product offering and attract new customers to shop with ProCook. ProCook's products have wide consumer appeal, with its multi-channel offering providing routes to market to suit different customer preferences and its price range architecture enabling it to appeal to a broad range of consumers. ProCook's customer database is made up of approximately 2.7 million customers as at the end of P5 FY22, with 0.7 million of these customers considered by management to be active (being customers who have purchased with ProCook in the last 12 months). The Group's total customer database grew by 21% in FY21 by approximately 425,000 customers. ProCook's total customer base has grown by more than 59% between 1 April 2018 and 27 June 2021.

Retail customers' contact details are collected in store. Since the stores re-opened after Covid-19 restrictions were eased, collection of customer contact details has gradually increased to approximately 65% of in store customers up to week 18. Online, ProCook collects contact details from all customers on its own website as part of the online ordering process. The growth in active customers is shown in the below chart.

Total customer database ('000)



Active customer database ('000)



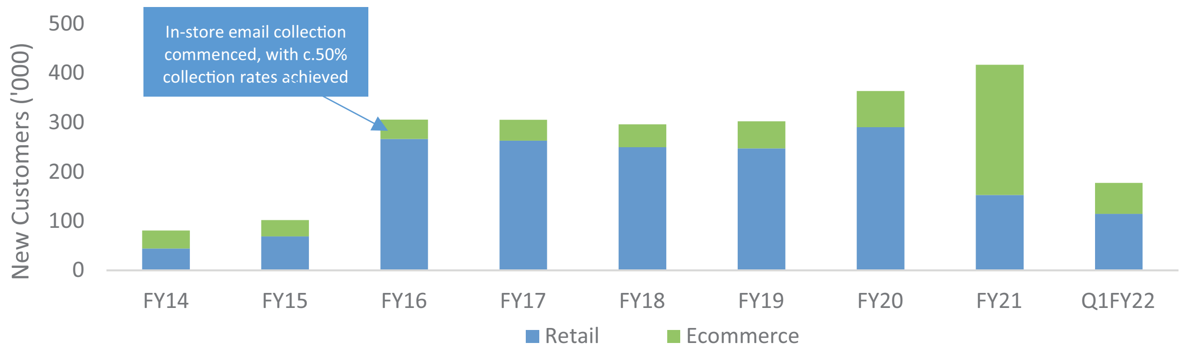
Source: Management information

Note: Total customers and Active customers taken at the end of each respective period. Active customer defined as a customer that has made a purchase within last twelve months.

Customer average transaction values in the 12 weeks to 27 June 2021 were approximately £34 per transaction in-store, approximately £71 per order online on ProCook's own website and approximately £51 per order on its EU marketplace stores.

The acquisition of new customers is closely monitored by the Group, with collection of customer details taking place online prior to completion of a customer order, and in-store at the til-point via ipad "kiosks" which ProCook has installed. In FY21, following the shift to the Ecommerce channel, the number of new customers acquired increased by approximately 425,000. In Q1 FY22, particularly since the retail estate has re-opened, the mix has shifted back towards Retail customer acquisition:

New customer acquisitions by channel



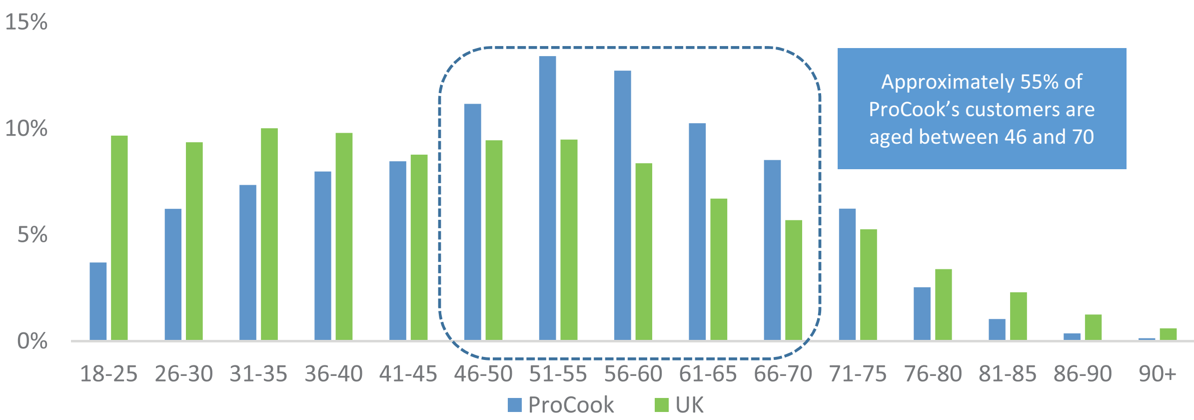
Source: Management information

Note: Web includes ProCook.co.uk and excludes any customers acquired through marketplaces.

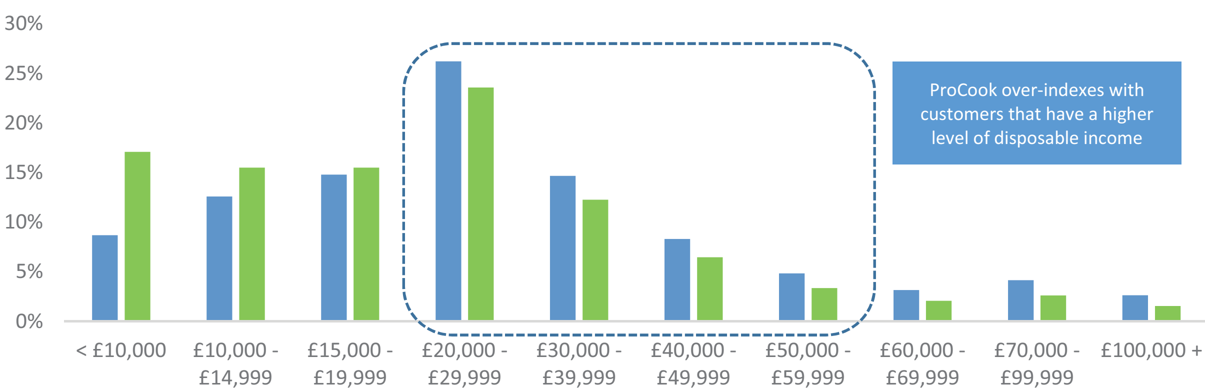
Customer demographics and preferences

The ProCook brand appeals to a broad range of customers, with a clear concentration in the demographic mix towards females (58%), with higher levels of household income. The charts below show an analysis of ProCook's customers' age and their customer income banding as assessed in June 2021.

Customer age band analysis – ProCook vs UK

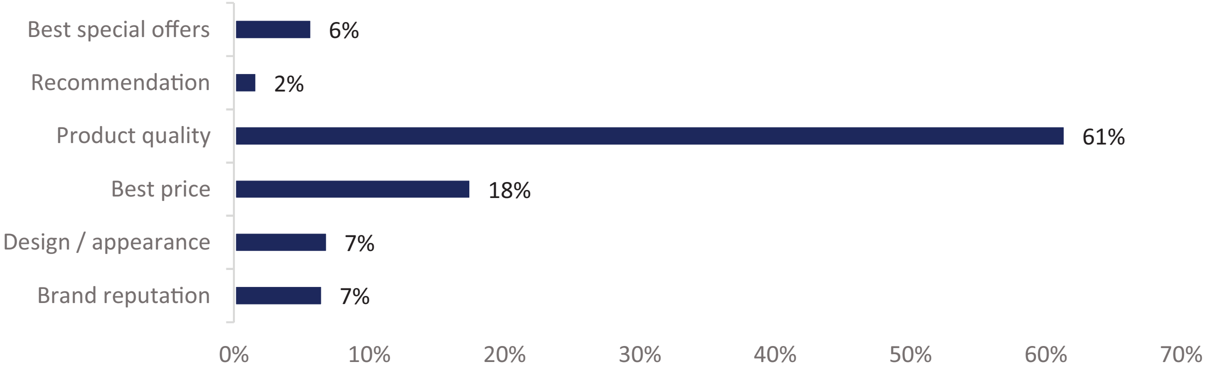


Customer income band analysis – ProCook vs UK



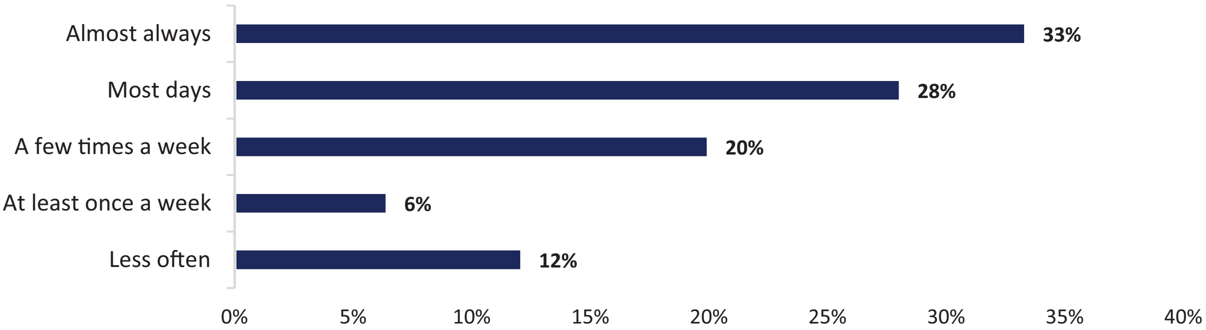
Source: Management information

The most important factors for customers when considering buying kitchenware is product quality, followed by price, brand reputation and product design/appearance:



Source: YouGov survey prepared for ProCook based on 9000 responses

Of a representative population of ProCook customers surveyed in January to June 2021, ProCook has established that 81% of all responders cook at home frequently, with 61% saying that they cook at home most days or almost always:



Source: Management information

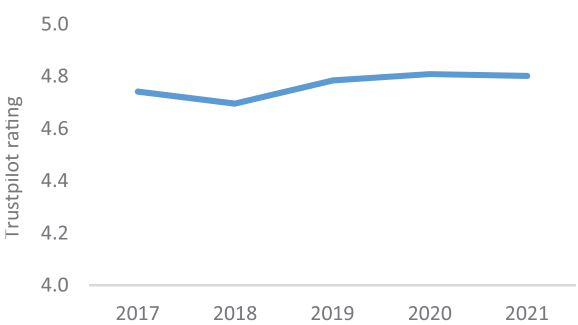
Cooking as a hobby has long been popular, and this interest has increased over the last 18 months. Publicly available data from market research undertaken by Bain & Co in July 2020 across three European economies (the UK, France and Germany) which indicates that this trend is unlikely to subside rapidly, with survey responses indicating that the likelihood of people making their own meals at home is expected to remain almost 10% above pre-pandemic levels, and over 40% expecting to make more homecooked meals compared to before the Covid-19 pandemic.

Customers rate the ProCook experience and products very highly

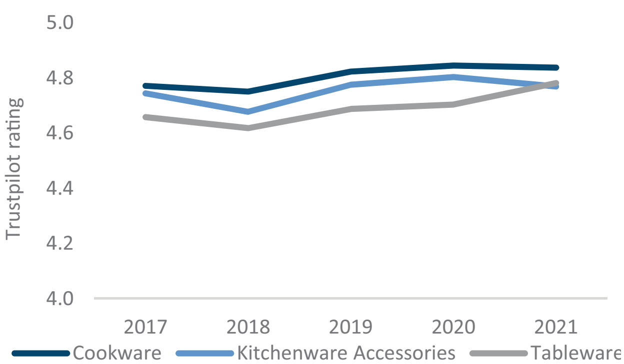
ProCook monitors customer feedback on its service and products via a bespoke feedback collection service with the well-known third-party feedback tool TrustPilot. Since ProCook launched the review service with Trustpilot in 2014, there have been over 63,000 reviews collected.

ProCook's overall proposition review rating has been consistently excellent-rated over recent years, as shown in the below chart showing ProCook's Trustpilot rating on a rolling last twelve months basis:

Trustpilot overall rating



Trustpilot product ratings



Source: Trustpilot review scores

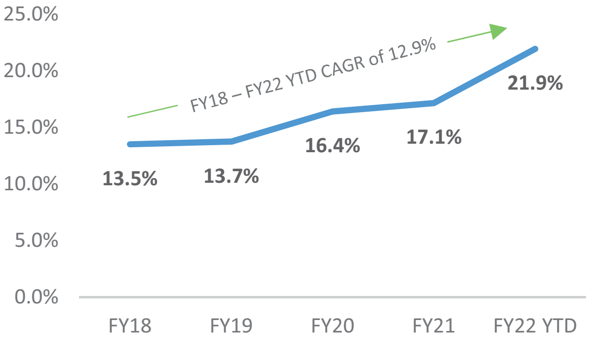
CRM

The Group invested early in its customer relationship management activities. Its proprietary technology platform provides data and analytics capabilities and data is captured on each customer where possible. ProCook uses data to drive decision-making across the business. ProCook maintains a high level of focus on new customer acquisition and repeat performance. These form critical parts of the Group's objective to become the customer's brand of choice for kitchenware.

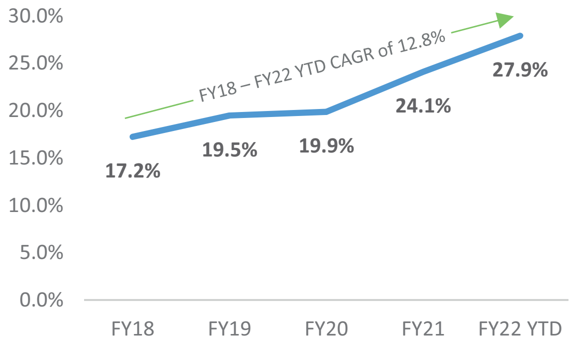
The Group first recruited a CRM Director in November 2020, to further increase the focus in this area and grow repeat business and increase brand loyalty. Future CRM developments include developing improved customer cohort analysis, enhancing quality and frequency of customer engagement and communications, developing targeted and personalised offers and messaging. The Directors see this as a significant opportunity to support future growth.

ProCook's brand proposition means that the business has high and increasing levels of repeat custom, with more than 21.9% of new retail customers and 27.9% of new website customers repeat purchasing within 12 months in the first 5 periods of FY22. ProCook's levels of repeat customers have increased most significantly across its own website channel. The chart below shows the significant growth in the twelve-month repeat rate with approximately 17% of new customers who were acquired in FY17 on the ProCook website, repeat purchasing within one year, increasing to approximately 25% in FY20.

Repeat purchase within 12 months (Retail)[1]



Repeat purchase within 12 months (Web)[1]



Source: Management information

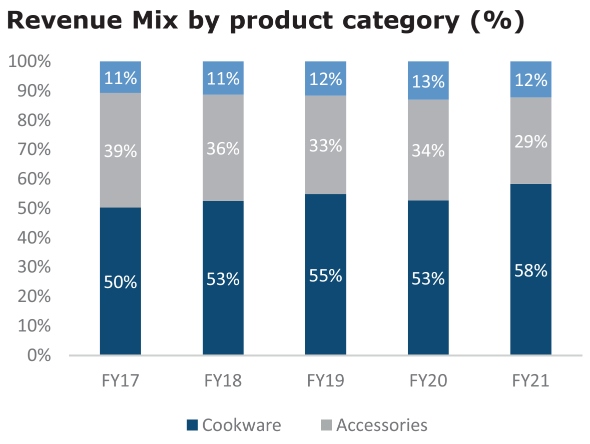
Note: 1. Chart shown by financial period 12 months subsequent to acquisition providing a full twelve months upon which to assess repeat rate, FY22 YTD represents customers acquired in the first five periods of FY21. Repeat purchases in Web relates to ProCook.co.uk.

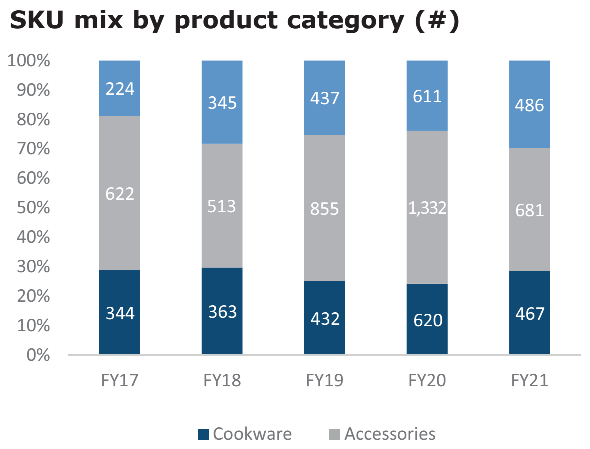
The Group's proposition in the UK, combined with its growing customer database, means that Directors believe the business is well positioned to drive continued improvements in repeat rates and loyalty.

Product Categories

ProCook is a product-led business which aims to provide high quality kitchenware and tableware products, at attractive price points, offering great value for customers. The Group's core proposition is to provide customers with products of comparable quality to leading cookware brands at consistently lower prices, a strategy that is expected by the Directors to drive continued growth of the business and increased market share.

With its knowledge and expertise in product design, ProCook has developed a high quality range of over 1,600 products across the following three key categories 1) cookware, 2) kitchen accessories and 3) tableware. As well as selling items separately (as individual items), products are frequently sold in sets (various combinations) of these SKUs.





Source: Management information

Note: FY indicates financial year ending March throughout this pack. SKU analysis above is shown for SKUs which had a minimum sales volume of 100 units.

The Directors estimate the total UK market size, and ProCook's market share in 2020 of each category using Euromonitor data as follows:

- Cookware (Pots and Pans, Baking and Cast Iron) – Approximately £940 million market size in 2020, approximately 3.4% ProCook market share.
- Kitchen accessories (Knives, Utensils and Food storage) – Approximately £632 million market size in 2020, approximately 2.7% ProCook market share.
- Tableware (Glassware, crockery, cutlery, table dressings and accessories) – Approximately £2.04 billion market size in 2020, approximately 0.3% ProCook market share.

Source: Market Sizes as per Euromonitor International Ltd: Home & Garden 2021ed – Cookware sales defined as Euromonitor's Cookware category. Kitchen Accessories sales defined as Euromonitor's Kitchenware category (which is further subcategorised into Food Storage and Kitchen Utensils). Tableware sales defined as Euromonitor's Dining category. Retail Value sales RSP – GBP million – 2015 – 2025, current prices. ProCook's market share has been calculated based on unaudited management accounts for the periods stated.

New products and ranges are continually developed and regularly refreshed. The brand's ability to sell a wider range of products has improved, with the business moving into tableware and dining products, complementing the original core cookware product ranges. ProCook has the in-house capability, when combined with its relationships with long-standing relationships with suppliers, to bring a new product to market rapidly by using its own store and online channels, collecting key data to assess results in real time. The Directors believe that there remains significant room for expansion of the product range, including in kitchen electricals (such as toasters, kettles, coffee machines and food blenders), and in tableware, where the business is already gaining significant market share, having already gained a 0.5% market share in 2020, having extended its capabilities in mid-2019.

ProCook uses sub-brands, which enables it to attract a broad customer base across multiple price points in a structured range architecture. The aim of sub-brands is to accommodate a breadth of price points and attract different consumer groups. As shown in the product ranges below, there different branding is applied to products dependent on whether they form part of "Mid-Market", "Premium" or "Luxury" ranges.

Cookware

Cookware products include pots and pans, frying pans, woks, sauté pans, steamers, stockpots and casserole dishes, griddle pans, roasting tins, bakeware, oven dishes, pizza stones, paella pans and replacement lids. There are over 450 SKUs in this category and most items can be sold individually or as part of a set, with a range of possible combinations offering flexibility to consumers.

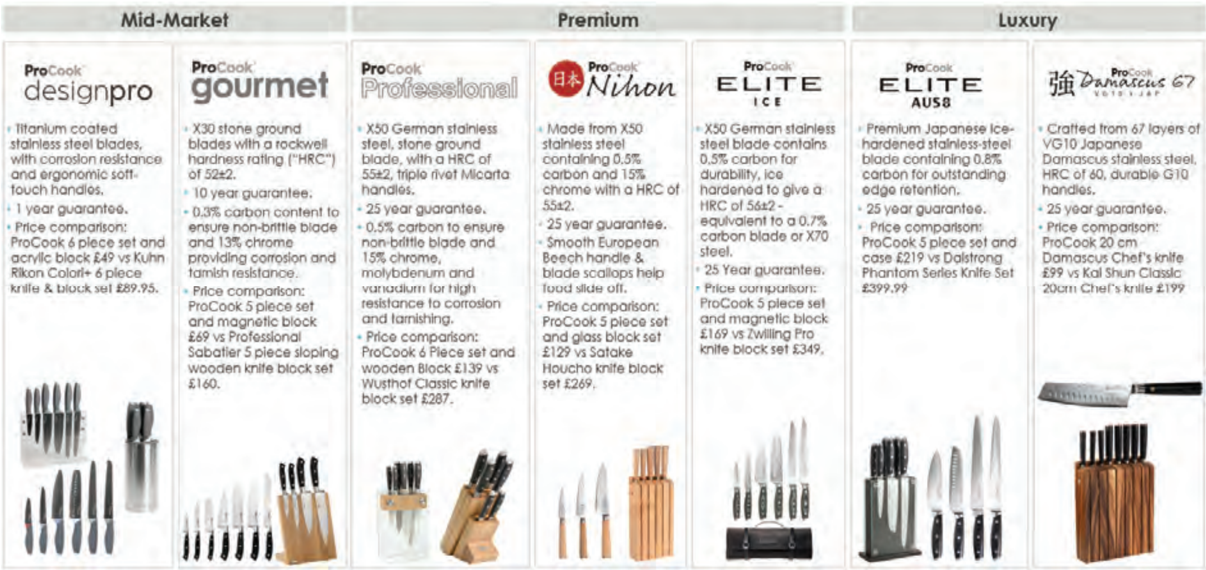
Across the cookware category, there are five key sub-brand ranges. The products feature different materials, craftsmanship, design features and product guarantees as set out below:

Kitchen Accessories, including knives

ProCook sells a broad range of kitchen accessories including utensils, chopping boards, food storage, linens, scales and measuring tools. In total there are approximately 650 different individual products in this category, many of which can also be bought in sets. Products feature different materials (including silicon, wood, and stainless steel) and design features depending on the product type and are frequently grouped in sub-brands such as DesignPro.

ProCook has developed a range of high-quality knives and ancillary products, and as such it represents a significant component of the Group's Kitchen Accessories category. Products include knife block sets, Japanese knives, knife cases, wall rack sets, cook's and chef's knives, Santoku and Nakiri knives, paring and peeling knives, vegetable, and utility knives, carving knives, bread knives, cleavers, filleting and boning knives and steak knives. There are currently approximately 150 different individual SKUs across the knife category. Each product range includes items sold individually or as part of various different set options, which include three, five, six or eight-piece sets, with many different storage options including blocks, racks and cases.

Across the knife category, there are seven key sub-brand ranges. The products feature different materials, craftsmanship, design features and product guarantees as set out below:



Tableware

Over the last two years, ProCook has been extending its tableware offer. It now incorporates products across crockery, cutlery, glassware, cafetieres and teapots, salt and pepper grinders, oven to tableware, serverware, cocktail accessories, and table accessories.

In total there are over 500 products in these categories and pricing hierarchies reflect the design features and materials in the product, ranging from mid-market to premium ranges. In common with other categories, ProCook has developed the ability to sell products individually or in sets, providing customers the choice to buy singles, mix and match or buy a complete product family.

In crockery, there are stoneware, porcelain, and bone china ranges. In glassware, there are options in coloured glass, crystal glass and soda glass. Cutlery is available in stainless-steel ranges, gold-effect ranges, wooden-handle steak knives, as well as reusable travel cutlery sets for easy transport and outdoor use.

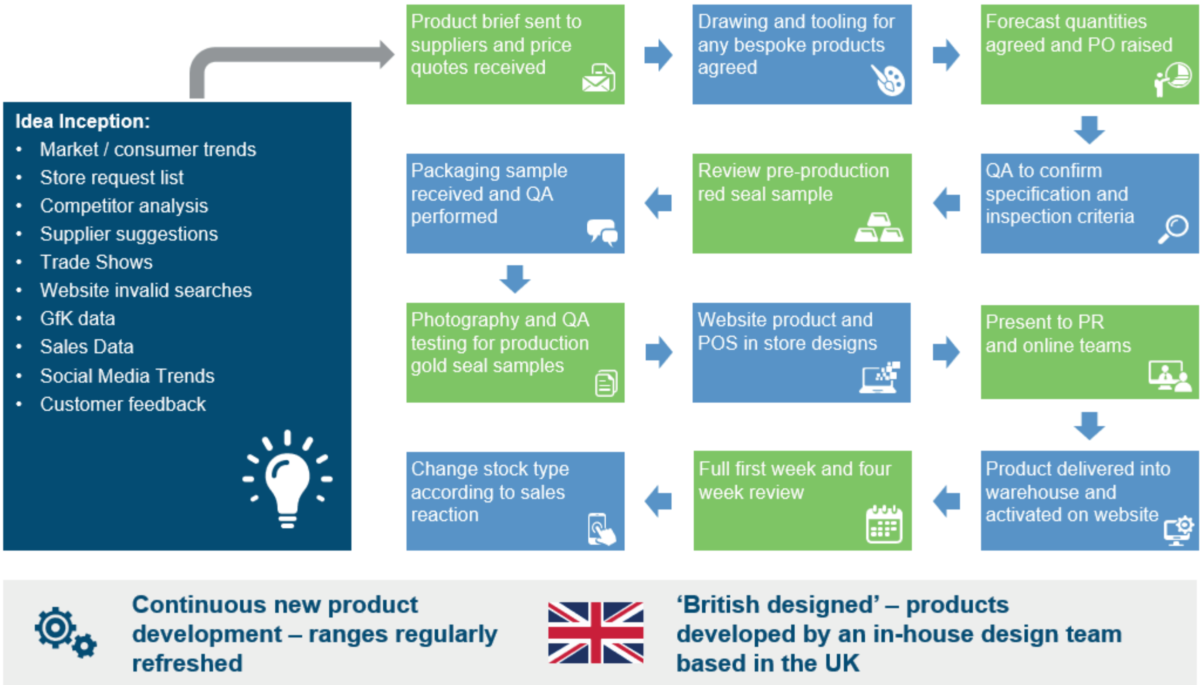
Mid-Market			Premium		
Coastal Stoneware	**Stockholm Stoneware**	**Antibes**	**Vaasa**	**Oslo**	**Malmo**
• 12 piece set includes 4 x dinner plates, side plates and pasta bowls • Hand painted in a vibrant glaze • Made from durable stoneware, the Coastal range offers truly hardwearing versatility and is dishwasher safe, microwave safe and oven safe to 120°C • 12 month guarantee • Price comparison: ProCook Coastal Stoneware 12 piece tableware set £39 vs William Mason 12 piece Dinner Set £71 & Typhoon Grey Living 12 piece set £56	• 12 piece set includes 4x dinner plates, side plates and bowls • Modern Scandinavian style design • Made from durable stoneware, which is dishwasher, microwave and oven safe to 120C • 12 month guarantee • Price comparison: ProCook Stockholm stoneware 12 piece tableware set £49 vs Habitat Nona 12 piece set £85 & Denby Intro 12 piece set £100	• 12 piece set includes 4x dinner plate, side plates and pasta bowls • Modern design with subtle ribbed surface • Chip and scratch resistant, hotel standard porcelain • Antibes tableware dishwasher safe, microwave safe and oven safe up to 120°C so you can warm plates • 12 month guarantee • Price comparison: ProCook Antibes 12 piece set £69 vs Made.com Orlo 12 piece set £99 & Thomas Loft 12 piece set £149	• 12 piece set includes 4x dinner plate, side plates and pasta bowls • Hand painted with reactive glaze, then kiln fired to achieve a stunning, ethereal mottled affect • Each piece is beautifully individual • Made from durable stoneware; dishwasher, microwave and oven safe to 120°C • 12 month guarantee • Price comparison: ProCook Vaasa 12 piece set £79 vs Made.com Niva 12 piece set £129 & Villeroy & Boch 12 piece set £104	• 12 piece set includes 4x dinner plate, side plates and pasta bowls • Oatmeal reactive glaze tableware is handmade, and due to the nature of the glazing each piece is individual with possible variances in shade from piece to piece • Made from durable stoneware it is dishwasher, microwave and oven safe to 120C. • 12 month guarantee • Price comparison: ProCook Oslo 12 piece set £79 vs Broste Nordic Sand 12 piece set £159 & Nkuku Amina 12 piece set £182	• 12 piece dining set includes 4x dinner plates, side plates and cereal/soup bowls • handcrafted from durable stoneware and finished with a reactive glaze giving each piece a beautifully individual look • subtle teardrop design • Stoneware is dishwasher, microwave and oven safe to 120C • 12 month guarantee • Price comparison: ProCook Malmo 12 piece set £99 vs Broste Nordic Sea 12 Piece Set £159 & Nkuku Malia 12 Piece Set £182

The Directors believe that a significant opportunity exists for ProCook to leverage its brand and product offering to grow its market share across all three of these product categories. ProCook continues to develop new ranges of high-quality products which are regularly refreshed and enhanced in-house to help attract new customers.

Product Design and Sourcing

Product ranges are designed, sourced and refined by the Group's in-house product design and purchasing teams who apply a high level of attention to detail on each product to promote the very best specification, functionality and quality. All product is directly sourced by the Group from its manufacturing supplier base via long term supplier partnerships, many of which have been in place since the founding of the business. These strong relationships allow the business to respond quickly to consumer trends and seasonal demand.

The design and sourcing process is summarised by the following diagram:



As an own-brand business, ProCook is able to take advantage of its direct sourcing relationships to source products competitively, generating strong product margins. The vast majority of products are sourced from manufacturers based in East Asia. Manufacturing partnerships support new product development with the ProCook product team working closely with suppliers through the product design, prototyping and testing process. Manufactured goods are tested by an external product testing firm, to ensure products meet exacting quality standards and specifications.

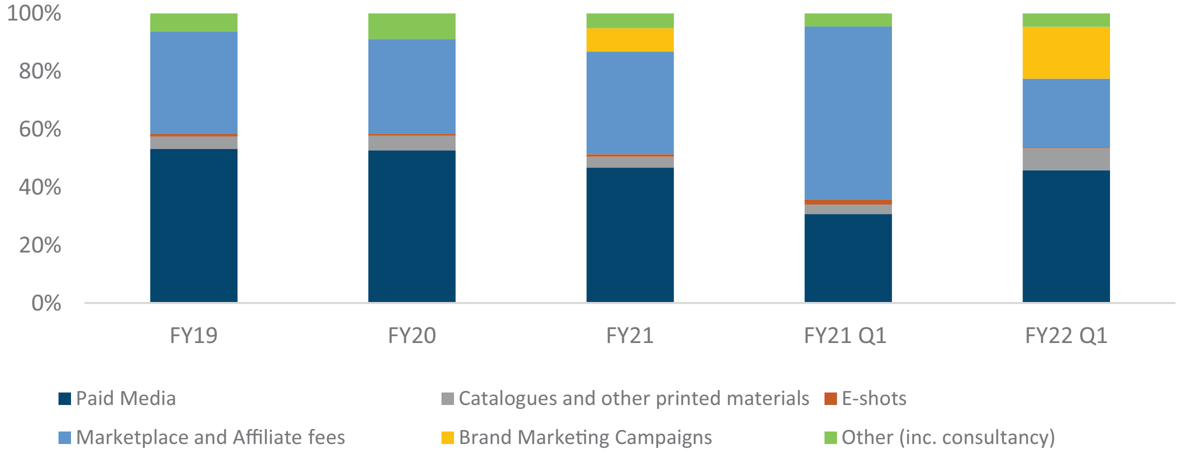
ProCook uses over 120 suppliers to source its range of products, with approximately 70% of purchases sourced from its top ten suppliers in FY21, who are large global specialist manufactures in kitchenware products. The Group has strong, long-term relationships with its key suppliers and the Company estimates that it accounts for approximately 5% of its top supplier's revenue.

Marketing

ProCook's general approach to marketing is to source as much from its in-house function as possible in order to enhance control over its marketing messages. Efforts are focused on building brand awareness and increasing customer acquisition, with the majority of its approximately £6 million marketing expenditure in FY21 used to support its ecommerce platform. The Group has recently begun more extensive brand-building campaigns including TV advertising, national press, and social media, to further enhance its brand presence and support its multi-channel offering.

As the brand owner, ProCook has the ability to manage tone of voice, style, and create experiences and helpful customer guides ("how to" and recipes for example) to increase levels of engagement from customers. The control of its own customer database allows the business to develop strategies to communicate and engage with its customer base directly.

Marketing spend by category



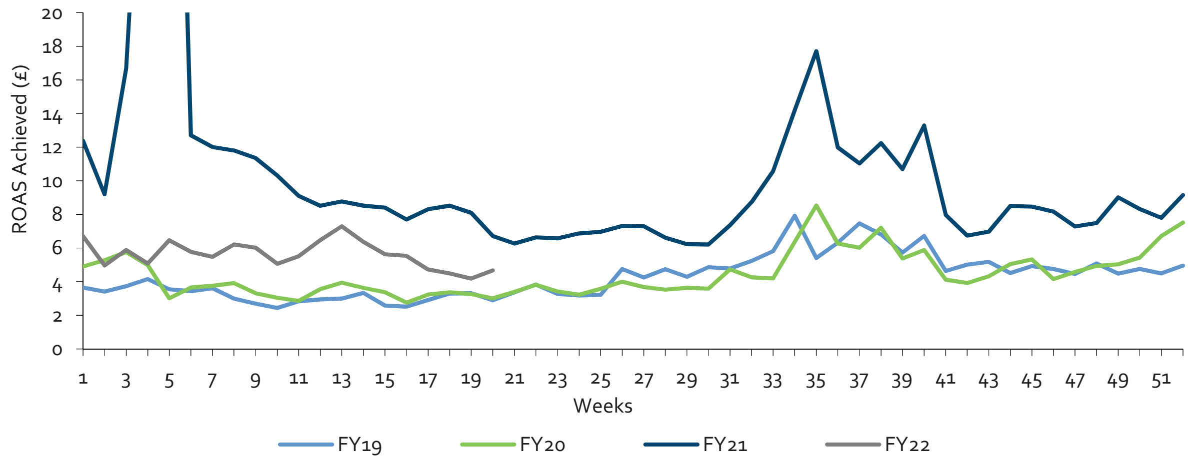
Source: Management information

Paid Media: Pay-Per-Click ("PPC"), Google shopping, Paid Social

The substantial majority of marketing spend for paid media was on PPC (see chart "Marketing spend by category" above). Paid Media accounted for 47% of total marketing spend in FY21. Given the relatively high amount spent on marketing in this category (when compared to other paid media) the Directors place a significant focus on the ROAS generated through this marketing category.

ProCook has developed its own team of Paid Media specialists, which has enabled it to remain flexible and responsive, allowing the business to run its own campaigns and set its own strategy rather than relying on external agencies. The Group has a high ROAS through this marketing channel, which has allowed the business to use Paid Media to not only grow its sales, but to do so in a profitable manner on first purchase. As illustrated in the chart above, and below, Paid Media ROAS in FY21 was higher than other years due to the exceptionally high customer demand during lockdown (leading to the Group reducing its Paid Media marketing spend for periods of time, in order to ensure demand could be fulfilled). However, the growth of the Group over recent years (including growth in brand awareness and customer numbers) has led to an overall increase in marketing efficiency – with average ROAS 51% higher in the first 12 weeks of FY22 than over the same period in FY20. ProCook commissions reviews from time to time by external PPC agencies to ensure that no material opportunities or developments are missed.

Historical Paid Media Return on Ad Spend by week



Source: Management information

Note: FY21 excludes week 53 to allow for comparability between periods. Return on Ad Spend is on Paid Media marketing.

ProCook first accelerated its activities on Google Shopping approximately two years ago and uses a third-party bidding tool to support its bidding, utilising artificial intelligence to bid down on products until sales are lost. Since its introduction, this sales channel has grown in importance for ProCook, accounting for approximately 20% of website revenue in FY21.

Paid social marketing is growing in popularity and ProCook has begun its exploration into this customer acquisition channel through the test and trial of a range of campaigns and promotions in recent months.

Approximately 57% of ProCook's online sales are currently derived from paid media marketing.

Organic search/search engine optimisation ("SEO")

The Directors believe that ProCook has been able to enhance its ranking on major search engines such as Google and Bing as a result of technical optimisation, strong user experience and precise website structure, enabling it to capture a significantly higher volume of free organic traffic over recent years with sessions through this channel increasing by 42% (CAGR) between FY17 and FY21, and sales in this channel increasing by 71% (CAGR) over the same period. ProCook also uses certain SEO software providers to enhance its organic search positioning, allowing it to track key words against competitors and refine its website accordingly.

Email marketing

ProCook has been able to leverage its customer database to run successful email marketing campaigns, driving increasing levels of repeat custom referred to above. The Group uses third party email marketing software, which is integrated into ProCook's ecommerce platform. The Group runs abandoned basket and abandoned browsing email marketing, as well as more targeted communications to re-engage with customers (such as flash sales and exclusive offers). The Directors believe that further opportunities exist in this area through increased segmentation and personalisation of campaigns which ProCook is now beginning to explore and trial.

TV campaigns

ProCook has recently launched a series of TV advertising campaigns, as part of an initiative to enhance brand awareness, broaden its audience engagement and continue its online retailing success. The TV campaigns are being shown across key national platforms, including prime slots during major weekend cooking programs (e.g. Saturday Morning with James Martin with almost one million viewers) with supporting and complementary content on other media channels. The campaigns are designed to build ProCook's brand presence in the UK market and showcase its high-quality products, with the release of the first advert coinciding with the launch of ProCook's new Damascus 67 knife range in early 2021 and the second, featuring the Elite Tri-ply cookware range. The campaign is supplemented by ProCook's partnership with Tom Aikens, a Michelin starred chef, who is collaborating with the brand to create a series of "How To" videos, which showcase the new products and provide informative content for consumers.

Social media

As illustrated by the table below, ProCook has a relatively nascent social media presence across Instagram, Facebook, Twitter and Pinterest. The Group is developing its social media strategy and expertise in this area and the Directors believe that this is a significant opportunity going forward. New video content, such as that by Tom Aikens, are providing additional material for consumers to engage with through social media.

Number of followers by platform by selected brand/competitor:

	Facebook	*Instagram*	*Twitter*
Tefal	3,495k	33k	28k
Lakeland	294k	112k	29k
JosephJoseph	200k	119k	29k
Le Creuset	96k	73k	14k
ProCook	**30k**	**35k**	**8k**
Tower	11k	13k	8k
Robert Welch	9k	12k	7k

Note: Social media followers as at September 2021.

Catalogue

ProCook produces six catalogues per year with over three million catalogues expected to be printed in the next 12 months, all using paper from PEFC certified sources. The catalogue showcases the products and acts as a way of boosting brand awareness. This is available free in each ProCook store, is included with each home delivery order and is mailed directly to ProCook's most engaged customers.

Design and photography

The Group has an in-house photography and design studio, which allows ProCook to produce its own high quality photography content for use in its various marketing channels and campaigns. This provides the flexibility and agility to respond quickly to opportunities and a rapidly changing market landscape.

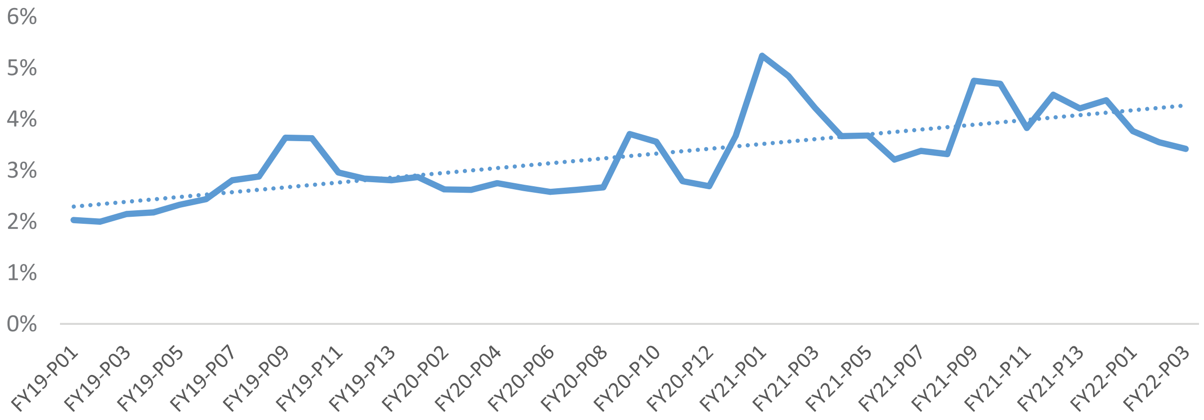
Routes to market

ProCook is digitally led, offering both a kitchenware ecommerce offer, www.procook.co.uk, selected online marketplace trading in certain EU territories, and over 50 profitable[1] stores in largely out-of-town destination leisure locations in the UK.

Ecommerce

ProCook's own website offering, has supported its rapid growth in ProCook's sales and brand profile, with a strong ROAS for profitable customer acquisition and an ATV of approximately £71 in FY21 (£71 in FY20) and a traffic to sales conversion rate of approximately 4% in FY21 (conversion rate has increased by 74% between Q1 FY19 and Q1 FY22). Including marketplace sales, the total ecommerce offering accounted for 53% of sales in Q1 FY22 compared to 36% of sales in FY17. Prior to the onset of Covid-19, the Group had already achieved strong ecommerce growth, with ecommerce revenue growing 31% CAGR from FY17 to FY20.

Website conversion rate %



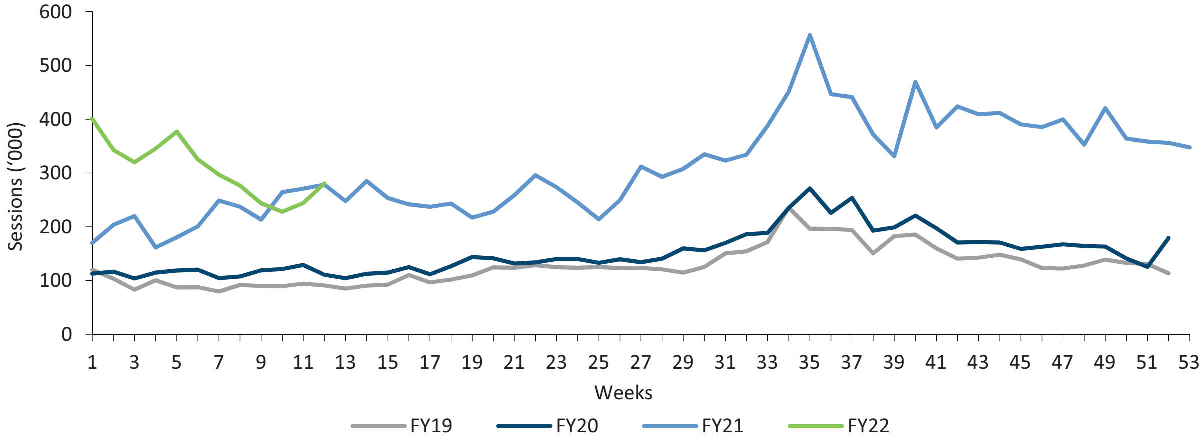
Source: Management information

Note: Conversion rate relates to ProCook.co.uk and excludes marketplaces.

Website traffic (sessions) has increased year on year and, in FY20, was 26% higher than FY19. In FY21, there was a 160% increase compared to the previous year. In the first 12 weeks of FY22, it was 240% higher than the equivalent period in FY20, reflecting a significant step change in performance. Between 60-70% of ProCook's ecommerce sessions and 50-60% of revenue is derived from Paid Media marketing channels whilst SEO (organic) is an important channel to attract customers without the marketing cost. Affiliate and referral traffic has increased in FY22 following an increased focus on that channel for customer acquisition.

1. All stores generate positive contribution when fully operational.

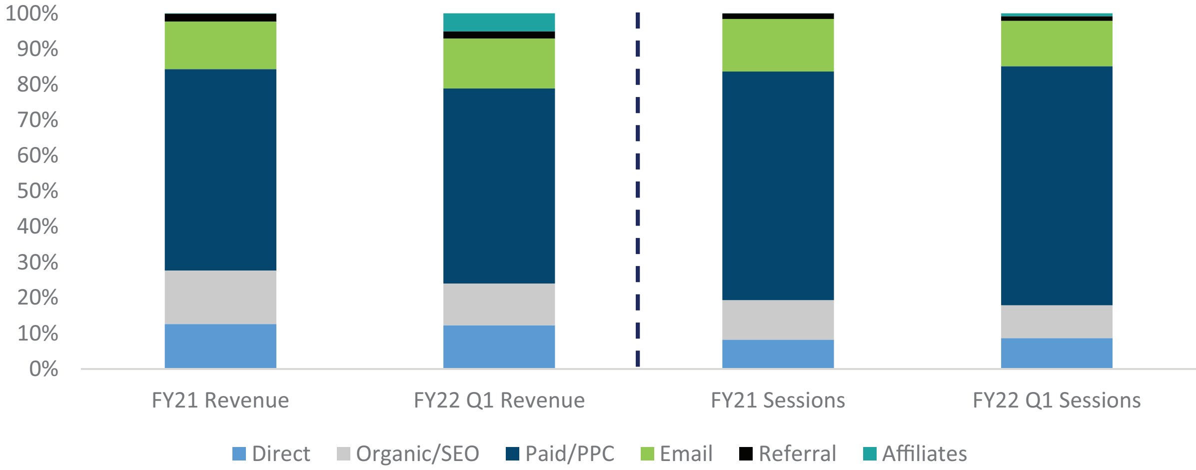
Website sessions



Source: Management information

Note: Ecommerce sessions and revenue relate to ProCook.co.uk and excludes marketplaces.

Website sessions and revenue by source of traffic



Source: Management information

Note: Ecommerce sessions and revenue relate to ProCook.co.uk and excludes marketplaces.

ProCook's core ecommerce system has been developed in-house and comprises a fully bespoke front-end which is integrated into the Group's core business systems which enables ProCook to optimise it for viewing across all devices, including mobile, tablet and desktop. Sales via the website typically have a higher average transaction value than ProCook's other channels, as the sales mix tends to include larger cookware and knife sets which are better suited to delivery. The website runs on the Group's own custom codebase with ProCook's content and marketing engine providing complete flexibility to customise the site and manage promotional activity. The website is continuously refined to reduce friction points in the customer journey: regular testing is undertaken on the website, supported by third-party software, which has enabled continued improvement in conversion rates.

Key features of the website include:

- High resolution product images and videos showcasing product features
- Real time stock availability and delivery timing information
- Easy to navigate filters and sophisticated product search capability
- Ancillary/complementary product offers
- Independent and informative customer reviews
- Summary and detailed product descriptions highlighting key features

- Advanced customer behaviour tracking allowing for smart merchandising
- “Search as you type” customer search with machine learning for “best fit” results
- Product and service reviews
- Express guest checkout

ProCook’s ecommerce offering was able to support the Group’s growth during the Covid-19 pandemic during the acceleration of the channel shift from physical to digital. The success that ProCook has achieved in ecommerce is built on years of developing and refining its offering, including investment in its in-house ecommerce and technology expertise.

In addition to sales through its own website, ProCook also sells its products via leading marketplace operators, providing the opportunity to enter, test and build awareness in new territories. ProCook started selling via marketplaces in the UK in FY10, Germany in FY17 and France in FY18. It is currently trading on marketplaces in Germany and France (additional delivery options extending to customers in Belgium, Austria, Luxembourg, the Netherlands and Poland are provided) with potential for more territories and partners under consideration. The Group has its own storefront on the marketplaces, which provides ProCook with the opportunity to showcase its brand more effectively.

The Group sees these marketplace channels as a means to profitably enhance brand awareness in new territories especially when physical or other ecommerce offerings are not yet available as is the case in Europe.

Having traded in the UK under the ProCook brand since 2008 and having achieved revenues of over £50 million in the UK in FY21, ProCook ceased trading on UK marketplaces in summer 2021 to focus management effort on its own website, which provides better opportunity for customer retention and engagement.

Retail

All of the Group’s retail stores generate a positive contribution when fully operational and the Group assesses new store opportunities on the basis of 12-month payback target. The average capital expenditure per new store ranges from approximately £120,000 to £150,000, primarily driven by the size of the store. The currently ranges of store sizes are from 1,471 sq.ft. to 4,736 sq.ft, although the Group is now typically targeting stores larger than 2,000 sq.ft. Average transaction values were approximately £32 in FY21, £34 in Q1 FY22 and £27 in FY20. The average footfall to sales conversion rate is over 20%, having been 16% in FY19.

ProCook’s total retail revenues grew by 30% CAGR between FY17 and FY20, prior to the negative impact of non-essential store closures during the Covid-19 pandemic. This growth was underpinned by both new store openings as well as underlying store growth. Since the stores have been able to reopen from 12 April 2021, revenue in the 12 weeks ended 27 June 2021 was £6.9 million, a ten-fold increase compared to revenue in the 12 weeks ended 21 June 2020 of £0.6 million (unaudited).

Over 60% of customers in the UK still purchase kitchenware products through retail stores (Source: GfK). ProCook views its stores as playing an important role in the overall customer proposition, enabling customers to feel, test and trial the products as well as receive advice from helpful and knowledgeable, well-trained retail colleagues. ProCook operates over 50 stores across the UK through its Designer Outlet Centre stores, Garden Centre stores and Destination Retail locations. The Directors consider the store network to be a critical part of ProCook’s multi-channel offering and it remains a core part of its growth strategy.

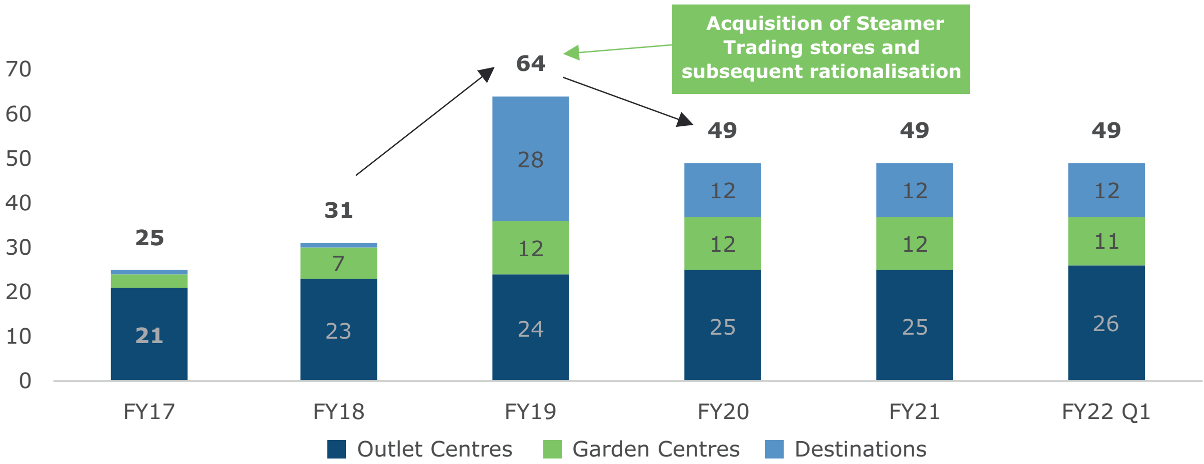
The stores are an effective sales channel for the business, providing an environment where customers can envisage the products in a home-like location. The Directors believe that stores act as a brand beacon, developing brand awareness for ProCook’s digital channels.

ProCook stores have a clean and intuitive look and feel with uncluttered displays. The value proposition is clearly signposted via point-of-sale, supported by exceptional customer service. Sites are chosen strategically, with the Group targeting those locations which are more resilient to changing customer preferences and where footfall has remained higher in recent years, as consumers increasingly seek easily accessible, leisure based shopping environments.

The Directors believe that ProCook's strength of offer and its financial performance has been a highly desirable proposition for landlords, enabling the business to successfully negotiate flexible lease terms and incentives.

The retail estate has changed over the historical period following the integration of Steamer Trading stores during FY19 and then subsequent closure of a number of those stores. Five new stores have been opened, and two closed, during FY22 taking the total retail estate to 52 at the end of September 2021.

Retail stores by type



Source: Management information

Note: Store numbers taken as at the end of Q1 FY22.

Designer Outlet Centre stores

A "Designer Outlet Centre" store is defined as a ProCook store located in out of town retail centres predominantly occupied by "premium" brand retailers. ProCook opened its first Designer Outlet Centre store in Mansfield in 1999. Since then, the Group has developed a network of 26 Designer Outlet Centre stores in most of the major centres throughout the UK. Designer Outlet Centre stores have seen significant growth in popularity in the last 10 years as consumers seek a destination shopping experience. Key customer benefits include:

- Easier to access than traditional city centre locations, particularly by car
- More leisure and experiential based shopping environment, providing the opportunity to "make a day of it", with a broad range of food options
- Perceived discounted offerings on leading brands
- Ability to access a range of product types, with multiple different stores for an individual product category (for example in kitchenware, centres will often have a ProCook store alongside other brands' stores such as Tefal, Amefa, Denby, Le Creuset and Portmeirion)
- Higher quality standards of retailing, with stores often operated by brand owners meaning they tend to be well-funded and have a better product mix
- Landlords control the mix of operators to ensure a strong and balanced coverage across product categories, seeking to provide the best experience and maximise consumer spend

ProCook benefits from flexible lease agreements in its Designer Outlet Centre stores, often with low fixed rents plus turnover based elements. ProCook's growing importance as a partner to the major outlet centre operators has enabled it to increasingly negotiate preferential lease deals, which provide the ability to flex the cost base depending on performance. The average size of a Designer

Outlet Centre store is approximately 1,800 sq.ft. with newer stores in these centres typically above the average size, to enable better display of the complete range.

Additional stores are dependent on the development of new Designer Outlet Centres, with centres currently being planned and developed in The Cotswolds, Grantham, and Scotch Corner (North Yorkshire).

Garden Centre stores

A "Garden Centre" store is defined as a ProCook store which is located in a garden centre which, together with associated retail offerings on site, is seen as an all day retail and leisure experience by the consumer. ProCook launched its first Garden Centre store in 2016 and has developed a network of 12 stores in larger garden centre locations across the UK. Garden Centre stores are located in destinations which have similar characteristics to Designer Outlet Centre stores, where consumers tend to visit for a leisure experience rather than a clearly defined shopping purpose. ProCook's proposition has typically performed well in these locations. ProCook operates five stand-alone stores and seven locations as a "store-in-store" concept in the main garden centre shop. Garden Centre stores are on average, slightly smaller in size than Designer Outlet Centre stores at approximately 1,700 sq.ft.

ProCook also benefits from flexible rental agreements in its Garden Centre stores, with a low base rent and a revenue-based ratchet model.

Destination Retail stores

A "Destination Retail" store is defined as a ProCook store located in a large shopping centre (such as Bluewater in Kent), or a prominent market town location, which are seen as an all day retail and leisure experience by the consumer. ProCook has developed a presence in "Destination Retail" stores that have similar characteristics to Designer Outlet Centre stores and Garden Centre stores. The growth of this channel was facilitated by the acquisition of the trade and assets of Steamer Trading Limited out of administration, including the right to occupy 27 of its retail stores in January 2019. The acquisition provided ProCook with the opportunity to develop its presence and gain critical mass in locations more suited to its offering, typically market towns and tourist centres rather than major city centres. ProCook retained eight of the former Steamer Trading stores, which have all been subsequently rebranded as ProCook and stock ProCook branded products only.

Destination Retail stores are on average 2800 sq.ft. and the Group currently has 16 Destination Retail stores in the UK.

Distribution and warehousing

ProCook manages and operates its own warehousing and distribution capability in the UK which is established for multichannel retailing. The Group's bespoke warehouse management system deals with picking of orders in the warehouse and replenishment of stock, and its bespoke order management system provides end-to-end management of orders. ProCook operates from two facilities located close to each other in Gloucestershire, UK. This location is well connected to the national motorway network, being situated directly off the M5 motorway at Junction 12.

The first of ProCook's current facilities was opened in 2016. It comprises a modern warehouse facility of approximately 43,600 sq.ft. The facility also incorporates the current head office on the ground and first floors. ProCook owned the freehold to this premises until September 2020, when a sale and leaseback transaction completed transferring the premises to Leftfield Capital. The warehouse facility is predominantly used to manage ecommerce sales, with a bespoke pick and pack operation.

In July 2020, ProCook extended its warehouse capacity through the lease of a new 56,000 sq.ft facility less than one mile from its first. All goods are currently received into this unit, and then either distributed to ProCook's retail network or transferred to the ecommerce pick-and-pack facility.

The Company is planning the opening of a new 167,000 sq.ft warehouse and office facility (expected to open in FY23), which is designed to provide the business with 4 – 5x the current volume capacity and facilitate significant growth in the UK. This new facility will also streamline the delivery process for both in-store and online, reducing costs and waste. It will have the capacity to house 300 office-based colleagues.

ProCook has historically shipped products to Europe directly from the UK but, from April 2021, the business began using a European distribution partner. ProCook intends to explore opportunities to open its own warehouse in the EU as its business in the EU develops.

Technology

Overview

ProCook's well invested infrastructure provides an agile and scalable platform for growth, facilitating end-to-end control over the customer journey and low maintenance costs. ProCook has developed a dynamic and highly scalable bespoke tech platform, which has supported its rapid growth in sales and brand profile and continues to support effective decision-making in the business. The platforms have been developed in-house over 15 years and have built-in data and analytics capabilities and provide a complete view of customer activity and end-to-end control over business operations. The business adopts a hybrid approach to IT which sees it utilise its own bespoke software, coupled with third-party technology where appropriate. The technology platform is proprietary and mature, reliable and dependable at this stage of its lifecycle and involves a low cost of maintenance, as one or two developers can manage its maintenance. It has sophisticated experimentation software built-in, enabling new experiments or hotfixes to be deployed in less than 30 seconds.

Extranet – Core business system

ProCook developed its Extranet platform as the core business system to give it complete end-to-end control over the customer journey and experience. It is the central system, with all other systems integrating into or around it. It incorporates central databases, communicates with warehouse management and order management modules and the Group's finance system (Microsoft Dynamics 365 which was implemented in Summer 2021), store EPOS systems and third-party payment providers.

Amongst other capabilities, the Extranet platforms also house a bespoke shipping scheduler, and integrate live stock files with the ecommerce systems.

Extranet – Ecommerce system

ProCook has developed a comprehensive ecommerce front-end that is fully bespoke to the business. The website is cloud hosted by AWS, in a resilient and performance focused environment. ProCook's website is fully device-responsive and designed to create a strong user-experience. The website technology incorporates its own database functionality providing real-time stock availability from the main Extranet systems and enables the display of the correct expected delivery date to the customer. In addition, the platform provides the ability to sell stock before it has been delivered to the warehouse (usually constrained by management to 14 days in advance). Updated functionality has been developed, such as advanced site search, personalisation, and A/B testing in order to optimise conversion rates by removing customer friction points. ProCook has also developed its custom content and marketing engines to drive the content on the website, which supports its promotional activity, useability, and SEO functionality.

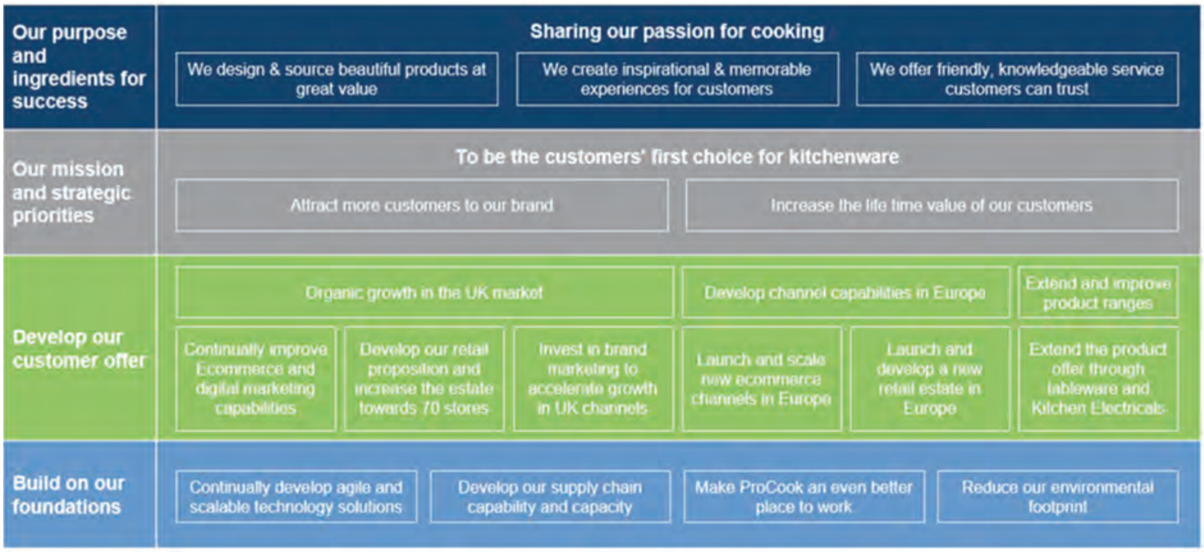
Maintenance

ProCook systems are maintained (and developed) by its own technology team. System changes and optimisations are written in-house, tested and deployed securely in a process which allows for multiple projects to be developed simultaneously. The ability for users and developers to work closely together means that projects are delivered collaboratively and efficiently.

5. Strategy

ProCook is focused on delivering sustainable and profitable growth, and creating long term value for shareholders as well as other stakeholders including its people and the communities in which it operates. Over the long term ProCook's ambition is to **be the customers' first choice for kitchenware**.

The Directors have developed a clear strategic plan to build upon the strong performance already delivered and the foundations already established:



The ProCook mission and strategic priorities

In order to become the first choice for kitchenware, ProCook must continue to deliver its core proposition and retain its high level of customer satisfaction. Two primary strategic priorities have been developed by ProCook which provide a clear direction for the underlying initiatives which are being pursued across the business. The Directors are able to measure and monitor progress against each, and as such, ensure appropriate progress is being made.

There is significant opportunity to **attract more customers to the brand** as both the relatively low current level of customer awareness and the brand's market share highlight.

Furthermore, ProCook is working to **increase the life time value of our customers** by firstly improving the overall all-brand experience to increase purchase frequency; a trend which is already building as the brand becomes more well-known and customers' experience of the proposition grows. Secondly, whilst AOV (and basket size) is already at levels which the Directors are pleased with, the Directors believe that there is opportunity to offer complementary products, to up-sell, and cross-sell to increase average order value and basket size – allowing customers to enjoy and benefit from owning more high quality ProCook products.

Strategic focus areas to facilitate growth

The Directors have identified three opportunities to further develop the customer offer and four further focus areas to continue to build on the Group's strong foundations to support growth over long term:

Customer Offer: Organic Growth in the UK Market

Growing the business in ProCook's core market, the UK, is the Group's highest priority as the Directors believe there is significant opportunity to grow the customer base and increase market share and believe that this will be achieved by:

Continually improve ecommerce and digital marketing capabilities

ProCook has grown its ecommerce channel rapidly, and it remains the Group's priority growth channel to increase new customer acquisition, improve AOV and increase retention and repeat rates including through improvements in website functionality including conversion rate optimisation, increased marketing activities including paid social and content marketing, enhanced CRM capabilities and the use of data analytics to further accelerate growth.

Develop the retail proposition and increase the estate towards 70 stores
Developing the retail proposition is a key priority for ProCook. Not only are the stores profitable in their own right, typically achieving payback within 12 months; they also help to enhance brand awareness and provide a setting to inspire and delight customers with helpful service and advice.

ProCook plans to increase the retail footprint in the UK towards 70 stores over the medium term, with new stores predominantly being the newer, approximately 2,200 square foot, larger format destination retail stores which provide the setting to sell a larger range including more tableware product and attract higher levels of footfall.

In the existing estate, the Group is planning to refit a small number of stores, bringing in the latest styling, look and feel, and optimising the use of space. Additionally, where possible, certain smaller stores will be upsized over the short term, allowing for range extension, and the creation of space for extended tableware displays. Retail management will continue to focus on always improving customer service capabilities through colleague training and development. Interaction with customers and facilitating repeat purchase through service and marketing will continue to be a priority for the Group.

Invest in brand marketing to accelerate growth in the UK channels
ProCook currently experiences high levels of customer satisfaction for its proposition as recognised by its excellent Trustpilot rating. However, prompted brand awareness across the UK population is currently only 39%.

ProCook plans to build marketing strategies that are both effective, and personalised, thus supporting not only new customer acquisition but also enabling ProCook to become front of mind, and in turn, to be first choice for repeat purchases. In addition, ProCook is in the process of developing and opening a cookery school in central London to provide customers the opportunity to develop their cooking skills and create an experiential environment which will allow ProCook to develop digital content for use on its platforms.

<u>Customer Offer: Develop channel capabilities in Europe</u>

Since 2016, ProCook has successfully sold its products to customers in Europe via online marketplaces. This has provided the Group with confidence that the products are transferable and that there is demand for the proposition which ProCook offers.

The experience of ProCook to date indicates that the kitchenware market in Europe has similar characteristics to that in the UK and is of substantial size. The market in Germany, France and Netherlands combined (ProCook's initial target markets) was estimated to be worth £8.1 billion (Source: Euromonitor) in 2020, over two times larger than the UK.

A trading entity has been established in the Netherlands, from which ProCook intends to expand its European trading activities, as set out in more detail below.

Launch and scale new ecommerce channels in Europe
ProCook plans to launch its own ecommerce platforms in key European countries in the short to medium term (with those in the Netherlands, Germany and France being prioritised by the Group). Development of the technology is under way already with new localisation and translation capability being built. ProCook's proprietary technology and code base is being leveraged for this.

The Group is planning to offer a similar proposition to that in the UK with next day delivery where possible, along with the full product range and customer support capabilities, supported by digital marketing, CRM capability and localised social media engagement activities.

Launch and develop a new retail estate in Europe
ProCook believes its well-established UK retail model may be transferrable to certain countries and target locations in Europe. The UK retail model is highly flexible and provides customers the opportunity to test, touch and feel and seek advice on the product ranges. The Directors believe this will equally appeal to European customers.

The Group plans to launch the retail model in Germany and the Netherlands to begin with, in out of town designer outlet centres predominantly occupied by "premium" brands, with landlords with whom ProCook already has relationships in the UK. Planning is in the early stages and ProCook anticipates progressing cautiously with this venture in the short to medium term, to test and learn before rolling out more widely.

Customer Offer: Extend and improve the product range

Extend the product offer through tableware and kitchen electricals

ProCook has many years' experience of extending product ranges and building comprehensive categories in the kitchenware market with the range growing 37% between the period FY17 to FY21 from approximately 1,200 products to over 1,600 products. Its most recent expansion into tableware is progressing well, with steady market share growth in the UK market between 2015 and 2020 from 0.1% to 0.3% of the market (Source: Euromonitor and management information). By comparison ProCook's market share in cookware in 2020 was 3.5% (Source: Euromonitor and management information). Attracting more customers by providing more reasons to shop supports ProCook's strategic priority and continued development of product ranges is therefore critical.

This will be an evolutionary process as ranges are refreshed and designs improved and extended. Management intends to offer extended product lines online, and increase the glassware, cutlery and table accessories offer as ProCook's customer awareness of the offer grows. This category expansion range will benefit from the larger stores which are planned, providing more space to showcase the product more effectively, as well as new marketing campaigns which are increasingly demonstrating the full ProCook offer.

The adjacent category of kitchen electrical items is complementary to the current ProCook offer and the market is worth £1.1 billion in the UK in 2020 (Source: Euromonitor). The Group is planning to launch a small, curated range of high quality own-branded products featuring the same attention to design details as other categories. Initially focused on the mid-market, pricing is targeted to be similarly 30% cheaper than other comparable products/brands which the Group's direct-to-consumer model has historically helped it achieve. Premium ranges will be developed later as ProCook builds its capabilities. The Directors believe that there is significant potential and opportunity to grow this new category over the medium to long term. The Group expects to launch this range in Q1 FY23.

Build on our foundations

Continually develop agile and scalable technology solutions

The Group's proprietary technology platforms, supported by selected third party systems, provide a bespoke operating infrastructure which enables efficient operations and customised customer functionality. The Directors are aware that technology is changing at a very rapid pace and as the business increases in complexity, it is essential that ProCook retains its competitive advantage in this area in its ability to develop and maintain its operational and front-end systems and develop new tools and customer solutions in an efficient, scalable, and secure fashion.

ProCook is committed to developing its capabilities in this area. In addition to the current development of the new European ecommerce systems, ProCook has established a programme of future development work which incorporates a broad spectrum of technical capabilities from customer applications and customer offer developments, and new data and business intelligence capabilities. The Directors also recognise the need to stay up to date and ahead of changing regulations and security capabilities is also of paramount importance.

Further develop supply chain capability & capacity

In order to facilitate continued growth, ProCook has established plans to further develop its operational supply chain infrastructure and capacity. This includes investment in a new UK warehouse which is planned to provide sufficient capacity for 4-5x the current volumes (as well as a new head office site for up to 300 desks). The Directors have also begun planning for supply chain capability and capacity in Europe to facilitate the anticipated growth.

Additionally, the Directors see the opportunity over the medium term to develop strategies and plans to continually improve efficiency in logistics operations (including the establishment of its own warehouse and distribution capacity in Europe) and in its supply chain direct from its manufacturing supply base.

Make ProCook an even better place to work
ProCook's positive culture and collaborative ways of working have been key to its growth and success over recent years. The business has high levels of colleague engagement and satisfaction (in the latest colleague survey carried out in August 2021, 72% said they are proud of the brand and 73% said they would recommend ProCook as a place to work).

The Directors believe that the people ProCook employs are critical to the success of the business. As a growing business the Directors recognise that there is constant work to do to attract, retain and develop the highest calibre of people to support the growth ambition.

ProCook will continue to invest time and resources in developing and retaining its culture, enhancing training and development, improving communication and leadership, further developing colleague engagement activities, whilst continuing to reward everyone fairly and provide opportunities to share in the success of the business.

Reducing our environmental footprint
ProCook is committed to doing the right thing and is passionate about reducing its impact on the environment, being a responsible employer and behaving ethically – it is woven into the DNA of the business, its culture and daily decision-making.

With a new ESG Director recently appointed, ProCook has begun developing more strategies to become an even better corporate citizen, to continually reduce its impact on the environment and improve the support provided to the local communities in which it operates. Assessments and measurements of where ProCook is today are ongoing, and the Directors look forward to developing and delivering further plans and improvements over the years ahead.

6. Intellectual Property

The Group relies on intellectual property rights to protect certain aspects of its business. The Group owns rights to the ProCook name and logo trademark which is subject to trademark protection in the UK, with the name "ProCook" also subject to trademark registration in other territories around the world.

The Group also owns and controls a number of social media accounts in order to increase its brand presence and engage with customers. It has significant web presence and maintains an extensive and international domain name portfolio. The Group collaborates with third parties including suppliers, culinary experts including renowned chefs, in order to develop its product portfolio and create engaging content to share with its customers.

The Group is registered with a number of customs authorities worldwide and actively monitors and asserts its intellectual property portfolio and has procedures in place to manage or mitigate the risk of infringement of its third-party rights, in relation to its product design or use of any of its names or registered marks.

7. Property

The following lists ProCook's material properties as at the date of this document:

Warehouse and distribution centres

Address	*Tenure*	*Expiry*	*Break*
Unit 1 St Modwen Park Gloucester, Haresfield, Stonehouse, Gloucester GL10 3EZ	Leasehold	9 July 2035. The tenant benefits from security of tenure.	Tenant break right – 10 July 2030
Unit 2, Gateway 12 Business Park, Davy Way, Hardwicke, Gloucestershire GL2 2BY	Leasehold	9 September 2040. The tenant benefits from security of tenure.	None

8. Insurance

The Group maintains a comprehensive set of insurance policies which cover a range of risks related to the business and its operations which the Directors believe could have a material impact on the ProCook brand. These include but are not limited to public and product liability, property, business interruption, director and office cover, fleet insurance and marine cargo. The Group engages with a professional insurance broker to advise on such matters and review its coverage and performance from time to time. The Directors believe the types and levels of cover are consistent with industry norms and are appropriate for the business and will keep these under review.

9. Regulatory Matters

The Group is subject to laws and regulations in the jurisdictions in which it operates covering a wide variety of areas affecting general consumer protection and product safety, including health and safety, environmental, product quality and safety, product liability, competition, intellectual property, distance selling, electronic contracts and other communications, online payment services, data protection and privacy, export and import controls, anti-corruption legislation, labour laws, unfair and deceptive practices, distribution, advertising, taxation and economic and other trade prohibitions and sanctions. By way of an example, the Group's online sales to consumers in the United Kingdom are subject to the UK Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. Subject to some limited exemptions, one of the key rights afforded under those Regulations is the right to return products for any reason within a period of 14 days after the date on which goods are delivered.

The Group's activities involving the use of customer data are subject to consumer protection and data protection/e-privacy laws and regulations. The Group's use of employee data is also subject to data protection laws and regulations. The GDPR and the UK Data Protection Act 2018 (and, post Brexit, the UK GDPR) significantly changed the data protection landscape in the EU and the UK, strengthening the rights of individuals, imposing stricter controls over the processing of personal data, by both controllers and processors of personal data, and imposing stricter sanctions with substantial administrative fines and potential claims for damages from individuals for breach of their rights. The GDPR/UK GDPR also offer(s) individuals the option to allow third parties, including claims management companies, firms and privacy organisations, to litigate on their behalf, including collecting potential damages, which is already resulting in a substantial increase in claims being brought. The GDPR/UK GDPR mandates reporting of data breaches (security incidents) to regulators if there is any risk (this is not a high bar) and to affected individuals whose personal data has been compromised if there is a high risk to them (e.g. financial loss or distress or both), and this may result in the imposition of significant sanctions and penalties, which require heightened escalation and notification processes with associated response plans. In addition, individuals (customers and employees) have numerous rights under the GDPR/UK GDPR and they tend to be more aware of them, given updated guidance on the ICO's website (amongst others).

In terms of the impact of Brexit and international data transfers to and from the UK, the European Commission adopted two adequacy decision agreements, which means that the UK is recognised formally as providing "essentially equivalent level of protection" to personal data flowing from the EU. Organisations may facilitate transfers from the EU to the UK without the need for specific transfer tools and supplementary measures. Two new sets of new standard contractual clauses (SCCs) were published in the Official Journal on 7 June 2021. The SCCs have been updated in line with the requirements of the GDPR and address some of the requirements laid down in the Schrems II case. Both sets of SCCs issued by the European Commission have not been adopted in the UK post Brexit and so, currently, those clauses only provide an adequate safeguard for transfers from EU countries to countries without adequate protection. The ICO has announced that it is planning on issuing UK specific contractual terms later this year. Schrems II does mean risk assessments and extra written protections/supplementary measures for security are often needed for transfers from the UK to third countries (e.g. suppliers to the Group who are based outside Europe).

The Group is subject to environmental and health and safety laws and regulations in the jurisdictions in which it operates, relating to, among other matters, safe working conditions, producer responsibility obligations and environmental protection, including those relating to, amongst other things, the types and quantities of chemicals and substances that can be present in the Group's products, energy efficiency and waste management. The Group maintains policies and procedures to monitor and manage health and safety risks, and to monitor compliance with applicable health and safety requirements.

10. Environmental

The Directors confirm that there are no known environmental issues that may affect ProCook's utilisation of its tangible fixed assets.

11. Culture and People

The Group's culture retains its family business heritage. It is agile, collaborative and customer focused. The loyalty, pride, and commitment to developing the brand has evolved over the history of ProCook and is evidenced by colleague engagement surveys which are run from time the time. The most recent survey, completed in August 2021 provides the following highlights:

- 72% would recommend ProCook as a place to work
- 73% of people are proud to work for ProCook
- 70% of people anticipate still being with the company in two years' time (87% in head office roles)

The Directors believe that the commitment and expertise of ProCook's employees is key to its continued success. The Group has a low level of staff turnover, with the staff turnover level in its head office at 9.8% in last 12 months, and an average length of service of 2.4 years. ProCook is a Living Wage employer and as such all of ProCook's employees earn the at least the living wage, as well as having access to various other benefits as part of a total reward package. The Group provides training and development schemes and has a company training portal for product training and workshops. There are long service awards, reward schemes and bonus schemes for achieving KPIs as well as Christmas bonuses which are subject to performance criteria.

As at 27 June 2021, the Group employed over 660 part and full-time employees across its functions. The Directors expect headcount to continue to increase to support its ambitions for growth.

The below table summarises the full-time equivalent employees and the average number of employees (including all directors) employed by ProCook during the periods shown by function. Full time equivalent has been calculated by dividing the employees' contracted hours by ProCook's standard hours in each function.

Employees by function:

	Financial year ending			*12 weeks ending*	
	31 Mar 2019	*29 Mar 2020*	*04 Apr 2021*[1]	*28 Jun 2020 (unaudited)*	*27 Jun 2021*
Employees (FTEs at year end)					
Retail	231	186	167	171	189
Logistics	19	26	86	31	92
Support functions	81	77	112	83	119
Total	331	289	365	285	400
Employees (average FTEs)					
Retail	–[2]	200	167	173	175
Logistics	–[2]	21	46	27	90
Support functions	–[2]	79	94	81	120
Total	–[2]	300	306	217	385

1. ProCook operates a 52-week financial year with a 53rd week occurring approximately once every five years. The year ending 4 Apr 2021 was a 53-week financial year.
2. No data available.

To date, other than the temporary closure of all retail stores during the Covid-19 pandemic restrictions, ProCook has not experienced any labour-related stoppages.

There are no defined benefit or other outstanding pension liabilities in respect of the Group. The Group operates a defined contribution scheme which is administered and managed by a third-party provider.

The Directors intend to put in place all employee share plans and awards, which are designed to create further alignment of interests between employees and Shareholders.

12. Social and Environmental Responsibility

The Group appointed a new ESG Director in 2021 in order to increase the level of focus and attention on this topic and in light of the Group's intent to further reduce its environmental footprint. ProCook's strategy to accelerate progress in this area is under development.

Environment

The Directors are committed to reducing the impact which the Group has on the environment and recognise there is much more that can be done. The Group has already taken various steps to reduce its impact including:

- The removal of all non-essential plastic product packaging by 2021
- Completed initiatives to eliminate waste to landfill, achieving a zero waste to landfill status from its operations
- Provides recycling facilities for use throughout the business
- Provided all staff with reusable water bottles to eliminate plastic cup waste, and utilises compostable and/or recyclable products for food and drinks served on premises where normal crockery, glassware or cutlery cannot be used
- The transition of all company cars to electric vehicles (expected to complete by FY23)
- Early adoption of motion sensor and LED lighting throughout the ProCook's properties
- Provides fundraising support to "Life's a Beach", a charity to educate people regarding, and eradicate, single use plastics.

Communities

The Directors are keen to collaborate with, and contribute to, the communities in which the Group operates.

ProCook has engaged in various charitable initiatives over the past years. During the Covid-19 pandemic the Group supplied computers to local schools to support home learning during periods when pupils were unable to attend school and donated reusable water bottles to NHS frontline staff during the height of the pandemic.

13. Research and development, patents and licences

ProCook owns, licenses or has the right to use various trademarks, design rights and other proprietary rights that are important to its business, including registered and unregistered trademarks, design rights, copyrights, domain names and other intellectual property.

ProCook has a portfolio of registered trademarks which include the word mark attached to its primary brand "PROCOOK", for which the Group has 48 active registered trademarks around the world. ProCook's primary mark is also the subject of registered trademark protection in the UK and is shown below:

ProCook®

Save as disclosed above, there are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Group's business or profitability.

14. Dividends

The Directors intend to pursue a progressive dividend policy with a payout ratio target of 20-30% of adjusted profit after tax, subject to the need to retain sufficient earnings for the future growth of the Group. It is currently intended that, in the absence of unforeseen circumstances, the first dividend following Admission will be paid in respect of the financial year ending FY22.

The ability of the Company to pay dividends is dependent on a number of factors and there is no assurance that the Company will pay dividends or, if a dividend is paid, what the amount of such dividend will be. See the section entitled "Risk factors" for further details.

PART 3

DIRECTORS, SENIOR MANAGERS AND CORPORATE GOVERNANCE

1. Directors

The following table lists the names, dates of birth, positions and dates of appointment for each Director:

Name	*Age*	*Position*	*Date appointed as a Director*	*Date joined the Group*
Brian Gregory Hodder	69	Non-Executive Chair	–	–
Daniel Patrick O'Neill	56	Chief Executive Officer	14 October 2021	Founder
Stephen John Sanders	59	Chief Operating Officer	14 October 2021	3 July 2015
Daniel Walden	38	Chief Financial Officer	14 October 2021	18 May 2021
David Anthony Stead	63	Senior Independent Non-Executive Director	–	–
Gillian Davies	54	Independent Non-Executive Director	–	–
Luke Kingsnorth	44	Independent Non-Executive Director	–	–

The business address of all the Directors is ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY. The management expertise and experience of each of the Directors is set out below:

Greg Hodder *(Non-Executive Chair)*

Greg brings a wealth of experience with previous non-executive director and CEO appointments and a history of driving fast growth from entrepreneurial companies with particular experience in e-commerce and multi-channel.

Greg has spent much of his career working in the retail sector including roles as President of New York based company Smallbone PLC, CEO of Charles Tyrwhitt LLP and Chairman of Majestic Wines plc. He is currently the Senior Independent Non-Executive Director of Jarrold & Sons Limited and a non-executive director at Hotel Chocolat plc.

Daniel O'Neill *(Founder and Chief Executive Officer)*

Daniel is one of the original founders of the ProCook business over 25 years ago and has been employed full-time in the business since then.

Prior to founding ProCook (originally trading as the Professional Cookware Co until 2008) in the 1990s, Daniel had an early career in direct marketing businesses and consultancy services and also in software development, developing skillsets and experiences that have provided guiding principles to support the development of the ProCook business.

Steve Sanders *(Chief Operating Officer)*

Steve has worked for the Group for over six years. On expansion of the executive team in May 2021, Steve's role became more focused and he subsequently assumed the role of Chief Operating Officer.

Before working for ProCook, Steve was Managing Director of Shoon Ltd for 8 years and before that Finance Director. He has also worked as an independent consultant and was co-founder of a consumer electronics start-up before successfully selling it to a market leader in 2000. Steve is a chartered management accountant.

Dan Walden *(Chief Financial Officer)*

Dan was appointed Chief Financial Officer of the Group in May 2021.

Prior to joining the Group, Dan was Chief Financial Officer of Booking.com Transport. Before that, he held several roles at Dunelm Group plc including Group Finance Director and Commercial Finance

Director. Prior to Dunelm, Dan held various senior finance and commercial roles at Halfords and Sainsbury's. Dan is a chartered accountant having begun his career with KPMG, and has a Bachelor of Science from the University of Birmingham.

David Stead *(Senior Independent Non-Executive Director)*

David is an experienced director of companies in the UK retail sector. David was the Chief Financial Officer of FTSE-listed Dunelm Group plc from 2003 to 2015 and Interim Chief Financial Officer in 2018. David is the Senior Independent Non-Executive Director of Joules Group plc and Naked Wines plc and a non-executive director of Card Factory plc and previously at Alfa Financial Software Holdings plc.

Prior to his role at Dunelm, David served as Finance Director for Boots The Chemists and Boots Healthcare International between 1991 and 2003. David is a chartered accountant, having spent the early part of his career with KPMG.

Gillian Davies *(Independent Non-Executive Director)*

Gillian is a chartered accountant who qualified with KPMG and has held a number of senior financial positions in both listed and private equity backed international companies.

Gillian spent 11 years as Group Finance Director of FTSE listed 4imprint Group plc, during which time the group was extensively restructured and delivered significant growth. Most recently, Gillian was CFO of AIM listed Harwood Wealth Management Group until its sale to private equity. Gillian is a non-executive director and Chair of the Audit Committee at Ten Lifestyle Group plc. Gillian is also Senior Independent Non-Executive Director at Knights Group Holdings plc.

Luke Kingsnorth *(Independent Non-Executive Director)*

Luke joined Charles Tyrwhitt in 2010 as ecommerce director before rising to ecommerce and marketing director in 2012. Between 2016-19, he was focused on establishing the New York office and managing all aspects of the label's North American business, before becoming CEO in 2019.

Prior to joining Charles Tyrwhitt, Luke was senior manager at John Lewis Direct, and has held several ecommerce and marketing roles at companies including Eurostar, British Sky Broadcasting Group and Skandia Life & Manpower.

2. Senior managers

The Company's current senior managers, in addition to the Executive Directors listed above, is as follows:

Name	*Age*	*Position*	*Date appointed as an employee of the Group*
Sarah Ann Savery-Smith	56	Brand Director	24 September 2007
Andrew Richard Kerr	41	Retail Director	23 November 2009
Paul Gerhard Neiss	57	Purchasing Director	2 June 2008
Richard Austen O'Neill	34	Ecommerce Director	23 January 2012
Sarah Elizabeth Wheatley	48	People and ESG Director	23 March 2018

The management expertise and experience of each of the Senior Managers is set out below:

Sarah Savery-Smith *(Brand Director)*

Sarah was appointed Brand Director in 2017 having been Brand Manager and subsequently Head of Brand since 2013. Sarah has worked for the Group since 2007.

Prior to joining ProCook, Sarah launched and developed a fashion accessories business over a 12 year period, supplying retailers at the premium end of the market and employing outworkers, before retraining and following her passion as a Garden Designer for over six years.

Andy Kerr *(Retail Director)*

Andy was appointed Retail Director in March 2019 and has worked for the Group for 14 years. Andy has held a number of roles at the Group including Retail Operations Manager and Head of Retail.

Prior to joining the Group, Andy was Operations Manager for Peacock Blue Ltd for two years. Before that, he worked for eight years at Retail Variations Group plc in various roles ending with Area Manager - managing the group's Past Times stores in South London and Airports.

Paul Neiss *(Purchasing Director)*

Paul was appointed Purchasing Director in March 2019 and has worked for the Group since 2008 in a variety of purchasing and product development roles.

Prior to joining the Group, Paul spent over 20 years working in the homewares industry including 14 years with Groupe SEB as Business Sector Manager.

Richard O'Neill *(Ecommerce Director)*

Richard was appointed ecommerce Director in July 2020 and has worked for the Group for nine years. Richard has held several roles at the Group including Acquisition & Trading Manager, Head of Web and Head of ecommerce.

Richard started his career at ProCook having graduated from the University of York with a Bachelor of Science (Accounting, Business Finance & Management) in 2011.

Sarah Wheatley *(People and ESG Director)*

Sarah was appointed to People and ESG Director in May 2021, after working as Head of HR for the Group since March 2018.

Prior to working for ProCook, Sarah worked for Tesco Stores Ltd for 20 years initially as a Customer Service Manager then as a Regional Trainer running the management recruitment and training programmes in the South-West of England before progressing to a People Business Partner for Large Stores. Before working for Tesco, she started her career in retail as a graduate with Asda Stores Ltd.

3. Corporate governance

As an unlisted private limited company, the Company is not subject to any corporate governance code. However, the Board is committed to the highest standards of corporate governance and to maintaining a sound framework for the control and management of the Group and, as such, will establish an audit and risk committee, a remuneration committee and a nomination committee.

Should the Company proceed with an initial public offering in the United Kingdom, from Admission, it would intend to comply fully with the UK Corporate Governance Code and would report to Shareholders on such compliance in accordance with the Listing Rules.

As mentioned above, the Board will establish the following committees prior to Admission: an Audit and Risk Committee, a Remuneration Committee and a Nomination Committee, each of which is described in further detail below. Save for the establishment and operation of the Board committees outlined below, there are not anticipated to be any changes to corporate governance that have been determined by shareholder meeting or by the Directors.

Audit and risk Committee

The Audit and Risk Committee will assist the Board in discharging its responsibilities with regard to financial reporting, external and internal controls, including reviewing and monitoring the integrity of the Group's annual and interim financial statements, providing advice on whether the annual report and accounts is fair, balanced and understandable, reviewing the Company's internal financial controls and internal control and risk management systems, monitoring and reviewing the effectiveness of the Company's internal audit function, advising on the tender process and appointment of external auditors, reviewing and monitoring the external auditor's independence and objectivity, reviewing the effectiveness of the external audit process and developing and implementing policy on the supply of non-audit services by auditors. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit and Risk Committee will give due consideration to laws and regulations.

The UK Corporate Governance Code, as it would apply to the Company from Admission, recommends that an audit committee should comprise at least two members who are independent non-executive directors. The chair of the Board should not be a member, and at least one member should have recent and relevant financial experience. The Audit and Risk Committee will be chaired by Gillian Davies, and its other members will be David Stead and Luke Kingsnorth. The Directors consider that Gillian Davies has recent and relevant financial experience. The Audit and Risk Committee will meet not less than three times a year.

The Audit and Risk Committee will take appropriate steps to ensure that the Group's external auditors are independent of the Company and has obtained written confirmation from them that they comply with the guidelines on independence issued by the relevant accountancy and auditing bodies.

Appointments to the Audit and Risk Committee will be made by the Board, on recommendation by the Nomination Committee. Appointments to the Audit and Risk Committee will be for a period of up to three years and may be extended for no more than two further periods of up to three years, provided the Director whose appointment is being considered still meets the criteria for membership.

When appropriate, the Audit and Risk Committee will meet with the Group's senior managers in attendance. The Audit and Risk Committee will also meet separately at least once a year with the Group's external and internal auditors without management present. From Admission, the chair of the Audit and Risk Committee would be available at annual general meetings of the Company to respond to questions from Shareholders on the Audit and Risk Committee's activities.

Remuneration Committee

The Remuneration Committee will assist the Board in determining its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration (including setting the over-arching principles, parameters and governance framework of the Group's remuneration policy) and determining the individual remuneration and benefits packages of each of the chair, Executive Directors and senior management.

The UK Corporate Governance Code, as it would apply to the Company from Admission, provides that a remuneration committee should comprise at least two members who are independent non-executive directors. In addition, before appointment as chair of a remuneration committee, the appointee should have served on a remuneration committee for at least 12 months. The Remuneration Committee will be chaired by David Stead, and its other members will be Greg Hodder, Gillian Davies and Luke Kingsnorth. The Remuneration Committee will meet not less than twice a year.

Appointments to the Remuneration Committee will be made by the Board, on recommendation by the Nomination Committee. Appointments to the Remuneration Committee will be made for a period of up to three years, which may be extended for no more than two further periods of up to three years, provided the Director whose appointment is being considered still meets the criteria for membership.

Nomination Committee

The function of the Nomination Committee is to provide a formal, rigorous and transparent procedure for the appointment of new directors to the Board and to oversee the development of a diverse pipeline of succession. In carrying out its duties, the Nomination Committee is primarily responsible for identifying and nominating candidates to fill Board vacancies; evaluating the structure and composition of the Board with regard to the balance of skills, board diversity, knowledge and experience and making recommendations accordingly; reviewing the time requirements of non-executive directors; giving full consideration to succession planning; and reviewing the leadership of the Group.

The UK Corporate Governance Code, as it would apply to the Company from Admission, provides that a nomination committee should comprise a majority of members who are independent non-executive directors. The Nomination Committee will be chaired by Greg Hodder, and its other members will be David Stead, Gillian Davies and Luke Kingsnorth. The Nomination Committee will meet not less than twice a year.

Appointments to the Nomination Committee will be made by the Board. Appointments to the Nomination Committee will be made for a period of up to three years, which may be extended for further periods of up to three years, provided the Director whose appointment is being considered still meets the criteria for membership.

Conflicts of interest

There are no material potential conflicts of interest between any duties owed by any of the Directors or Senior Managers to the Company and their private interests or other duties.

PART 4

SELECTED FINANCIAL INFORMATION

The tables below set out the Group's selected financial information for the periods indicated, as reported in accordance with IFRS, which has been extracted without material adjustment from the historical financial information set out in Part 6 (Historical financial information) of this document.

Statements of profit or loss and other comprehensive income

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Revenue	27,780	38,868	53,417	7,913	14,778
Cost of sales	(9,842)	(14,738)	(16,765)	(2,637)	(4,536)
Gross profit	17,938	24,130	36,652	5,276	10,242
Operating expenses	(17,769)	(23,364)	(29,742)	(5,271)	(8,018)
Other income	–	33	2,848	1,324	263
Profit from operations	169	799	9,758	1,329	2,487
Finance expense	(425)	(483)	(415)	(94)	(123)
Gain on bargain purchase	1,763	–	–	–	–
Other gains/(losses)	681	(173)	(949)	(114)	223
Profit before tax	2,188	143	8,394	1,121	2,587
Tax expense	(217)	(136)	(1,892)	(210)	(393)
Profit for the period	1,971	7	6,502	911	2,194
Other comprehensive income					
Total other comprehensive income	–	–	–	–	–
Total comprehensive income	1,971	7	6,502	911	2,194
Earnings per share for profit attributable to the owners of the parent					
Basic (pence)	1.97p	0.00p	6.50p	0.91p	2.19p
Diluted (pence)	1.87p	0.00p	6.10p	0.86p	2.02p

Statements of financial position

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Assets					
Current assets					
Inventories	2,950	5,592	5,307	9,943	10,447
Trade and other receivables	557	915	782	1,888	2,296
Cash and cash equivalents	1,720	2,436	2,956	5,879	5,263
Total current assets	5,227	8,943	9,045	17,710	18,006
Non-current assets					
Property, plant, and equipment	6,510	7,134	7,101	3,846	4,039
Right-of-use assets	8,904	7,659	8,348	15,582	17,638
Intangible assets	–	–	–	67	157
Total non-current assets	15,414	14,793	15,449	19,495	21,834
Total assets	20,641	23,736	24,494	37,205	39,840
Liabilities					
Current liabilities					
Trade and other payables	2,147	3,303	3,902	6,612	7,786
Lease liabilities	1,670	1,868	2,281	2,783	2,965
Borrowings	2,444	3,219	4,239	2,803	74
Corporation tax payable	136	331	294	413	252
Total current liabilities	6,397	8,721	10,716	12,611	11,077
Non-current liabilities					
Lease liabilities	7,235	5,910	6,294	14,636	16,510
Borrowings	2,865	3,321	2,357	–	–
Other provisions	160	160	160	160	160
Deferred tax liabilities	240	414	250	29	130
Total non-current liabilities	10,500	9,805	9,061	14,825	16,800
Total liabilities	16,897	18,526	19,777	27,436	27,877
NET ASSETS	3,744	5,210	4,717	9,769	11,963
Issued capital and reserves attributable to owners of ProCook Limited					
Share capital	–	–	–	–	–
Revaluation reserve	472	472	472	–	–
Retained earnings	3,272	4,738	4,245	9,769	11,963
TOTAL EQUITY	3,744	5,210	4,717	9,769	11,963

Statements of cash flows

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Cash flows from operating activities					
Profit before tax	2,188	143	8,394	1,121	2,587
Adjustments for:					
Depreciation and impairment of property, plant, and equipment	544	650	917	164	182
Loss/(profit) on disposal of property, plant, and equipment	–	42	215	–	10
Amortisation of right-of-use assets	1,873	2,401	2,646	578	758
Currency translation (gains)/losses	(66)	380	519	–	–
Gain on bargain purchase	(1,763)	–	–	–	–
Other (gains)/losses	(681)	173	949	114	(223)
Finance expense	425	483	415	94	123
	2,520	4,272	14,055	2,071	3,439
Decrease/(increase) in inventories	95	(94)	(5,155)	(53)	(504)
(Increase)/decrease in trade and other receivables	(184)	(40)	(2,052)	(526)	(185)
Increase in trade and other payables	1,663	597	2,710	2,042	1,174
Cash generated from operations	4,094	4,735	9,558	3,534	3,924
Income taxes paid	(142)	(337)	(1,995)	–	(453)
Net cash flows from operating activities	3,952	4,398	7,563	3,534	3,471
Investing activities					
Purchase of property, plant, and equipment	(668)	(659)	(1,966)	(17)	(387)
Purchase of intangible assets	–	–	(67)	–	(90)
Sale of property, plant and equipment	–	–	5,120	–	–
Business acquisition, net of cash acquired	(1,115)	–	–	–	–
Net cash (used in)/ from investing activities	(1,783)	(659)	3,087	(17)	(477)

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
Financing activities					
Interest paid	(201)	(241)	(90)	(43)	(9)
Proceeds from borrowings	1,831	–	–	–	–
Repayment of borrowings	–	(147)	(3,470)	(1,359)	(2,733)
Principal movement on ease liabilities	(1,753)	(2,292)	(2,069)	(212)	(758)
Interest paid on lease liabilities	(224)	(242)	(325)	(51)	(114)
Dividends paid to the holders of the parent	(505)	(500)	(1,450)	(100)	–
Net cash used in financing activities	(852)	(3,422)	(7,404)	(1,765)	(3,614)
Net increase/(decrease) in cash and cash equivalents	1,317	317	3,246	1,752	(620)
Cash and cash equivalents at beginning of the period	999	2,316	2,633	2,633	5,879
Cash and cash equivalents at end of period	2,316	2,633	5,879	4,385	5,259
Relating to:					
Cash at bank and in hand	2,436	2,956	5,879	4,385	5,263
Bank overdrafts included in creditors payable within one year	(120)	(323)	–	–	(4)

Key Performance Indicators

The Group monitors a range of financial and non-financial measures to track the financial and operational performance of its business. Certain of these measures are not calculated in accordance with IFRS. The Directors believe that these measures provide readers with useful information regarding the Group's financial performance and facilitate an understanding of the underlying performance of the Group. There are no generally accepted principles governing the calculation of these measures and the evaluations upon which these measures are based vary from company to company. Other companies may use similarly titled non-IFRS financial measures that are calculated differently from the way the Group calculates such measures and, accordingly, the Group's non-IFRS financial measures may not be comparable with similar measures used by other companies. In addition, the Group's non-IFRS financial measures should not be considered as alternatives to the audited consolidated financial statements for the Group based on IFRS.

	Financial year ending			*12 weeks ending*	
	31 Mar 2019	*29 Mar 2020*	*04 Apr 2021*	*21 Jun 2020 (unaudited)*	*27 Jun 2021*
Financial KPIs (£'000)					
Revenue	27,780	38,868	53,417	7,913	14,778
Gross profit	17,938	24,130	36,652	5,276	10,242
Operating profit	169	799	9,758	1,329	2,487
Adjusted EBITDA*	2,586	3,850	13,321	2,070	3,427
Free cash flow*	3,284	3,739	5,597	3,517	3,084
Growth & Margins %					
Revenue growth	31.8%	39.9%	37.4%	10.4%	86.8%
Gross margin	64.6%	62.1%	68.6%	66.7%	69.3%
Operating profit margin	0.6%	2.1%	18.3%	16.8%	16.8%
Adjusted EBITDA margin*	9.3%	9.9%	24.9%	26.2%	23.2%
Non-financial KPIs					
Transaction volume ('000)	1,066	1,437	1,314	181	398
Number of active customers ('000)	398	482	557	461	655
Average transaction value (£)	32	33	50	53	45
Average number of open stores	40	52	24	7	44
Ecommerce mix	42%	37%	75%	92%	53%
Trustpilot score	4.8	4.8	4.8	4.8	4.8

* These are non-IFRS measures and are defined and reconciled to IFRS measures on pages 24 and 25

PART 5

OPERATING AND FINANCIAL REVIEW

The following is a discussion of the Group's results of operations and financial condition. This Part 5 (Operating and financial review) should be read in conjunction with the whole of this document, including the section entitled "Risk factors", Part 1 (Industry overview), Part 2 (Business overview) and Part 6 (Historical financial information) of this document and prospective investors should not just rely on the key or summarised information contained in this Part 5 (Operating and financial review).

Unless otherwise stated, the financial information in this Part 5 (Operating and financial review) has been extracted from Part 6 (Historical financial information) of this document.

This Part 5 (Operating and financial review) contains "forward-looking statements". Those statements are subject to risks, uncertainties and other factors that could cause the Group's future results of operations or cash flows to differ materially from the results of operations or cash flows expressed or implied in such forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this document, including in the section entitled "Risk factors", the section entitled "Presentation of information". In addition, certain industry issues also affect the Company's results of operations and are described in Part 1 (Industry overview) of this document.

Overview

The Directors believe that ProCook is the UK's leading direct-to-consumer specialist kitchenware brand. Since the ProCook brand was first established in 2008, it has operated a direct-to-consumer proposition, designing, sourcing and retailing a high-quality range of cookware, kitchen accessories and tableware with a pricing architecture which aims to provide customers with significant value for money. In FY21, ProCook's revenue grew by 37% to £53.4 million, and over the period from FY17 to FY21, ProCook has delivered annual growth in sales of 33% CAGR.

In the UK, ProCook sells directly to customers through its own proprietary website, www.procook.co.uk. It also operates its own portfolio of over 50 retail stores that are spread geographically across the UK to offer customers convenience, and the opportunity to test, trial and seek advice from knowledgeable and helpful colleagues. In FY21, 94% of ProCook's revenue was generated in the UK.

ProCook also sells its products to customers in continental Europe via third party marketplace websites, predominantly to customers in Germany and France, with additional delivery options extending to customers in Belgium, Austria, Luxembourg, the Netherlands and Poland. The Group first entered Germany in 2016, and subsequently France in 2017, via third party marketplaces to test and learn about these markets, to understand any differences in customer tastes and preferences and to begin to build brand awareness in a controlled manner. ProCook has learned that the product range is highly transferable into these markets.

Preserving its reputation for value and quality is of utmost importance for the brand. Today, the product range (which is designed in-house by ProCook's design teams) spans over 1,600 items and has an established price range architecture which appeals to a broad spectrum of customers (across mid to premium price points). Pricing is targeted to be at least 30% lower than similar quality products from competitor brands, offering customers great value for products that are built to last. Complemented by a next day home delivery offering as standard in the UK, ProCook's offering is rated as "Excellent" on TrustPilot with over 66,000 customer reviews.

ProCook has developed a dynamic and highly scalable bespoke tech platform, which has supported its rapid growth in sales and brand profile and continues to support effective decision-making in the business. ProCook has invested in its own proprietary IT infrastructure over many years, and continues to do so in future, complemented by specialist third party technologies where appropriate.

The Group's management and approximately 700 employees are passionate about continually developing the brand and the customer offer. The Group's culture retains its family business heritage and is nimble, supportive and customer-focused. There is a deep-rooted loyalty and pride in the brand among the Group's employees, which has resulted in high levels of colleague engagement, with 72% saying they are proud of the brand and 73% saying they would recommend ProCook as a place to work, and a low level of staff turnover, with the staff turnover level in its head office at 9.8% in last 12 months. As a Living Wage Employer, management are committed to providing an environment where people can thrive, and careers can be developed.

ProCook is committed to having as minimal impact on the environment as it possibly can and is taking positive action to help achieve this. ProCook is targeting reductions in carbon emissions per employee, and targets eliminating the majority of single use plastic across the business including in its product ranges and packaging. ProCook have recently appointed an ESG Director to drive forward this important area.

Key Performance Indicators

The Group monitors a range of financial and non-financial measures to track the financial and operational performance of its business. Certain of these measures are not calculated in accordance with IFRS. The Directors believe that these measures provide readers with useful information regarding the Group's financial performance and facilitate an understanding of the underlying performance of the Group. There are no generally accepted principles governing the calculation of these measures and the evaluations upon which these measures are based vary from company to company. Other companies may use similarly titled non-IFRS financial measures that are calculated differently from the way the Group calculates such measures and, accordingly, the Group's non-IFRS financial measures may not be comparable with similar measures used by other companies. In addition, the Group's non-IFRS financial measures should not be considered as alternatives to the audited consolidated financial statements for the Group based on IFRS.

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* These are non-IFRS measures and are defined and reconciled to IFRS measures on pages 24 and 25

Current trading[1]

ProCook has continued to perform strongly in the 24 weeks ending 19 September 2021 (the "Period") and in line with management's expectations, delivering total revenue growth against the comparable periods in FY21 and FY20 of 38.8% and 67.2% respectively.

The Group's own website platform has continued to perform well, growing 23.7% against FY21 and 318.7% against FY20. On a total basis, the ecommerce revenue has declined by 3.1% compared to

1. Based on unaudited management accounts

FY21, but increased by 177.8% compared to FY20. The Directors are pleased with the performance of the ecommerce channel in the Period when taking into account stores reopened at the beginning of the Period, Covid-19 restrictions (including social distancing measures) have been looser when compared to the same period last year (thereby further boosting physical shopping) and the Group discontinued its UK marketplace sales at the end of June 2021 (UK Marketplace sales in FY21 were approximately £8.2 million).

Retail performance has been very strong with total sales growth of 129.2% compared to the same period in FY21 and 22.7% compared to the same period in FY20. In the Period, the Group has opened six stores and closed two stores (net four new stores).

Outlook

The Group's business plan sets out ambitions and targets in respect of certain income statement and cash flow metrics, which are driven by the Group's assumptions around customer behaviour and its own operational and development activities. These are forward looking statements that the Directors believe are based on reasonable assumptions, but which may turn out to be incorrect or different than expected, and the Group's ability to achieve such ambitions and targets will depend on a number of factors, many of which are outside the Group's control, including significant business and economic uncertainties and risks, including those described in the section of this document headed "Risk Factors". As a result, the Group's actual results may vary from the targets and ambitions set out below and those variations may be material.

Income statement targets

Revenue

On the basis that the UK government maintains its position in that Covid-19 restrictions remain relatively light, and retail stores are able to be open and trading as they currently are, the Group expects to achieve total revenue growth of 30-40% in FY22. Existing retail stores are expected to achieve 125 to 145% revenue growth year on year in FY22, due to them being open for 50 weeks of the year compared to approximately only six months in FY21 and with less social distancing restrictions in place. The Directors plan to open nine new stores (less two closures) and have budgeted that these would achieve average revenues of £900,000 per store per annum net of the impact of the two closures (as the Group targets the larger format stores), and for them to be open for approximately 60% of FY22, achieving approximately 80% of the full year trading revenue due to seasonality. Revenue from the ecommerce channel is expected to decline by approximately 10-20% in FY22 reflecting channel mix shifting back towards retail stores and the exit of the UK marketplace store during summer 2021. In FY23, and FY24, the Directors aspire to achieve 10-20% total revenue growth as the impact of Covid-19 recedes and the Company pursues its strategic objectives. In FY23 and FY24, the Directors have targeted a further 4-8 new stores to open each year and have budgeted that these to achieve average revenues of £900,000 per store per annum, and for them to be open for approximately 60% of the year of opening. In FY23 and FY24, the Group aspires to achieve a 15-25% revenue growth per annum in its ecommerce channel. The Directors believe that the continued execution of the ProCook strategy will support long term sustainable growth, mainly led by growth in new customer acquisition, retention and average order value across its various customer channels.

Gross profit margins

The Directors estimate that gross profit margins in FY22 could be 100 bps to 200 bps lower than those achieved in FY21 with improvements in sourcing being offset by unusually high marine freight costs (impacted by events such as Covid-19 and the Suez Canal blockage during the current year). Gross profit margins are expected to be broadly similar across both retail and ecommerce. In FY23, on the basis that the international marine freight markets return to more normal levels, the Directors aspire to achieve gross profit margins returning to FY21 levels and for this level to be maintained into FY24. Over the medium to longer term, product mix changes caused by the introduction of new categories may impact gross margins, but such impacts are expected to be offset by increases in scale and have a positive effect on the realised cash gross profits.

Operating expenses

The Directors anticipate central operating costs will increase by approximately £2-3 million in FY22 driven by investment in brand marketing and increased central headcount costs (including Board costs) and growth in depreciation and amortisation on fixed and right of use assets. In FY23, further cost growth of approximately £2.5-3.5 million is anticipated by the Group which incorporates the full year effect of the Board and senior management remuneration, and new headcount to support anticipated growth, as well as further investment in new warehousing and distribution capacity, and continued growth in depreciation and amortisation on fixed and right of use assets. In FY24, central costs are anticipated to increase by a further £1.5-2.5 million. Over the medium to longer term the Group's aspiration is that, whilst central operating costs would continue to grow as the business grows, the rate of growth in central operating costs would be slightly lower than total Group revenue growth, therefore driving operational leverage.

Channel operating profits

The Directors' aspiration is that retail and ecommerce channels would deliver operating profit margins over the course of FY22 of 26-28% of revenue, increasing to approximately 28-30% in FY23 and FY24.

Exceptional costs

The Group expects one-off exceptional costs of £3.9 million in FY22 associated with obtaining Admission.

Depreciation and Amortisation

The Group anticipates depreciation and amortisation (included within channel and central operating costs) of the Group's assets to be 1.0% to 2.0% of revenue per annum in the medium term with right-of-use asset amortisation to be in the region of 4.0% to 5.0% of revenue per annum.

Finance expenses and other gains/(losses)

The Group has budgeted for finance expenses to be approximately £0.4 million to £0.8 million per annum through the medium term inclusive of growth in the leased property estate and assuming the current rates of interest implicit in the leased property estate and the Group's finance facilities remains at current levels. Increases in the Bank of England base rate could cause these costs to increase. Other gains/(losses) reflect unrealised gains or losses on derivative financial instruments and are therefore subjective to currency exchange rate movements. The Group is not providing any guidance, targets or forecasts on unrealised gains/(losses) over the medium term due to the potential for volatility which cannot be fully controlled by the Company, save for the expectation that a portion of the unrealised losses in FY21 are expected to reverse in FY22.

Tax rate

The Directors anticipate that the Group's effective tax rate in FY22 will be approximately 22% due to the disallowable nature of certain exceptional costs, before returning to 19% in FY23, and then increasing to 25% in FY24 in line with the UK Government's announced intention to increase corporate tax rates. Cash tax is expected to be broadly consistent with this expected effective tax rate.

Cash Flow Targets

Working capital

The Group anticipates making further investment in inventory over the medium term as sales volumes increase, to provide high levels of product availability for customers. Inventory levels rise and fall with trading seasonality throughout the year. Considering this anticipated growth in inventory, partially offset by increased trade and other creditors, the Group expects a net £1 million investment in net working capital per annum over the medium term.

Capex

The Group expects capital expenditure in FY22 to be approximately £2.0 to £2.5 million in FY22 reflecting the nine anticipated new stores, with store opening costs budgeted at £150k each, plus investments in selected refits, the new cookery school and central and warehousing assets. In FY23 and FY24, spend on new store openings is expected to be broadly consistent at £150k per store, with further spend of £0.2 million on other central and warehousing costs per annum. An additional £1 million investment in warehousing and new office space is anticipated in FY23.

Seasonality

ProCook has experienced and expects to experience swings in the seasonality of its trading, with resulting impacts on levels of cash generation and net cash/(debt) balances throughout the year. The Group's peak trading period is typically in November and December, and therefore the Group expects that minimum cash balances will be between September and November each year as the Group invests in inventory ahead of the peak period.

Capital structure and dividend payments

Cash and borrowings

The Company expects to be cash generative and to maintain the use of its trade finance facility provided by its bank over the medium term. There are no plans to change the capital structure of the Group.

Dividends

If the Group becomes a public company, the Group intends to adopt a progressive dividend policy targeting a pay-out ratio of 20-30% of adjusted profit after taxation, with reinvestment for growth being the primary use of available cash generated by the Group. Subject to the Directors determining that payments should be made, the Company expects to pay dividends on two occasions during the year with an approximate split of one-third for interim dividends, and two-thirds for final dividends of the pay-out ratio described above. The Group's intention is to first pay a dividend (a final dividend in respect of FY22), during the first half of FY23 subject to recommendation by the Board and approval at the Company's Annual General Meeting.

Finance lease payments

The Company expects that its finance lease payments in the medium term will be approximately 5.0% to 7.0% of revenue per annum.

Key factors affecting the Group's results of operations

The results of the Group's operations have been, and will continue to be, affected by many factors, some of which are outside of the Group's control. The factors set out below are those which the Directors believe have affected the Group's results of operations over the historical period under review, and those which could affect its results of operations in the future.

Sales volume, pricing and product mix

The most significant factor which impacts the Group's results of operations is the volume of customer transactions completed. The Group has increased the number of customer transactions over the last three financial years and in the 12 weeks ended 27 June 2021. The Group completed 1.09 million transactions in FY19, 1.46 million transactions in FY20 and 1.36 million transactions in FY21 (impacted by store closures during the Covid-19 pandemic restrictions). In the 12 weeks ending 27 June 2021, the Group completed 0.4 million transactions compared to 0.18 million transactions in the 12 weeks ending 21 June 2020.

ProCook's kitchenware product ranges are split across three primary categories: cookware, kitchen accessories and tableware. Each category comprises sub-categories and different product pricing. Changes in product mix could impact revenues generated by the Group. In FY21, the Group's revenue was 58% cookware, 30% kitchen accessories and 12% tableware.

The Group sells its products through its retail stores and its ecommerce channels which include its own website and online marketplaces. These channels have different average transaction values. In FY21, the average transaction value (ATV) was £50, with retail customers' ATV of £32, compared to £62 for ecommerce customers (with ATV on the ProCook website of approximately £70). The mix of ecommerce revenues was 75% of the Group's total revenue in FY21 due to strong growth in this channel whilst retail stores were closed due to Covid-19 restrictions. In the 12 weeks ended 27 June 2021, the ecommerce mix of revenue has dropped to 53% of the Group's total revenue as retail stores have reopened following the lifting of Covid-19 restrictions.

The Group has increased its total revenue by 39% CAGR over the financial periods under review from FY19 to FY21. This has resulted in significant growth in revenue (92%) which has contributed to growth in gross profit and Adjusted EBITDA during the same period.

New customer acquisition and retention/marketing activity

The Group has successfully attracted increasing numbers of new customers each year over the financial period under review with 0.36 million customers acquired in FY19, 0.43 million customers acquired in FY20 and 0.69 million customers acquired in FY21 and has successfully retained an increasing proportion of these each year with 12 month repeat purchase rates increasing from 15.5% in FY19, to 17% in FY20 and 17.7% in FY21. The Directors believe that this is primarily due to the Group's marketing activities to attract new customers and retain existing customers, which span a variety of media channels and campaigns including Paid Search, Email, Social Media, TV, Press and catalogues.

Total expenditure on marketing activity by the Group was £3.0 million in FY19 of which approximately 90% related to ecommerce marketing, £3.8 million in FY20 of which approximately 85% related to ecommerce marketing, and £6.1 million in FY21 of which approximately 83% related to ecommerce marketing. The success (and cost effectiveness) of these activities and expenditure is a major factor in Group's results of operations.

Impact of Covid-19

The Covid-19 health pandemic has had a significant impact on the Group's results of operations as a result of the restrictions implemented by the UK government, which included the closure of non-essential retail stores for prolonged periods (particularly in FY21). The Group's retail revenues declined by £10.9 million, or 45%, in the financial FY21 compared to FY20.

This had significant repercussions for the Group's retail employees and required management to take mitigating actions to reduce the fixed cost base, strengthen the balance sheet (including completing a sale and leaseback of one of its properties) and to manage inventory levels closely ensuring that inventory was in the right location, and that product availability did not experience material disruption. The Group was able to more than offset the loss of revenue in its retail stores with a significant increase in ecommerce revenue during the affected periods as customers increasingly shopped through online channels. Ecommerce revenue increased by £25.4 million, or 177%, to £39.9 million for FY21 compared to £14.4 million in FY20.

Operational efficiency

The Group operates its own warehousing and distribution capabilities in the UK and works with third party providers in respect of transport services in the UK and warehousing services in the EU. Any loss of operational efficiency, for example product picking/packing efficiency, or any loss in capacity which could cause delays in distribution, could have an adverse effect on the Group's results of operations. The Group manages its operational activities by monitoring performance across a range of KPIs, taking remedial action where needed and identifying strategies to improve efficiency over time.

The Group has invested in operations which are saleable and provide capacity for growth and will continue to do so, with investment in a new larger warehouse and head office site in the UK already planned to become operational during FY23. There is a risk that transition into this new site could present a risk to the Groups results of operations, however the Group has managed such transitions/change plans in the past, and is taking appropriate measures to minimise any business interruption.

Investment in the Group's IT infrastructure

ProCook has invested in its own proprietary IT infrastructure over many years, and continues to do so in future, complemented by specialist third party technologies where appropriate. For instance during the 12 weeks ended 27 June 2021, the Group completed the implementation of Microsoft Dynamics 365 - its new financial and ERP solution. The Group is committed to a roadmap of technology developments and continual improvements which helps ensure the IT landscape remains resilient and flexible, and supports a compelling customer proposition across channels. The Group has also developed disaster recovery and business continuity plans to help mitigate business interruption from loss of platforms or services. Any prolonged loss of service could adversely impact the Group's results of operations.

Product sourcing costs

The Group sources the vast majority of its products from overseas suppliers which utilise a range of raw materials (including steel, iron and various other metals), as well as labour to manufacture the products. These input costs are subject to price movements and as such the Group is exposed to significant movements in market rates which are often beyond the control of the Directors. The Group enjoys long-standing relationships with its supplier base, and coupled with its growth and scale-benefits, has historically managed to avoid significant cost pressures in this regard, but any unexpected or significant increase in input costs could have an adverse effect on the Group's gross profits and its results of operations.

As the Group's supplier base is predominantly located overseas, the Group uses marine and air freight to transport products to the UK. In recent months, partially impacted by Covid-19 as well as other factors, there has been increased pressure on the global supply chain resulting in higher costs in respect of marine and air freight. Any prolonged or significant change in such freight costs could have a material effect on the Group's results of operations.

Macroeconomic factors including foreign exchange and interest rate risks

The Group consolidates its financial results in Pounds Sterling. Its primary country of operations is in the UK, and in FY21, approximately 94% of revenue was generated in Pounds Sterling. The Group purchases its products from its suppliers located in different countries, predominantly in the Far East and typically in US Dollars. Furthermore the Group is exposed to certain costs in Euros. As a result, the Group's results of operations are affected by exchange rate fluctuations between Pounds Sterling and other currencies.

The Group manages this risk, where possible, using natural hedges of foreign currency denominated sales and purchases, such that currency inflows are utilised. Where natural hedges are not possible (particularly in respect of US Dollars), the Group utilises forward foreign exchange contracts to reduce the risk of significant fluctuations in foreign currency exchange rates. The success or failure of these strategies to manage these risks could impact the Groups results of operations.

With respect to interest rates, the Group is exposed to a certain level of risk in respect to its trade finance facility. Whilst the Group's current interest costs are not of a material level, there is a risk that any significant change in central bank interest rates could have an impact on the Groups results of operations.

Results of operations

The tables below set out certain financial data of the Group for FY19, FY20 and FY21, and for the three months ended 21 June 2020 and 27 June 2021.

The information in the tables below should be read together with the Historical financial information, including the notes thereto in Part 6 of this document.

Consolidated Statement of Comprehensive Income

	Financial year ending			*12 weeks ending*	
£'000	*31 Mar 2019*	*29 Mar 2020*	*04 Apr 2021*	*21 Jun 2020 (unaudited)*	*27 Jun 2021*
Revenue	27,780	38,868	53,417	7,913	14,778
Cost of sales	(9,842)	(14,738)	(16,765)	(2,637)	(4,536)
Gross profit	17,938	24,130	36,652	5,276	10,242
Operating expenses	(17,769)	(23,364)	(29,742)	(5,271)	(8,018)
Other income	–	33	2,848	1,324	263
Operating profit	169	799	9,758	1,329	2,487
Finance expense	(425)	(483)	(415)	(94)	(123)
Gain on bargain purchase	1,763	–	–	–	–
Other gains/(losses)	681	(173)	(949)	(114)	223
Profit before tax	2,188	143	8,394	1,121	2,587
Income tax expense	(217)	(136)	(1,892)	(210)	(393)
Profit/(loss) after tax	1,971	7	6,502	911	2,194

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure and is defined on page 24

	Financial year ending			*12 weeks ending*	
£'000	*31 Mar 2019*	*29 Mar 2020*	*04 Apr 2021*	*21 Jun 2020 (unaudited)*	*27 Jun 2021*
Profit for the period	1,971	7	6,502	911	2,194
Add back					
Finance expense	425	483	415	94	123
Tax expense	217	136	1,892	210	393
Depreciation and amortisation	2,417	3,051	3,354	741	940
EBITDA	5,030	3,677	12,163	1,956	3,650
Impairment of tangible fixed assets	–	–	209	–	–
Gain on bargain purchase	(1,763)	–	–	–	–
Other gains/(losses)	(681)	173	949	114	(223)
Adjusted EBITDA	2,586	3,850	13,321	2,070	3,427

Segmental Reporting

£'000	*Financial year ending* 31 Mar 2019	29 Mar 2020	04 Apr 2021	*12 weeks ending* 21 Jun 2020 (unaudited)	27 Jun 2021
Revenue					
Ecommerce	11,552	14,398	39,876	7,307	7,842
Retail	16,228	24,470	13,541	606	6,936
Total revenue	27,780	38,868	53,417	7,913	14,778
Profit from operations					
Ecommerce	2,186	2,788	14,112	2,543	2,093
Retail	924	2,006	1,849	(206)	2,099
Central costs	(2,941)	(3,995)	(6,203)	(1,008)	(1,705)
Profit from operations	169	799	9,758	1,329	2,487

Description of Consolidated Statement of Comprehensive Income line items

Revenue

Revenue consists primarily of sales of the Group's kitchenware products to customers. Revenue from the sale of goods, as well as the related shipping and handling expenses billed to customers, is recognised at the point in time when control of the goods is transferred to the customer, as required by IFRS 15. Revenue is shown net of local sales tax and is reduced by customer product returns.

Cost of Sales

Cost of sales refers to the cost of goods sold which relates to input costs required to source the products, including customs and import duties, shipping costs and other inbound freight costs. Costs in respect of stock loss or damages are also included within cost of sales.

Operating expenses

Operating expenses includes, selling and distribution expenses, which primarily relates to customer acquisition costs (including search engine marketing, social media and other marketing expenses), wages, store occupancy costs, warehousing and outbound distribution costs and other direct selling costs. It also includes, administrative expenses, which primarily relates to wages and associated costs for finance, human resources, technology and corporate teams, in addition to third-party expenses for other personnel, legal expenses, audit expenses, other head office expenses as well as hosting, license and other expenses for the Group's technology platforms, depreciation and amortisation.

Other income

Other income refers to income received by the Group which does not relate to income earned on its core supply of goods and services to its customers which are shown within revenue in the statement of comprehensive income.

Finance income/(expense)

Finance income or expenses comprise of interest on borrowings including the amortisation of finance issuing costs, and interest on finance leases, including the Group's leased retail and office warehousing estate.

Gain on bargain purchase

Gain on bargain purchase reflects the gain realised on acquisition of the trade and certain assets in respect of the Steamer Trading Business Combination in 2019.

Other gains/(losses)

Other gains and losses primarily relate to unrealised gains and losses in respect of the Group's foreign exchange hedging activities.

Income tax expense

Income tax expense relates to the taxation that is chargeable on the Group's profits for the period, together with deferred taxation. Tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in the statement of other comprehensive income or the statement of changes in equity. Taxable profit differs from profit before tax as reported in the statement of comprehensive income because it includes certain items of income or expense that are taxable or deductible in other years, and it further excludes items that are disallowable. The Group's tax liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period and any adjustment to tax payable in respect of previous periods. Deferred tax liabilities are recognised for all temporary differences and deferred tax assets (or liabilities) are recognised to the extent that it is probably that taxable profits will be available against which they may be utilised.

Adjusted EBITDA

Profit (or loss) for the year before income tax expense, financing expenses, depreciation (including of right-of-use assets), impairment of tangible fixed assets, amortisation, gain on bargain purchase and other gains and losses.

Depreciation and amortisation

Depreciation and amortisation relates to tangible and intangible assets capitalised by the Group and which have varied useful lives which are assessed in accordance with the Group's accounting policies. Additionally this includes amortisation of the Group's Right of Use assets primarily in respect of leased properties including retail stores and warehousing/head office sites.

Results of operations for the 12-week period ended 27 June 2021 compared to the 12 week period ended 21 June 2020

The following table presents the Group's results for the 12-week period ended 27 June 2021 compared to the 12 week period ended 21 June 2020.

	12 weeks ending	
£'000	*27 Jun 2021*	*21 Jun 2020 (unaudited)*
Revenue	14,778	7,913
Cost of sales	(4,536)	(2,637)
Gross profit	10,242	5,276
Operating expenses	(8,018)	(5,271)
Other income	263	1,324
Operating profit	2,487	1,329
Finance expense	(123)	(94)
Gain on bargain purchase	–	–
Other gains/(losses)	223	(114)
Profit before tax	2,587	1,121
Income tax expense	(393)	(210)
Profit for the period	2,194	911

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure and is defined on page 24

£'000	*12 weeks ending* *27 Jun 2021*	*21 Jun 2020 (unaudited)*
Profit for the period	2,194	911
Add back		
Finance expense	123	94
Tax expense	393	210
Depreciation and amortisation	940	741
EBITDA	3,650	1,956
Impairment of tangible fixed assets	–	–
Gain on bargain purchase	–	–
Other gains/(losses)	(223)	114
Adjusted EBITDA	3,427	2,070

Revenue

Total revenue increased by £6.9 million or 86.8% to £14.8 million in the 12-week period ended 27 June 2021 from £7.9 million in the 12-week period ended 21 June 2020. In the third week of the 12-week period ended 27 June 2021 the retail store estate reopened for business following a lengthy period of closure due to Covid-19 restrictions allowing for nine weeks of trading during this period. The retail store estate also faced restrictions in the 12-week period ended 21 June 2020 with approximately 10 stores able to trade for four weeks in the period and 45 stores for one additional week during this period. Total transaction volumes in the 12-week period ended 27 June 2021 were 0.40 million compared to 0.18 million in the 12-week period ended 21 June 2020.

Revenue from the ecommerce channel increased by £0.5 million, or 7.3%, to £7.8 million for the 12-week period ended 27 June 2021 from £7.3 million in the 12-week period ended 21 June 2020 driven by a continued strong customer demand on ProCook's own website (21.4% increase – slower than previous year due to the reopening of the retail stores in April 2021), partially offset by a decline in the Group's marketplace sales (20.0% decrease) which had performed particularly well during periods of Covid-19 restrictions. Ecommerce channel revenues represented 53.1% of the total Group revenue for the 12-week period ended 27 June 2021 (92.4% for the 12-week period ended 21 June 2020). Revenue from the retail channel increased by £6.3 million, just over ten-fold, to £6.9 million for the 12-week period ended 27 June 2021 from £0.6 million in the 12-week period ended 21 June 2020. The average number of retail stores open in the retail estate during the 12-week period ended 27 June 2021 was 44 compared to 7 in FY20, with the addition of one new store which opened during the 12-week period ended 27 June 2021.

Revenue generated from UK customers increased by £6.7 million, or 95.6%, to £13.8 million for the 12-week period ended 27 June 2021 from £7.1 million in the 12-week period ended 21 June 2020. Revenue generated from customers outside of the UK, increased by £0.1 million or 12.8%, to £1.0 million for the 12-week period ended 27 June 2021 from £0.8 million in the 12-week period ended 21 June 2020.

Cost of sales

Cost of sales increased by £1.9 million, or 72.0%, to £4.5 million for the 12-week period ended 27 June 2021, from £2.6 million for the 12-week period ended 21 June 2020. The continued revenue growth resulted in a £2.3 million corresponding increase in the costs of sales for the products sold, which was partially offset by -£0.4 million of improvements in product margins, aided by scale benefit in sourcing and favourable foreign exchange movements.

Gross profit

Gross profit increased by £5.0 million, or 94.1%, to £10.2 million for the 12-week period ended 27 June 2021, from £5.3 million for the 12-week period ended 21 June 2020. This growth was primarily due to increases in volumes sold. Gross margin for the 12-week period ended 27 June 2021 was 69.3% compared to 66.7% for the 12-week period ended 21 June 2020.

Operating expenses

Operating expenses increased by £2.7 million, or 52.1%, to £8.0 million for the 12-week period ended 27 June 2021, from £5.3 million for the 12-week period ended 21 June 2020. This increase was primarily due to volume driven cost increases, the re-opening of the retail store estate in the period and additional investment in brand marketing activities.

Other income

Other income of £0.3 million for the 12-week period ended 27 June 2021, decreased from £1.3 million for the 12-week period ended 21 June 2020, reflecting a reduction in government grants in relation to the Coronavirus Job Retention Scheme and Business Rates Relief schemes which were designed to provide support to businesses during the Covid-19 pandemic, as the Group's retail stores re-opened during the period.

Adjusted EBITDA

Adjusted EBITDA increased by £1.4 million, or 65.6%, to £3.4 million for the 12-week period ended 27 June 2021, from £2.1 million for the 12-week period ended 21 June 2020. This increase was primarily due to growth in revenue and gross profit margins, partially offset by volume driven cost increases and investment to support the growth in the business.

Depreciation and amortisation

Depreciation and amortisation increased by £0.2 million, or 27.0%, to £0.9 million for the 12-week period ended 27 June 2021, from £0.7 million for the 12-week period ended 21 June 2020. This increase was primarily due to higher depreciation charges on right-of-use assets.

Operating profit

Operating profit increased by £1.2 million, or 87.1%, to £2.5 million for the 12-week period ended 27 June 2021, from £1.3 million for the 12-week period ended 21 June 2020. This increase was primarily due to growth in revenue, offset by higher costs to support the growth in the business.

Finance expenses

Finance expenses were broadly in line year on year at £0.1 million for both the 12-week period ended 27 June 2021, and the 12-week period ended 21 June 2020.

Other gains/(losses)

Other gains increased by £0.3 million, to £0.2 million gain for the 12-week period ended 27 June 2021, from -£0.1 million for the 12-week period ended 21 June 2020. These represented unrealised gains in respect of the Group's foreign exchange hedging activities.

Profit before tax

Profit before tax increased by £1.5 million, or 130.8%, to £2.6 million for the 12-week period ended 27 June 2021, from £1.1 million for the 12-week period ended 21 June 2020. This increase was primarily due to growth in revenue, offset by higher costs to support the growth in the business.

Income tax expenses

Income tax expenses were £0.4 million for the 12-week period ended 27 June 2021 and £0.2 million for 12-week period ended 21 June 2020, reflecting differences in allowable and disallowable expenses year on year.

Profit for the period

Profit for the period increased by £1.3 million, or 140.8%, to £2.2 million for the 12-week period ended 27 June 2021, from £0.9 million for the 12-week period ended 21 June 2020. This increase was primarily due to the increases in revenue growth.

Results of operations for the financial year ended 4 April 2021 compared to the financial year ended 29 March 2020

The following table presents the Group's results for FY21 compared to FY20.

	Financial year ending	
£'000	*04 Apr 2021*	*29 Mar 2020*
Revenue	53,417	38,868
Cost of sales	(16,765)	(14,738)
Gross profit	36,652	24,130
Operating expenses	(29,742)	(23,364)
Other income	2,848	33
Operating profit	9,758	799
Finance expense	(415)	(483)
Gain on bargain purchase	–	–
Other gains/(losses)	(949)	(173)
Profit before tax	8,394	143
Income tax expense	(1,892)	(136)
Profit for the year	6,502	7

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure and is defined on page 24

	Financial year ending	
£'000	*04 Apr 2021*	*29 Mar 2020*
Profit for the period	6,502	7
Add back		
Finance expense	415	483
Tax expense	1,892	136
Depreciation and amortisation	3,354	3,051
EBITDA	12,163	3,677
Impairment of tangible fixed assets	209	–
Gain on bargain purchase	–	–
Other gains/(losses)	949	173
Adjusted EBITDA	13,321	3,850

Revenue

Total revenue increased by £14.5 million or 37.4% to £53.4 million in FY21 from £38.9 million in FY20. £0.9 million of the increase related to an additional week of trading in FY21 which comprised 53 weeks, compared to 52 weeks in the prior financial year. The remaining £13.6 million growth in sales represented a 35.0% increase year on year. The effect of the Covid-19 pandemic was significant with all of the Group's retail stores being closed for approximately six months of the year, whilst ecommerce trading was materially ahead of management's original expectations as customers shopped online. Total transaction volumes in FY21 were 1.31 million compared to 1.44 million in FY20 – primarily due to the retail store closures. Average transaction value increased to £50 in FY21, from £33 in FY20 as more customers shopped though the Group's ecommerce channels.

Revenue from the ecommerce channel increased by £25.5 million, or 177.0%, to £39.9 million for FY21 from £14.4 million in FY20, driven by a significant shift in customer demand to ecommerce channels including the Group's own website in particular, due in part to store closures related to the Covid-19 pandemic, and also the results of improvements delivered in the Group's ecommerce and digital marketing capabilities supported by good levels of stock availability. Ecommerce channel revenues represented 74.7% of the total Group revenue for FY21 (37.0% for FY20). Revenue from the retail channel decreased by £10.9 million, or 44.7%, to £13.5 million for FY21 from £24.5 million in FY20. The average number of open retail stores in the retail estate during FY21 was 24 compared to 52 in FY20 due to Covid-19 restrictions and, when open, the retail stores were subject to social distancing measures during FY21.

Revenue generated from UK customers increased by £13.7 million, or 37.5%, to £50.1 million for FY21 from £36.4 million in FY20. Revenue generated from customers outside of the UK, increased by £0.9 million or 36.3%, to £3.3 million for FY21 from £2.4 million in FY20.

Cost of sales

Cost of sales increased by £2.0 million, or 13.8%, to £16.8 million for FY21, from £14.7 million for FY20. The revenue growth described above resulted in a £5.5 million corresponding increase in the costs of sales for the products sold, which was partially offset by -£3.5 million of improvements in product margins, aided by the completion of the dilutive Steamer Trading stock sell-through (which occurred in the prior year), and scale benefit in product sourcing.

Gross profit

Gross profit increased by £12.5 million, or 51.9%, to £36.7 million for FY21, from £24.1 million for FY20. This growth was due to increases in volumes sold and improvement in product margins as set out above. Gross margin for FY21 was 68.6% compared to 62.1% for FY20.

Operating expenses

Operating expenses increased by £6.4 million, or 27.3%, to £29.7 million for FY21, from £23.4 million for FY20. This increase was primarily due to volume driven cost increases, and additional investment in brand marketing activities.

Other income

Other income of £2.8 million for FY21, represents government grants in relation to the Coronavirus Job Retention Scheme and Business Rates Relief schemes which were designed to provide support to businesses during the Covid-19 pandemic. During the financial year, ProCook's retail store estate was closed for approximately six months.

Adjusted EBITDA

Adjusted EBITDA increased by £9.5 million, or 246%, to £13.3 million for FY21, from £3.9 million for FY20. This increase was primarily due to growth in revenue and gross profit margins, partially offset by volume driven cost increases and investment to support the growth in the business.

Depreciation and amortisation

Depreciation and amortisation increased by £0.3 million, or 9.9%, to £3.4 million for FY21, from £3.1 million for FY20. This increase was primarily due to higher depreciation charges on right-of-use assets.

Operating profit

Operating profit increased by £9.0 million, or 1,121.3%, to £9.8 million for FY21, from £0.8 million for FY20. This increase was primarily due to growth in revenue and gross margin improvements, partially offset by higher costs to support the growth in the business.

Finance expenses

Finance expenses decreased by £0.1 million, or 14.1%, to £0.4 million for FY21, from £0.5 million for FY20. This decrease was primarily due to lower finance expenses on lease liabilities.

Other gains/(losses)

Other losses increased by £0.8 million, or 448.6%, to £0.9 million loss for FY21, from £0.2 million loss for FY20. These represented unrealised losses in respect of the Group's foreign exchange hedging activities.

Profit before tax

PBT increased by £8.3 million, or 5,769.9%, to £8.4 million for FY21, from £0.1 million for FY20. This increase was primarily due to growth in revenue, partially offset by higher costs to support the growth in the business.

Income tax expense

Income tax expense increased by £1.8 million, or 1,291.1%, to £1.9 million for FY21, from £0.1 million for FY20. This increase was primarily due to increases in taxable profits during the period.

Profit for the year

Profit for the year increased by £6.5 million for FY21, from £7,000 for FY20. This increase was primarily due to the increases in revenue growth.

Results of operations for the financial year ended 29 March 2020 compared to the financial year ended 31 March 2019

The following table presents the Group's results for FY20 compared to FY19.

	Financial year ending	
£'000	*29 Mar 2020*	*31 Mar 2019*
Revenue	38,868	27,780
Cost of sales	(14,738)	(9,842)
Gross profit	24,130	17,938
Operating expenses	(23,364)	(17,769)
Other income	33	–
Operating profit	799	169
Finance expense	(483)	(425)
Gain on bargain purchase	–	1,763
Other gains/(losses)	(173)	681
Profit before tax	143	2,188
Income tax expense	(136)	(217)
Profit for the year	7	1,971

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS measure and is defined on page 24

	Financial year ending	
£'000	*29 Mar 2020*	*31 Mar 2019*
Profit for the period	7	1,971
Add back		
Finance expense	483	425
Tax expense	136	217
Depreciation and amortisation	3,051	2,417
EBITDA	3,677	5,030
Impairment of tangible fixed assets	–	–
Gain on bargain purchase	–	(1,763)
Other gains/(losses)	173	(681)
Adjusted EBITDA	3,850	2,586

Revenue

Total revenue increased by £11.1 million or 39.9% to £38.9 million in FY20 from £27.8 million in FY19. The increase was primarily due to growth in transaction volume which grew by 0.37 million, or 34.8% to 1.43 million in FY20 compared to 1.07 million in FY19.

Revenue from the ecommerce channel increased by £2.8m, or 24.6%, to £14.4 million for FY20 from £11.6 million in FY19, due to increased customer visits and transactions. Ecommerce channel revenues represented 37.0% of the total Group revenue for FY20 (41.6% for FY19). Revenue from the retail channel increased by £8.2m, or 50.8%, to £24.5 million for FY20 from £16.2 million in FY19. The average number of open retail stores during FY20 was 52 compared to 41 in FY19, predominantly as a result of the acquisition of certain trade and assets of the Steamer Trading business (from administration) including 27 retail stores during FY19, of which there were 11 remaining by the end of the financial year ending 29 March 2020.

Revenue generated from UK customers increased by £10.8 million, or 42.0%, to £36.4 million for FY20 from £25.7 million in FY19. Revenue generated from customers outside of the UK, increased by £0.3 million or 15.1%, to £2.4 million for FY20 from £2.1 million in FY19.

Cost of sales

Cost of sales increased by £4.9 million, or 49.7%, to £14.7 million for FY20, from £9.8 million for FY19. The revenue growth resulted in a £3.9 million corresponding increase in the costs of sales for the products sold, with a further increase in costs due to a deterioration in product margins of £1.0m driven by the sale and clearance activities in respect of Steamer Trading stock acquired during the previous financial year.

Gross profit

Gross profit increased by £6.2 million, or 34.5%, to £24.1 million for FY20, from £17.9 million for FY19. This growth was due to increases in volumes sold partially offset by a deterioration in product margins as set out above. Gross margin for FY20 was 62.1% compared to 64.6% for FY19.

Operating expenses

Operating expenses increased by £5.6 million, or 31.5%, to £23.4 million for FY20, from £17.8 million for FY19. This increase was primarily due to volume driven cost increases.

Adjusted EBITDA

Adjusted EBITDA increased by £1.3 million, or 48.9%, to £3.9 million for FY20, from £2.6 million for FY19. This increase was primarily due by growth in revenue, and was partially offset by lower gross profit margins, and volume driven cost increases and investment to support the growth in the business.

Depreciation and amortisation

Depreciation and amortisation increased by £0.6 million, or 26.3%, to £3.1 million for FY20, from £2.4 million for FY19. This increase was primarily due to higher depreciation charges on right-of-use assets.

Operating profit

Operating profit increased by £0.6 million, or 372.8%, to £0.8 million for FY20, from £0.2 million for FY19. This increase was driven by growth in revenue, partially offset by the gross margin deterioration set out above and higher costs to support the growth in the business.

Finance expenses

Finance expenses increased by £0.1 million, or 13.6%, to £0.5 million for FY20, from £0.4 million for FY19. This decrease was primarily due to lower finance expenses on lease liabilities.

Gain on bargain purchase

The gain on bargain purchase of £1.8 million in FY19 reflected the gain realised on acquisition of the trade and certain assets in respect of Steamer Trading (from administration) during that year.

Other gains/(losses)

Other gains/(losses) were £0.2 million loss, for FY20, compared to £0.7 million gain for FY19. These represented unrealised gains and (losses) in respect of the Group's foreign exchange hedging activities.

Profit before tax

Profit before tax decreased by £2.3 million, or 94.2%, to £0.1 million for FY20, from £2.5 million for FY19 primarily due to the gross margin deterioration and the non-recurrence of the above-mentioned gain on bargain purchase in FY20.

Income tax expense

Income tax expense decreased by £0.1 million, or 37.3%, to £0.1 million for FY20, from £0.2 million for FY19 reflecting differences in allowable and disallowable expenses year on year.

Profit for the year

Profit for the year decreased by £2.0 million, or 99.6%, to £7,000 for FY20, from £2.0 million for FY19. This decrease was primarily due to the gross margin deterioration and non-recurrence of the gain on bargain purchase as set out above.

Liquidity and capital resources

The Group's primary sources of liquidity are the cash flows generated from its operations, along with its bank trade finance facility. The primary use of this liquidity was to fund the Group's operations and investments in capitalised assets.

Borrowings

The table below sets out the Group's interest-bearing loans and other finance facilities as at the dates indicated.

		Financial year ending			*12 weeks ending*
£'000	*02 Apr 2018*	*31 Mar 2019*	*29 Mar 2020*	*04 Apr 2021*	*27 Jun 2021*
Current					
Trade finance facility	1,263	2,147	2,930	2,803	70
Bank overdrafts	720	120	323	–	4
Facilities drawn	1,983	2,267	3,253	2,803	74
Bank loans	461	952	986	–	–
Lease liabilities	1,670	1,868	2,281	2,783	2,965
Total current interest bearing loans and borrowings	4,114	5,087	6,520	5,586	3,039
Non-current					
Bank loans	2,865	3,321	2,357	–	–
Lease liabilities	7,235	5,910	6,294	14,636	16,510
Total non-current borrowings	10,100	9,231	8,651	14,636	16,510
Total borrowings	14,214	14,318	15,171	20,222	19,549
Split of the above:					
Current bank loans	461	952	986	–	–
Non-current bank loans	2,865	3,321	2,357	–	–
Total net bank loans	3,326	4,273	3,343	–	–

Note:
1. The bank loans noted above are secured by way of a mortgage over the leasehold of Unit 2, Gateway 12 Business Park, Waterwells, Gloucester GL2 2BY. This charge was registered on 30 December 2015. The loan matures in 15 years from this date and incurs interest of 2% above Bank of England base rate. All loans were fully repaid in the year ended 4 April 2021.

Commitments and contingent liabilities

Commitments

The Group's contractual commitments as at 27 June 2021 primarily relate to lease liabilities, trade and other payables, derivative financial instruments and the Group's trade finance facility.

	As at 27 Jun 2021			
£'000	*Within 1 year*	*Between 1 and 5 years*	*After 5 years*	*Total*
Trade finance facility	70	–	–	70
Bank overdraft	4	–	–	4
Lease liabilities	3,388	9,356	9,168	21,912
Derivative financial instruments	949	–	–	949
Trade and other payables	3,848	–	–	3,848
Total	8,259	9,356	9,168	26,783

On 2 September 2021 ProCook entered into a 15-year agreement for lease in respect of Unit 10, St, Moden Park, Harsefield, Gloucester, GL10 3EZ. The expected commencement date of the lease is 1 August 2022, with expected rentals of £1,128,505 per annum and a rent-free period of 24 months, which will be spread evenly over the initial 48 months of the lease. The ProCook Limited Group held no additional capital, financial and or other commitments at any period end throughout the historical financial information period.

Contingent liabilities

The Group did not have any contingent liabilities throughout the historical period under review.

Historical consolidated cash flow statement data

The table below summarises the Group's cash flows for the financial periods indicated.

	Financial year ending			*12 weeks ending*	
£'000	*31 Mar 2019*	*29 Mar 2020*	*04 Apr 2021*	*21 Jun 2020* (unaudited)	*27 Jun 2021*
Net cash flows from operating activities	3,952	4,398	7,563	3,534	3,471
Net cash (used in)/from investing activities	(1,783)	(659)	3,087	(17)	(477)
Net cash used in financing activities	(852)	(3,422)	(7,404)	(1,765)	(3,614)
Net increase in cash and cash equivalents	1,317	317	3,246	1,752	(620)
Cash and cash equivalents at beginning of period	999	2,316	2,633	2,633	5,879
Cash and cash equivalents at end of period	2,316	2,633	5,879	4,385	5,259

Cash flows from/(used in) operating activities

Cash flows from operating activities reduced by £0.1 million to £3.5 million in the 12-week period ended 27 June 2021 from £3.5 million in the 12-week period ended 21 June 2020 primarily due to the increased profit from operations offset by a lower decrease in net working capital.

Cash flows from operating activities increased by £3.2 million to £7.6 million in FY21 from £4.4 million in FY20 primarily due to the £9.0 million increase in profit from operations for the year, partly offset by increased investment in net working capital (£4.5 million increase) and higher income taxation paid (£1.7 million increase).

Cash flows from operating activities increased by £0.4 million to £4.4 million in FY20 from £4.0 million in FY19 primarily due to the £0.6 million increase in operating profit for the year.

Cash flows from/(used in) investing activities

Cash flows used in investing activities increased by £0.5 million to £0.5 million in the 12-week period ended 27 June 2021 from £0.0 million in in the 12-week period ended 21 June 2020 primarily due to increased investment in property, plant and equipment in the period.

Cash flows from investing activities increased by £3.7 million to £3.1 million in FY21 from £0.7 million cash used in investing activities in FY20 primarily due to the completion of the sale and leaseback of the Group's head office and warehouse site in Gloucester, UK (£5.1 million) during the financial year, partly offset by a £1.3 million increase in capital additions.

Cash flows used in investing activities decreased by £1.1 million to £0.7 million used in FY20 compared to £1.8 million used in FY19 primarily due to the acquisition of certain trade and assets from Steamer Trading (in administration) during FY19.

Cash flows from/(used in) financing activities

Cash flows used in financing activities increased by £1.9 million to £3.6 million in the 12-week period ended 27 June 2021 from £1.7 million in the 12-week period ended 21 June 2020 primarily due to higher payments on lease liabilities (£0.6 million) and higher repayment of borrowings (£1.4 million).

Cash flows used in financing activities increased by £4.0 million to £7.4 million in FY21 from £3.4 million cash used in financing activities in FY20 primarily due to the repayment of the mortgage in respect of the Group's head office and warehouse site in Gloucester, UK, following the completion of the sale and leaseback during the financial year, combined with repayment of other bank loans (£3.3 million increase), as well as higher dividends paid in the financial year (£1.0 million increase), partially offset by lower repayments on lease liabilities (£0.2 million).

Cash flows used in financing activities increased by £2.6 million to £3.4 million used in FY20 compared to £0.9 million used in FY19 primarily due to the higher net repayment of borrowings in the year (£2.0 million) and higher lease liability payments as a result of increased number of retail stores (£0.5 million).

Capital expenditure

		Financial year ending		*12 weeks ending*
	31 Mar	*29 Mar*	*04 Apr*	*27 Jun*
£'000	*2019*	*2020*	*2021*	*2021*
Land and Buildings	36	10	98	66
Leasehold improvements	–	75	2	–
Plant and machinery	4	2	206	41
Fixtures and Fittings	628	572	1,660	279
Total tangible assets	668	659	1,966	386
Intangible assets			67	90
Total	668	659	2,033	476

The most significant item of capital expenditure by the Group has been its investments in the retail estate which are predominantly fixtures and fittings acquired for new store openings and store refits, and for the warehouses the Group operates. In FY21, the Group invested £2.0 million on store refits and the new warehouse facility which it opened in Gloucester, UK.

Off-Balance Sheet arrangements

The Group did not have any off-balance sheet arrangements as at 27 June 2021, and generally does not use them.

Quantitative and Qualitative Disclosures about Market Risks

For a description of the Group's management of market, credit and liquidity risks, see Note 30 of Part 6 (Historical financial information).

Critical accounting policies, estimates and judgements

For a description of the Group's critical accounting judgements and key sources of estimation uncertainty, see Note 1 of Part 6 (Historical financial information).

PART 6

HISTORICAL FINANCIAL INFORMATION

Section A: Accountant's report on the historical financial information

BDO LLP
55 Baker Street
London
W1U 7EU

The Directors
Project Berry Topco Limited
Davy Way
Waterwells
Gloucester
GL2 2BY

15 October 2021

Dear Sir or Madam

Project Berry Topco Limited (the "Company")

ProCook Limited and its subsidiary undertakings (together, the "ProCook Limited Group")

Introduction

We report on the financial information set out in Section B of Part 6 of the registration document dated 15 October 2021 of the Company (the "Registration Document").

Opinion on financial information

In our opinion, the financial information gives, for the purposes of the Registration Document, a true and fair view of the state of affairs of the ProCook Limited Group as at the end of the three financial years ended 31 March 2019, 29 March 2020, 4 April 2021 and as at the end of the 12 week period ended 27 June 2021 and of its results, cash flows and changes in equity for the periods then ended in accordance with International Accounting Standards as adopted by the United Kingdom.

We have not audited or reviewed the financial information for the 12 weeks ended 21 June 2020, which has been included for comparative purposes only, and accordingly do not express an opinion thereon.

Responsibilities

The directors of the Company are responsible for preparing the financial information in accordance with International Accounting Standards as adopted by the United Kingdom.

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under item 1.2 of Annex 1 of the Prospectus Regulation to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 1.3 of Annex 1 of the Prospectus Regulation, consenting to its inclusion in the Registration Document.

Basis of preparation

This financial information has been prepared for inclusion in the Registration Document on the basis of the accounting policies set out in note 2 to the financial information. This report is required by item 18.3.1 of Annex 1 of the Prospectus Regulation and is given for the purpose of complying with that paragraph and for no other purpose.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Financial Reporting Council in the United Kingdom. We are independent of the Company in accordance with the Financial Reporting Council's Ethical Standard as applied to Investment Circular Reporting Engagements and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Conclusions relating to going concern

We have not identified any material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the ability of the ProCook Limited Group to continue as a going concern for a period of at least twelve months from the date of the Registration Document. Accordingly the use by the directors of the Company of the going concern basis of accounting in the preparation of the financial information is appropriate.

Declaration

We are responsible for this report as part of the Registration Document and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Registration Document in compliance with item 1.2 of Annex 1 of the Prospectus Regulation.

Yours faithfully

BDO LLP
Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Section B: Historical financial information

Statements of profit or loss and other comprehensive income

	Note	*Year ended 31 March 2019 £'000*	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Revenue	4	27,780	38,868	53,417	7,913	14,778
Cost of sales		(9,842)	(14,738)	(16,765)	(2,637)	(4,536)
Gross profit		17,938	24,130	36,652	5,276	10,242
Operating expenses	5	(17,769)	(23,364)	(29,742)	(5,271)	(8,018)
Other income	8	–	33	2,848	1,324	263
Profit from operations		169	799	9,758	1,329	2,487
Finance expense	10	(425)	(483)	(415)	(94)	(123)
Gain on bargain purchase	31	1,763	–	–	–	–
Other gains/(losses)	11	681	(173)	(949)	(114)	223
Profit before tax		2,188	143	8,394	1,121	2,587
Tax expense	12	(217)	(136)	(1,892)	(210)	(393)
Profit for the period		1,971	7	6,502	911	2,194
Other comprehensive income						
Total other comprehensive income		–	–	–	–	–
Total comprehensive income		1,971	7	6,502	911	2,194
Earnings per share for profit attributable to the owners of the parent						
Basic (pence)	14	1.97p	0.00p	6.50p	0.91p	2.19p
Diluted (pence)		1.87p	0.00p	6.10p	0.86p	2.02p

Statements of financial position

	Note	*As at 2 April 2018 £'000*	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Assets						
Current assets						
Inventories	19	2,950	5,592	5,307	9,943	10,447
Trade and other receivables	20	557	915	782	1,888	2,296
Cash and cash equivalents	21	1,720	2,436	2,956	5,879	5,263
Total current assets		5,227	8,943	9,045	17,710	18,006
Non-current assets						
Property, plant, and equipment	15	6,510	7,134	7,101	3,846	4,039
Right-of-use assets	16	8,904	7,659	8,348	15,582	17,638
Intangible assets	17					
		–	–	–	67	157
Total non-current assets		15,414	14,793	15,449	19,495	21,834
Total assets		20,641	23,736	24,494	37,205	39,840
Liabilities						
Current liabilities						
Trade and other payables	22	2,147	3,303	3,902	6,612	7,786
Lease liabilities	16	1,670	1,868	2,281	2,783	2,965
Borrowings	23	2,444	3,219	4,239	2,803	74
Corporation tax payable	12	136	331	294	413	252
Total current liabilities		6,397	8,721	10,716	12,611	11,077
Non-current liabilities						
Lease liabilities	16	7,235	5,910	6,294	14,636	16,510
Borrowings	23	2,865	3,321	2,357	–	–
Other provisions	24	160	160	160	160	160
Deferred tax liabilities	12	240	414	250	29	130
Total non-current liabilities		10,500	9,805	9,061	14,825	16,800
Total liabilities		16,897	18,526	19,777	27,436	27,877
NET ASSETS		3,744	5,210	4,717	9,769	11,963
Issued capital and reserves attributable to owners of ProCook Limited						
Share capital	27	–	–	–	–	–
Revaluation reserve	28	472	472	472	–	–
Retained earnings		3,272	4,738	4,245	9,769	11,963
TOTAL EQUITY		3,744	5,210	4,717	9,769	11,963

Statements of changes in equity

	Share capital £'000	*Revaluation reserve £'000*	*Retained earnings £'000*	*Total equity £'000*
Balance as at 2 April 2018	–	472	3,272	3,744
Comprehensive Income for the year				
Profit	–	–	1,971	1,971
Contributions by and distributions to owners				
Dividends	–	–	(505)	(505)
Balance as at 31 March 2019	–	472	4,738	5,210
Balance as at 1 April 2019	–	472	4,738	5,210
Comprehensive Income for the year				
Profit	–	–	7	7
Contributions by and distributions to owners				
Dividends	–	–	(500)	(500)
Balance as at 29 March 2020	–	472	4,245	4,717
Balance as at 30 March 2020	–	472	4,245	4,717
Comprehensive Income for the year				
Profit	–	–	6,502	6,192
Transfer from revaluation reserve to retained earnings	–	(472)	472	–
Contributions by and distributions to owners				
Dividends	–	–	(1,450)	(1,450)
Balance as at 4 April 2021	–	–	9,769	9,769
Balance as at 5 April 2021	–	–	9,769	9,769
Comprehensive Income for the period				
Profit	–	–	2,194	2,194
Balance as at 27 June 2021	–	–	11,963	11,963

Statements of cash flows

	Note	*Year ended 31 March 2019 £'000*	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Cash flows from operating activities						
Profit before tax		2,188	143	8,394	1,121	2,587
Adjustments for:						
Depreciation and impairment of property, plant, and equipment	15	544	650	917	164	182
Loss/(profit) on disposal of property, plant, and equipment		–	42	215	–	10
Amortisation of right-of-use assets	16	1,873	2,401	2,646	578	758
Currency translation (gains)/losses	5	(66)	380	519	–	–
Gain on bargain purchase	31	(1,763)	–	–	–	–
Other (gains)/losses		(681)	173	949	114	(223)
Finance expense	10	425	483	415	94	123
		2,520	4,272	14,055	2,071	3,439
Decrease/(increase) in inventories		95	(94)	(5,155)	(53)	(504)
(Increase)/decrease in trade and other receivables		(184)	(40)	(2,052)	(526)	(185)
Increase in trade and other payables		1,663	597	2,710	2,042	1,174
Cash generated from operations		4,094	4,735	9,558	3,534	3,924
Income taxes paid		(142)	(337)	(1,995)	–	(453)
Net cash flows from operating activities		3,952	4,398	7,563	3,534	3,471
Investing activities						
Purchase of property, plant, and equipment	15	(668)	(659)	(1,966)	(17)	(387)
Purchase of intangible assets	17	–	–	(67)	–	(90)
Sale of property, plant and equipment		–	–	5,120	–	–
Business acquisition, net of cash acquired	31	(1,115)	–	–	–	–
Net cash (used in)/from investing activities		(1,783)	(659)	3,087	(17)	(477)

	Note	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
Financing activities						
Interest paid		(201)	(241)	(90)	(43)	(9)
Proceeds from borrowings		1,831	–	–	–	–
Repayment of borrowings		–	(147)	(3,470)	(1,359)	(2,733)
Principal movement on lease liabilities		(1,753)	(2,292)	(2,069)	(212)	(758)
Interest paid on lease liabilities		(224)	(242)	(325)	(51)	(114)
Dividends paid to the holders of the parent		(505)	(500)	(1,450)	(100)	–
Net cash used in financing activities		(852)	(3,422)	(7,404)	(1,765)	(3,614)
Net increase/(decrease) in cash and cash equivalents		1,317	317	3,246	1,752	(620)
Cash and cash equivalents at beginning of the period		999	2,316	2,633	2,633	5,879
Cash and cash equivalents at end of period	21	2,316	2,633	5,879	4,385	5,259
Relating to:						
Cash at bank and in hand		2,436	2,956	5,879	4,385	5,263
Bank overdrafts included in creditors payable within one year		(120)	(323)	–	–	(4)

Notes to the historical financial information

1. General Information

ProCook Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY.

The principal activity of ProCook Limited together with its subsidiary undertakings (the "ProCook Limited Group") throughout the period is the provision of retail of cookware and related products.

The information for the periods covered by the historical financial information does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for period ended three years ended 31 March 2019, 29 March 2020 and 4 April 2021 has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Accounting policies

2.1 *Basis of preparation*

The historical financial information provided presents the consolidated financial track record of the ProCook Limited Group for the three years ended 31 March 2019, 29 March 2020 and 4 April 2021 and the 12 week period ended 27 June 2021, with unaudited comparatives to 21 June 2020 and is prepared for the purposes of admission to the London Stock Exchange.

This financial information has been prepared in accordance with UK adopted International Financial Reporting Standards ("IFRS") and the requirements of the Prospectus Regulation and the Listing Rules.

The historical financial information is prepared on a going concern basis, under the historical cost convention, except for certain financial assets and liabilities, which are modified to include certain financial instruments at fair value through profit or loss. The historical financial information is presented in pounds sterling and all values are rounded to the nearest thousand (£'000), except when otherwise indicated. In preparing the consolidated historical financial information of the ProCook Limited Group, the ProCook Limited Group has applied IFRS for the first time from 2 April 2018. The principles and requirements for first time adoption of IFRS are set out in IFRS 1, see Note 35. Statutory accounts for the years ended 31 March 2019, 29 March 2020 and 4 April 2021 have been delivered to the Registrar of Companies. The auditors' reports on the accounts for the years ended 31 March 2019, 29 March 2020 and 4 April 2021 were unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The principal accounting policies adopted in the preparation of the historical financial information are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The ProCook Limited Group have applied the requirements of IFRS 16 Leases from 2 April 2018, in advance of its effective date of 1 January 2019, to facilitate consistent presentation across the periods shown within the historical financial information. As such, IFRS 16 had been applied at 2 April 2018 which is the start of the historical financial period. The modified retrospective method of adoption was applied and has resulted in recognition of assets (right-of-use assets) by the ProCook Limited Group representing the right to use items under operating leases. Lease liabilities have also been directly recognised on the balance sheet representing obligations for future operating lease payables. Lease costs each financial year are now recognised in the form of depreciation of the right-of-use asset and interest expense on the lease liability. This results in a higher interest expense in the earlier years of the lease term, however the total expense that is ultimately recognised in the Income Statement over the life of the lease will remain unaffected by the new standard.

2.2 ***Going concern***

The ProCook Limited Group have traded positively during the COVID-19 period and has continued to invest in growth throughout the historical financial period.

The ProCook Limited Group has continued to trade throughout the historical financial period under a net asset position. The Directors are pleased with progress of trading to date, and in particular, the progress made relative to the challenges of the last twelve months, whilst continuing to grow the customer base and increase awareness of the brand. With the retail estate closed for approximately half of the FY21 financial year, the ProCook Limited Group was able to quickly adapt to the rapid shift of customer demand towards online sales channels, thanks to the well-established and flexible multichannel model supported by high levels of customer service.

The Directors have assessed the ability of ProCook Limited and the ProCook Limited Group to continue as a going concern using cash flow forecasts. With the continued encouraging current trading results the Directors are satisfied that there are sufficient resources to continue in business for the foreseeable future and for at least 12 months from the date of signing these financial statements.

Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the ProCook Limited Group or ProCook Limited's ability to continue as a going concern. They remain mindful of the ongoing pandemic but are confident they have appropriate plans in place to mitigate. Therefore, the financial statements continue to be prepared on the going concern basis.

2.3 ***Basis of consolidation***

Subsidiaries

Subsidiaries are all entities over which ProCook Limited has control. The ProCook Limited Group controls an entity when ProCook Limited is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to ProCook Limited until the date that control ceases.

Where necessary, amounts reported by subsidiaries have been adjusted to conform with ProCook Limited's accounting policies.

Transactions eliminated on consolidation

Intra-group balances, and any gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the historical financial information. Losses are eliminated in the same way as gains, but only to the extent that there is no evidence of impairment.

2.4 ***New standards, amendments, and interpretations***

New standards impacting the ProCook Limited Group that have been adopted for the year ended 4 April 2021 are as follows:

- Definition of a Business (Amendments to IFRS 3);
- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7); and
- COVID-19-Related Rent Concessions (Amendments to IFRS 16).

Following an assessment, the ProCook Limited Group have determined that these standards have no material impact.

New standards, amendments and interpretations not yet adopted

The following standards, amendments and interpretations are not yet effective and have not been early adopted by the ProCook Limited Group:

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 ProCook Limited Group has decided not to adopt early. The following amendments are effective for the period beginning 5 April 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41);
- References to Conceptual Framework (Amendments to IFRS 3).

The ProCook Limited Group does not believe that these standards will have a material impact.

2.5 ***Revenue recognition***

IFRS 15 "Revenue from Contracts with Customers" is a principle-based model of recognising revenue from contracts with customers. It has a five-step model that requires revenue to be recognised with control over goods and services are transferred to the customer.

The ProCook Limited Group operates through store point of sale transactions and website orders. Revenue is recognised at a point in time when the ProCook Limited Group delivers a product to a customer, whether this be at the point of sale in store, or delivery. Payment of the transaction price is due immediately when the customer purchases the product in store or upon ordering online.

Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Warranties

Goods supplied provides customers with a warranty within a specified period and this gives rise to an assurance of compliance with agreed upon specifications of each sale. The right of return liability is recognised within trade and other payables.

Deferred income

Sales made through the ProCook Limited Group's websites are recognised at the point the product is dispatched to the customer. Deferred income is recognised as a creditor at the point where goods have been dispatched but have yet to be received by the customer.

2.6 ***Other operating income and Government Grants***

Other operating income represents all other income received by the ProCook Limited Group. This includes Government grants for the Job Retention Scheme.

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the ProCook Limited Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

In the year ended 4 April 2021 and 12-week period ending 27 June 2021, the ProCook Limited Group utilised the Government's Coronavirus Job Retention Scheme ('CJRS'), which allows for businesses to submit claims for repayment of furlough or flexible furlough employee wages as a result of COVID-19. The grant income received has been accounted for in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance' and shown in other operating income in the income statement and personnel costs have been shown gross of grant income.

2.7 *Net finance costs*

Finance expense

Finance expense comprises of interest payable and lease interest which are expensed in the period in which they are incurred and reported in finance costs. Debt issue costs are capitalised and amortised over the life of the associated facility.

Finance income

Finance income comprises interest on bank deposits.

2.8 *Foreign currency translation*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of profit or loss and other comprehensive income.

2.9 *Inventories*

Inventory is stated at the lower of cost or net realisable value. Cost is determined on a weighted average cost basis (AVCO) and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the amount that can be realised from the sale of the inventory in the normal course of business after allowing for the costs of realisation.

Stock in transit at the period end is included within inventory at cost, where transfer of ownership can be readily determined.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventory over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.10 *Current and deferred taxation*

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK where the ProCook Limited Group operates and generate taxable income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the balance sheet date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the ProCook Limited Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Where applicable the ProCook Limited Group claim Research and Development (R&D) tax reliefs in accordance with the Small and Medium Sized Enterprise (SME) R&D Relief Scheme. Projects are assessed by management to ensure the claims made fit the criteria and definitions set out by the UK HM Revenue and Customs.

2.11 ***Property plant and equipment***

Land and buildings are recognised at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings. A revaluation surplus is credited to other reserves in shareholders' equity. The remaining property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis:

Land and buildings	10 – 20% straight line
Leasehold improvements	10% straight line
Plant and machinery	5% straight line
Fixtures, fittings and equipment	5 – 33% straight line
Motor vehicles	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date. At each reporting period end date, the ProCook Limited Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asse is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.12 ***Intangible assets***

Identifiable development expenditure to develop customised software for IT system is capitalised as intangible assets, provided they meet the following recognition requirements:

- The development costs can be measured reliably
- The project is technically and commercially feasible
- The ProCook Limited Group intends to and has sufficient resources to complete the project
- The ProCook Limited Group has the ability to use or sell the software
- The software will generate probable future economic benefits.

Costs not meeting these criteria are classed as research expenditure and are expensed as they are incurred. Directly attributable costs include employee costs incurred on software development. These include costs incurred in developing the ProCook Limited Group's website that meet the assessment of economic viability associated with the development of an internally generated intangible asset.

Intangible assets are amortised on a straight-line basis over their useful lives. The useful lives of intangible assets are as follows:

Intangible type	*Useful life*
Computer software	3 years

2.13 ***Impairment of non-financial assets***

At the end of each reporting period, the ProCook Limited Group reviews the carrying amounts of its non-financial assets to determine whether there is an indication of impairment. For impairment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating unit). As a result, some assets are tested individually for impairment, and some are tested at the cash-generating unit level. Management considers cash generating units to be determinable by individual store and the Ecommerce platform.

Assets and the cash generating unit is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use.

To determine the value-in-use, management estimate expected future cash flows from the cash-generating unit and determine a suitable discount rate in order to calculate the present value of those cash flows. Discount factors are determined for the cash-generating unit to reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment charges are allocated on a pro-rata basis in accordance with the CGUs' carrying amounts. In allocating the impairment loss to a CGU the carrying amount of each asset within the CGU is reduced to the highest of either its fair value less costs to sell; value in use; or nil. Recognition of impairment losses do not result in a recognition of a liability. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the assets or cash-generating unit's recoverable amount exceeds its carrying amount.

2.14 ***Cash and cash equivalents***

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and for the purpose of cash flows, bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.15 ***Financial instruments***

Financial instruments are all financial assets and financial liabilities that comprise a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity and are detailed in note 30.

Financial assets and financial liabilities are recognised when the ProCook Limited Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable (other than financial assets or liabilities at fair value through profit or loss) are added to or deducted from the fair value as appropriate, on initial recognition.

Financial assets

Financial assets are subsequently classified into the following specified categories:

- financial assets at fair value through profit or loss, including held for trading;
- fair value through other comprehensive income; or
- amortised cost.

The classification depends on the nature and purpose of the financial asset (i.e., the ProCook Limited Group's business model for managing the financial assets and the contractual terms of the cash flows) and is determined at the time of initial recognition.

They are measured at amortised cost if they are held within a business mode whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not held at amortised cost or fair value through other comprehensive income are held at fair value through profit or loss.

At present the ProCook Limited Group only has financial assets held at amortised cost, apart from derivatives which are measured at fair value through profit and loss.

Financial liabilities

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at proceeds received net of issue costs.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss ("FVTPL") or financial liabilities at amortised cost, which are measured using the effective interest method.

At present the ProCook Limited Group only has financial liabilities held at amortised cost, apart from derivatives which are measured at fair value through profit and loss.

Impairment of financial assets

IFRS 9 requires the use of forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Recognition of credit losses is not dependent on the ProCook Limited Group first identifying a credit loss event; instead, the ProCook Limited Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Trade and other receivables

The ProCook Limited Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating this, the ProCook Limited Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The ProCook Limited Group assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics based on grouping debt by days overdue.

2.16 ***Derivatives***

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

2.17 ***Employee benefits***

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when ProCook Limited is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.18 ***Pensions***

The ProCook Limited Group operates a defined contribution pension scheme. Contributions to scheme are charged to the statement of profit or loss and other comprehensive income in the period to which the contributions relate. The assets of the scheme are held separately from those of the ProCook Limited Group.

2.19 ***Provisions***

Provisions are recognised where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise, taking into account the time value of money. A contingent liability is disclosed where the existence of the obligations will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability.

A provision against replacement costs under warranties given by ProCook Limited has been made based on senior management's assessment of likely costs in the light of his historic experience.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

2.20 ***Leased assets***

At inception of a contract, the ProCook Limited Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the ProCook Limited Group assesses whether: an identified physically distinct asset can be identified; and the ProCook Limited Group has the right to obtain substantially all of the economic benefits from the asset throughout the period of use and has the ability to direct the use of the asset over the lease term being able to restrict the usage of third parties as applicable.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the ProCook Limited Group's incremental borrowing rate on commencement of the lease is used.

On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the ProCook Limited Group if it is reasonably certain to access that option;
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the ProCook Limited Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. When the ProCook Limited Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the revised discount rate applicable at the date of estimation. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

Where the ProCook Limited Group's property leases contain variable payment terms, payments determined as variable are treated as a charge to the income statement and not capitalised. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term.

Sale and leaseback

On entering into a sale and leaseback transaction the ProCook Limited Group determines whether the transfer of the assets qualifies as a sale (satisfying a performance obligation in IFRS 15 'Revenue from Contracts with Customers'). Where the transfer is a sale and providing the transaction is on market terms then the previous carrying amount of the underlying asset is split between:

- a right-of-use asset arising from the leaseback (being the proportion of the previous carrying amount of the asset that relates to the rights retained), and
- the rights in the underlying asset retained by the buyer-lessor at the end of the leaseback. The ProCook Limited Group recognises a portion of the total gain or loss on the sale. The amount recognised is calculated by splitting the total gain or loss into:
  - an unrecognised amount relating to the rights retained by the seller-lessee, and
  - a recognised amount relating to the buyer-lessor's rights in the underlying asset at the end of the leaseback.

The leaseback itself is then accounted for under IFRS 16. Where the transfer is not determined to be a sale, the previous carrying amount of the underlying asset is not adjusted and the liability is included as a financial liability under IFRS 9 Financial Instruments.

2.21 ***Share options***

ProCook Limited issues equity-settled share-based incentives to certain employees in the form of share options. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date is expensed in ProCook Limited's financial statements on a straight-line basis over the estimated vesting period, based on the estimate of shares that will eventually vest.

Share options that have been issued by the ProCook Limited Group have been reviewed under the Black Scholes model to evaluate any provision that may be required to set against the reserves of the ProCook Limited Group. All share options that have been issued by the ProCook Limited Group only vest on an exit event such as a sale, takeover or IPO. No share-based payment expense has been included in any period of the historical financial information on the grounds of materiality.

No other entities in the ProCook Limited Group issue any equity-settled share-based incentives.

2.22 ***Dividends***

Ordinary dividends proposed by the Board of Directors are not recorded in the financial statements until they have been approved by the shareholders at the Annual General Meeting.

2.23 ***Segmental reporting***

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the ProCook Limited Group. The ProCook Limited Group currently report under three reporting lines; Ecommerce, Retail and Central Operating Costs.

2.24 ***Business combinations***

The ProCook Limited Group applies the purchase method to account for business combinations. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued, and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measure initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill, alternatively any deficit from the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as a gain on bargain purchase.

Acquisition costs are expensed as incurred.

Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

3. Significant accounting estimates and judgements

The ProCook Limited Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

IFRS 16

The key areas of judgement in relation to property leases recognised under IFRS 16 are below:

Expired leases

IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option, or when either the lessee or the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. The ProCook Limited Group will assess the likelihood of extending lease contracts beyond the break date by taking into account current economic and market conditions, current trading performance, forecast profitability, the significance of any fees payable, and the level of capital investment in the property.

Discount rates

IFRS 16 states that the lease payments shall be discounted using the lessee's incremental borrowing rate where the rate implicit in the lease cannot be readily determined. Accordingly, all lease payments have been discounted using the incremental borrowing rate (IBR). The IBR has been determined by management using a range of data including current economic and market conditions, review of current debt and capital within the ProCook Limited Group, lease length and comparisons against seasoned corporate bond rates and other relevant data points.

4. Revenue from contracts with customers

No one customer makes up 10% or more of revenue in any period. Management considers revenue derives from one business stream being the retail of cookware and related products.

Geographical reporting

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
United Kingdom	25,672	36,442	50,110	7,067	13,824
European Union	2,108	2,426	3,307	846	954
Total revenue	27,780	38,868	53,417	7,913	14,778

Timing of transfer of goods or services

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*3 month period ended 21 June 2020 £'000 (unaudited)*	*3 month period ended 27 June 2021 £'000*
At a point in time	27,780	38,868	53,417	7,913	14,778

Type of goods or services

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Sale of goods	27,780	38,868	53,417	7,913	14,778

5. Expenses by nature

Operating profit for the periods is stated after charging/(crediting):

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Exchange (gains)/losses	(66)	380	519	–	–
Depreciation of tangible fixed assets	544	650	708	163	182
Amortisation of right-of-use-assets	1,873	2,401	2,646	578	758
Impairment of tangible fixed assets	–	–	209	–	–

6. Segmental reporting

The ProCook Limited Group has three reporting segments, being Retail, Ecommerce, and Central costs. No non-GAAP reporting measures are monitored. Total assets and liabilities are not provided to the CODM in the ProCook Limited Group's internal management reporting by segment and therefore are not presented below, information on segments is reported at an operating profit level only. Central costs has no revenue associated with the segment. Information about geographical revenue is disclosed in note 4. No individual customer accounted for 10% or more of turnover during the reporting period.

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Revenue					
Ecommerce	11,552	14,398	39,876	7,307	7,842
Retail	16,228	24,470	13,541	606	6,936
	27,780	38,868	53,417	7,913	14,778
Operating profit					
Ecommerce	2,186	2,788	14,112	2,543	2,093
Retail	924	2,006	1,849	(206)	2,099
Central costs	(2,941)	(3,995)	(6,203)	(1,008)	(1,705)
Profit from operations	169	799	9,758	1,329	2,487

7. Auditor remuneration

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Fee payable for the audit of the ProCook Limited Group's and subsidiary financial statements	14	19	17	–	17
Fees relating to other services	9	12	12	–	–
Total audit remuneration	23	31	29	–	17

The audit fee is borne by ProCook Limited.

8. Other income

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
Other income	–	33	43	9	7
Government grants	–	–	2,805	1,315	256
Total other income	–	33	2,848	1,324	263

The grants relate to the Government's Coronavirus Job Retention Scheme ('CJRS'), there are no unfulfilled conditions or contingencies attached to these grants that have been recognised.

9. Employee benefit expense

Employee benefit expenses (including directors) comprise:

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
Wages and salaries	5,911	8,361	9,919	1,692	2,750
Social security contributions and similar taxes	422	573	695	115	205
Other pension costs	84	128	136	25	41
	6,417	9,062	10,750	1,832	2,996

The average number of persons employed by the ProCook Limited Group (including directors) by activity amount to:

	Year ended 31 March 2019	Year ended 29 March 2020	Year ended 4 April 2021	12 week period ended 21 June 2020 (unaudited)	12 week period ended 27 June 2021
Shop and admin staff	620	550	559	466	661
	620	550	559	466	661

Key management personnel compensation

Key management personnel include all directors of ProCook Limited, who together have authority and responsibility for planning, directing, and controlling the activities of the ProCook Limited Group's business. There are no key management personnel other than the Directors of ProCook Limited.

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Director emoluments	20	18	19	4	4
Dividends	383	255	638	51	–
Social security costs	3	3	–	–	–
	406	276	657	55	4

Remuneration disclosed above include the following amounts paid to the highest paid Director:

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Emoluments	9	9	10	2	2
Dividends	195	130	325	26	–
	204	139	335	28	2

10. Finance expense

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Finance expense:					
Interest on bank overdrafts and other interest	201	241	90	43	9
Interest on lease liabilities	224	242	325	51	114
Total finance expense	425	483	415	94	123

11. Other gains and losses

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Gain/(loss) on derivatives	681	(173)	(949)	(114)	223
	681	(173)	(949)	(114)	223

12. Tax expense

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
Analysis of expensein year					
Current tax on profits for the year	337	294	2,113	322	425
Adjustments in respect of previous years	–	6	–	–	(133)
Total current tax	337	300	2,113	322	292
Deferred tax					
Origination and reversal of temporary differences	(120)	(162)	(221)	(112)	101
Adjustment in respect of prior periods	–	(2)	–	–	–
Total deferred tax	(120)	(164)	(221)	(112)	101
Tax expense per statement of comprehensive income	217	136	1,892	210	393

The tax credits for the periods presented differ from the standard rate of corporate tax. The differences are explained below:

	Year ended 31 March 2019 £'000	Year ended 29 March 2020 £'000	Year ended 4 April 2021 £'000	12 week period ended 21 June 2020 £'000 (unaudited)	12 week period ended 27 June 2021 £'000
Profit on ordinary activities before tax	2,188	143	8,394	1,121	2,587
Tax using the domestic tax rates	416	27	1,595	213	492
Effects of:					
Tax effect of expenses that are not deductible for tax purposes	14	1	6	–	1
Adjustments in respect of prior years	(17)	2	116	–	(134)
Effect of change in corporation tax rate	–	32	–	–	–
Permanent capital allowances in excess of depreciation	64	74	(134)	–	34
Other differences	(260)	–	–	(3)	–
Chargeable gains	–	–	309	–	–
Total taxation expense	217	136	1,892	210	393

The main rate of UK corporation tax was 19% for all periods included in the HFI up to 4 April 2021. The UK corporation tax will be set at the main rate of 25% from the financial year 2023, this was substantially enacted on 24 May 2021 and balances as at 27 June 2021 are recorded as such.

Current tax assets and liabilities

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Income tax payable	136	331	294	413	252
	136	331	294	413	252

The following is the analysis of the deferred tax balances for financial reporting purposes:

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Accelerated capital allowances and other timing differences	240	214	250	294	130
	240	214	250	294	130

Movement in the year

Liability at 2 April 2018	240
Arising on business combination	294
Credit to profit and loss	(120)
Liability at 31 March 2019	414
Liability at 1 April 2019	414
Charge to profit and loss	(164)
Liability at 29 March 2020	250
Liability at 30 March 2020	250
Charge to profit and loss	(221)
Liability at 4 April 2021	29
Liability at 5 April 2021	29
Charge to profit and loss	101
Liability at 4 July 2021	130

13. Dividends

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 27 June 2021 £'000*
Final dividends paid	505	500	1,450	–
	505	500	1,450	–

Dividend paid per share at 27 June 2021 £Nil (4 April 2021: £145; 29 March 2020: £50; 31 March 2019: £51).

14. Earnings per share

Basic and diluted earnings per share is calculated by dividing the result attributable to equity holders by the weighted average number of ordinary shares in issue. Earnings per share is presented based on the number of shares outstanding in the Company, after giving effect to the share for share exchange and bonus issue as part of the corporate reorganisation set out in part 7 Additional Information. Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares that would have been issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

	Year ended 31 March 2019 £'000	*Year ended 29 March 2020 £'000*	*Year ended 4 April 2021 £'000*	*12 week period ended 21 June 2020 £'000 (unaudited)*	*12 week period ended 27 June 2021 £'000*
Profit used in calculating basic diluted EPS	1,971	7	6,502	911	2,194
Weighted average number of shares	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Diluted weighted average number of shares	105,360,000	105,360,000	106,583,774	105,360,000	108,580,000
Earnings) per share	1.97p	0.00p	6.50p	0.91p	2.19p
Diluted earnings per share	1.87p	0.00p	6.10p	0.86p	2.02p

15. Property, plant and equipment

	Land and Buildings £'000	*Leasehold improvements £'000*	*Plant and machinery £'000*	*Fixtures and Fittings £'000*	*Motor Vehicles £'000*	*Total £'000*
Cost						
At 2 April 2018	4,591	–	205	3,027	4	7,827
Additions	36	–	4	628	–	668
Business acquisition	–	–	–	500	–	500
At 31 March 2019	4,627	–	209	4,155	4	8,995
Depreciation						
At 2 April 2018	243	–	18	1,055	1	1,317
Charge for the year	97	–	10	436	1	544
At 31 March 2019	340	–	28	1,491	2	1,861
Net book amount						
At 31 March 2019	4,287	–	181	2,664	2	7,134
Cost						
At 1 April 2019	4,627	–	209	4,155	4	8,995
Additions	10	75	2	572	–	659
Disposals	–	(15)	–	(27)	–	(42)
At 29 March 2020	4,637	60	211	4,700	4	9,612
Depreciation						
At 1 April 2019	340	–	28	1,491	2	1,861
Charge for the period	124	4	10	511	1	650
At 29 March 2020	464	4	38	2,002	3	2,511
Net book amount						
At 29 March 2020	4,173	56	173	2,698	1	7,101
Cost						
At 30 March 2020	4,637	60	211	4,700	4	9,612
Additions	98	2	206	1,660	–	1,966
Disposals	(4,392)	(6)	(97)	(316)	–	(4,811)
At 4 April 2021	343	56	320	6,044	4	6,767
Depreciation						
At 30 March 2020	464	4	38	2,002	3	2,511
Charge for the period	65	5	15	622	1	708
Impairment	–	–	–	209	–	209
Disposals	(379)	–	(21)	(107)	–	(507)
At 4 April 2021	150	9	32	2,726	4	2,921
Net book amount						
At 4 April 2021	193	47	288	3,318	–	3,846
Cost						
At 5 April 2021	343	56	320	6,044	4	6,767
Additions	66	–	41	279	–	386
Disposals	(1)	–	–	(11)	–	(12)
At 27 June 2021	408	56	361	6,312	4	7,141
Depreciation						
At 5 April 2021	150	9	32	2,726	4	2,921
Charge for the period	10	–	6	166	–	182
Disposals	–	–	–	(1)	–	(1)
At 27 June 2021	160	9	38	2,891	4	3,102
Net book amount						
At 27 June 2021	248	47	323	3,421	–	4,039

Impairment tests have been carried out where appropriate and an impairment loss of £208,907 was recognised in the income statement within operating expenses during the year ended 4 April 2021. The full impairment related to a Group wide review of fixtures and fittings, where assets were identified whether to still be in working order and or in use in retail stores, the impairment is recognised within the UK retail reporting segment.

Land and buildings included the cost of Unit 2, Gateway 12 Business Park, Waterwells, Gloucester GL2 2BY. This was held at a revalued cost amount of £4,392,000 (cost value £4,057,478) when it was disposed of during the period ended 4 April 2021. The asset was sold to a third party and subsequently leased back to the ProCook Limited Group simultaneously, the lease and sale have been reflected in the accounts in line with IFRS 16 policy detailed in the notes of the historical financial information.

Depreciation was recognised in the income statement within operating expenses throughout the historical financial information period.

16. Leased assets

The ProCook Limited Group leases a number of assets in the jurisdictions from which it operates in with all lease payments, in-substance, fixed over the lease term, where there are leasehold properties which hold a variable element to lease payments made these are not fixed and not capitalised as part of the right of use asset. All expected future cash out flows are reflected within the measurement of the lease liabilities at each period end.

	As at 31 March 2019	*As at 29 March 2020*	*As at 4 April 2021*	*As at 27 June 2021*
Number of active leases	42	54	53	56

The ProCook Limited Groups leases include leasehold properties for commercial and head office use, motor vehicles and plant equipment. The leases range in length from two to twenty years and vary on average length depending on lease type. Leasehold properties holding the longest-term length of up to 20 years, plant and equipment up to 5 years, and motor vehicles of up to 4 years.

Extension, termination, and break options

The ProCook Limited Group sometimes negotiates extension, termination, or break clauses in its leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

On a case-by-case basis, the ProCook Limited Group will consider whether the absence of a break clause would expose the ProCook Limited Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- The length of the lease term;
- The economic stability of the environment in which the property is located; and
- Whether the location represents a new area of operations for the ProCook Limited Group.

Incremental borrowing rate

The ProCook Limited Group has adopted a rate with a range of 2% - 4% as its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. This rate is used to reflect the risk premium over the borrowing cost of ProCook Limited measured by reference to the ProCook Limited Group facilities.

Sensitivity analysis has been performed that shows that an effect of 1% decrease in the IBR rates used will cause a decrease in lease liabilities of £810,111 (2021; £703,363; 2020: £208,424; 2019: £181,398) and decrease in ROU assets of £802,578 (2021; £683,981; 2020: £268,978; 2019: £215,511). This rate is used to reflect the risk premium over the borrowing cost of ProCook Limited measured by reference to the ProCook Limited Group facilities.

Short term or low value lease expense

No short term or low value leases existed during the historical financial period.

Right of use assets

	Leasehold Property £'000	*Motor Vehicles £'000*	*Plant and Equipment £'000*	*Total £'000*
Cost				
At 2 April 2018	8,852	–	52	8,904
Additions	612	16	–	628
At 31 March 2019	9,464	16	52	9,532
Depreciation				
At 2 April 2018	–	–	–	–
Charge for the year	1,856	5	12	1,873
At 31 March 2019	1,856	5	12	1,873
Net book amount				
At 31 March 2019	7,608	11	40	7,659
Cost				
At 1 April 2019	9,464	16	52	9,532
Additions	2,716	79	–	2,795
Re-measurement	296	–	–	296
Disposals	(194)	–	–	(194)
At 29 March 2020	12,282	95	52	12,429
Depreciation				
At 1 April 2019	1,856	5	12	1,873
Charge for the period	2,372	17	12	2,401
Disposals	(193)	–	–	(193)
At 29 March 2020	4,035	22	24	4,081
Net book amount				
At 29 March 2020	8,247	73	28	8,348

	Leasehold Property £'000	Motor Vehicles £'000	Plant and Equipment £'000	Total £'000
Cost				
At 30 March 2020	12,282	95	52	12,429
Additions	8,878	8	–	8,886
Re-measurement	1,172	–	–	1,172
Disposals	(729)	(16)	–	(745)
At 4 April 2021	21,603	87	52	21,742
Depreciation				
At 30 March 2020	4,035	22	24	4,081
Charge for the period	2,599	35	12	2,646
Disposals	(552)	(15)	–	(567)
At 4 April 2021	6,082	42	36	6,160
Net book amount				
At 4 April 2021	15,521	45	16	15,582
Cost				
At 5 April 2021	21,603	87	52	21,742
Additions	1,785	108	–	1,893
Re-measurement	921	–	–	921
At 27 June 2021	24,309	195	52	24,556
Depreciation				
At 5 April 2021	6,082	42	36	6,160
Charge for the period	739	16	3	758
At 27 June 2021	6,821	58	39	6,918
Net book amount				
At 27 June 2021	17,488	137	13	17,638

Lease liabilities

	Leasehold Property £'000	Motor Vehicles £'000	Plant and Equipment £'000	Total £'000
At 2 April 2018	8,853	–	52	8,905
Additions	612	15	–	627
Interest expense	222	–	2	224
Lease payments	(1,960)	(5)	(13)	(1,978)
At 31 March 2019	7,727	10	41	7,778
At 1 April 2019	7,727	10	41	7,778
Additions	2,715	79	–	2,794
Re-measurement	297	–	–	297
Interest expense	239	1	2	242
Lease payments	(2,502)	(21)	(13)	(2,536)
At 29 March 2020	8,476	69	30	8,575

	Leasehold Property £'000	Motor Vehicles £'000	Plant and Equipment £'000	Total £'000
At 30 March 2020	8,476	69	30	8,575
Additions	9,932	8	–	9,940
Re-measurement	1,174	–	–	1,174
Interest expense	321	3	1	325
Lease payments	(2,342)	(37)	(12)	(2,391)
Disposals	(204)	–	–	(204)
At 4 April 2021	17,357	43	19	17,419
At 5 April 2021	17,357	43	19	17,419
Additions	1,784	108	–	1,892
Re-measurement	920	–	–	920
Interest expense	113	1	–	114
Lease payments	(853)	(14)	(3)	(870)
At 27 June 2021	19,321	138	16	19,475

Reconciliation of minimum lease payments and present value

	As at 2 April 2018 £'000	As at 31 March 2019 £'000	As at 29 March 2020 £'000	As at 4 April 2021 £'000	As at 27 June 2021 £'000
Within 1 year	1,884	2,052	2,502	3,156	3,388
Later than 1 year and less than 5 years	6,447	5,569	5,575	8,511	9,356
After 5 years	1,256	656	1,077	7,951	9,168
Total including interest cash flows	9,587	8,277	9,154	19,618	21,912
Less: interest cash flows	(682)	(499)	(579)	(2,199)	(2,437)
Total principal cash flows	8,905	7,778	8,575	17,419	19,475

Reconciliation of current and non-current lease liabilities

	As at 2 April 2018 £'000	As at 31 March 2019 £'000	As at 29 March 2020 £'000	As at 4 April 2021 £'000	As at 27 June 2021 £'000
Current	1,670	1,868	2,281	2,783	2,965
Non-current	7,235	5,910	6,294	14,636	16,510
Total	8,905	7,778	8,575	17,419	19,475

17. Intangible assets

	Computer software and development costs £'000	Total £'000
Cost		
At 2 April 2018	–	–
Additions	–	–
At 31 March 2019	–	–
Amortisation		
At 2 April 2018	–	–
Charge for the year	–	–
At 31 March 2019	–	–
Net book amount		
At 31 March 2019	–	–
Cost		
At 1 April 2019	–	–
Additions	–	–
At 29 March 2020	–	–
Amortisation		
At 1 April 2019	–	–
Charge for the period	–	–
At 29 March 2020	–	–
Net book amount		
At 29 March 2020	–	–
Cost		
At 30 March 2020	–	–
Additions	67	67
At 4 April 2021	67	67
Amortisation		
At 30 March 2020	–	–
Charge for the period	–	–
At 4 April 2021	–	–
Net book amount		
At 4 April 2021	67	67
Cost		
At 5 April 2021	67	67
Additions	90	90
At 4 July 2021	157	157
Amortisation		
At 5 April 2021	–	–
Charge for the period	–	–
At 27 June 2021	–	–
Net book amount		
At 27 June 2021	157	157

18. Investments

ProCook Limited substantially owns directly or indirectly the whole of the issued and fully paid ordinary share capital of its subsidiary undertakings.

The subsidiary undertakings of ProCook Limited are presented below:

Subsidiaries	*Principal activity*	*Country of incorporation*	*Registered address*	*Proportion of ordinary shares held by ProCook Limited*
ProCook (Kitchens) Limited	Dormant company	England & Wales	ProCook, Davy Way, Waterwells, Gloucester, United Kingdom, GL2 2BY	100%; (From incorporation at 11 February 2019)
ProCook (Steamer Trading) Limited	Provision of retail of cookware and related products	England & Wales	ProCook, Davy Way, Waterwells, Gloucester, United Kingdom, GL2 2BY	100%; (From incorporation at 9 January 2019)

ProCook Limited holds direct investments in all subsidiaries.

19. Inventories

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Finished goods and goods for resale	2,950	5,592	5,307	9,943	10,447

The cost of Group inventories recognised as an expense in the period to 27 June 2021 amounted to £4,174,010 (4 April 2021: £15,928,664; 29 March 2020: £13,728,953; 31 March 2019: £9,689,878). This is included in cost of sales.

20. Trade receivables

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Amounts falling due within one year:					
Trade receivables	30	9	–	1	–
Other receivables	–	285	270	516	1,307
Derivative financial instruments	–	173	–	–	–
Prepayments	527	448	512	1,371	989
	557	915	782	1,888	2,296

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are non-interest bearing. The carrying amount of trade and other receivables approximates fair value.

The ProCook Limited Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The ECL balance has been determined as £Nil based on historical data available to management in addition to forward looking information utilising management knowledge. Based on the analyses performed there is no material impact on the transition to ECL from previous methods of estimating the provision for doubtful accounts.

Included in other receivables at the year ended 29 March 2020 was £23,983 (31 March 2019: £26,210) owing from a Director. The balances were non-interest bearing and were repaid in full post each subsequent year end. In addition, supplier deposits are also held in other receivables consisting of £639,714 in the period ending 27 June 2021 (4 April 2021: £380,973; 29 March 2020: £167,530; 31 March 2019: £220,695).

Prepayments consist mainly of standard prepayments, which includes the likes of rates and electricity, with no material individual prepayments.

21. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks and investments in money market instruments. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as follows:

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Cash at bank available on demand	1,720	2,436	2,956	5,879	5,263
	1,720	2,436	2,956	5,879	5,263

22. Trade and other payables

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Amounts falling due within one year:					
Trade payables	339	1,060	1,292	2,705	1,831
Other payables	428	753	583	231	198
Accruals	466	764	1,065	2,098	3,116
Deferred income	–	47	133	182	96
Derivative financial instruments	508	–	–	949	726
Other taxation and social security	406	679	829	447	1,819
	2,147	3,303	3,902	6,612	7,786

The Directors consider that the carrying value of trade and other payables approximates to their fair value. Trade payables are non-interest bearing and are normally settled monthly.

Included in other payables was £58,429 at the period ended 27 June 2021 (4 April 2021: £95,820; 29 March 2020: £49,000) owing to a Director. The balances were non-interest bearing.

23. Borrowings

	As at 2 April 2018 £'000	As at 31 March 2019 £'000	As at 29 March 2020 £'000	As at 4 April 2021 £'000	As at 27 June 2021 £'000
Current					
Bank loans	1,724	3,099	3,916	2,803	70
Bank overdrafts	720	120	323	–	4
	2,444	3,219	4,239	2,803	74
Non-current					
Bank loans	2,865	3,321	2,357	–	–
Total borrowings	5,309	6,540	6,596	2,803	74

A maturity analysis of the ProCook Limited Group's borrowings is shown below:

	As at 2 April 2018 £'000	As at 31 March 2019 £'000	As at 29 March 2020 £'000	As at 4 April 2021 £'000	As at 27 June 2021 £'000
Payable within one year	2,444	3,219	4,239	2,803	74
Payable after one year but less than five years	1,132	1,786	1,020	–	–
Payable after five years	1,733	1,535	1,337	–	–
	5,309	6,540	6,596	2,803	74

Included in bank loans is a mortgage over the leasehold of Unit 2, Gateway 12 Business Park, Waterwells, Gloucester GL2 2BY. This charge was registered on 30 December 2015. The loan matures in 15 years from this date and incurs interest of 2% above Bank of England base rate. The loan was fully repaid in the year ended 4 April 2021.

Included in bank loans is a trade finance facility held with HSBC. The agreement is renewed annually and provides 150 day finance facility. At 27 June 2021 the facility held a limit of £4,000,000 of which the following amounts had been drawn down and were outstanding £70,038 (4 April 2021: £2,803,182; 29 March 2020: £2,930,145; 31 March 2019: £2,147,189; 2 April 2018: £1,262,541). The facility incurred interest payable at 27 June 2021 of 2% above the relevant currency base rate.

24. Other provisions

	As at 2 April 2018 £'000	As at 31 March 2019 £'000	As at 29 March 2020 £'000	As at 4 April 2021 £'000	As at 27 June 2021 £'000
Amounts falling after one year:					
Warranty provision	160	160	160	160	160
	160	160	160	160	160

25. Forward currency contracts

The ProCook Limited Group's local currency is pounds sterling but due to international purchases in foreign currencies, the ProCook Limited Group seeks to reduce the foreign exchange risk by entering into forward contracts and SWAPs. At 27 June 2021, the outstanding contracts all mature within 11 months of the period end. The ProCook Limited Group is committed to buy $33,615,750 and pay a fixed sterling amount of £24,937,500.

The contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates. The fair value movement of the foreign currency contracts are detail in note 11 above.

26. Retirement benefit plan

The ProCook Limited Group operates a defined contribution retirement benefit plan for all qualifying employees. The assets of the plans are held separately from those of the ProCook Limited Group in funds under the control of trustees. The total expense recognised in the statement of profit or loss and other comprehensive income for the year ended 4 April 2021 was £136,081 (29 March 2020: £127,503; 31 March 2019: £84,242) (For period ending 27 June 2021: £40,851 and period ending 21 June 2020: £24,632) represents contributions payable to these plans by the ProCook Limited Group at rates specified in the rules of the plans.

27. Share Capital

	As at 2 April 2018 £	*As at 31 March 2019 £*	*As at 29 March 2020 £*	*As at 4 April 2021 £*	*As at 27 June 2021 £*
Allotted, called up and fully paid					
10,000 Ordinary shares of 1p each	100	100	100	100	100
	100	100	100	100	100

All classes of shares have full voting, dividends and capital distribution rights.

The ProCook Limited Group operates a number of equity-settled share-based remuneration schemes for employees. The options will lapse if the individual leaves within ten years from the date of grant, if all vesting conditions had not been met earlier. The terms and conditions of the grants are detailed below:

Date of grant	*No. of options*	*Exercise price*	*Vesting conditions*	*Contractual life of options*
21 October 2015	536	101.73	Exit Event	10 years
16 November 2020	322	207.69	Exit Event	10 years
	858			

Details of the number of share options granted, exercised, lapsed and outstanding at the end of each period as well as the weighted average exercise prices in £ ("WAEP") are as follows:

	As at 2 April 2018	*WAEP*	*As at 31 March 2019*	*WAEP*	*As at 29 March 2020*	*WAEP*	*As at 4 April 2021*	*WAEP*	*As at 27 June 2021*	*WAEP*
Outstanding at beginning of period	536	101.73	536	101.73	536	101.73	536	101.73	858	141.50
Granted during the period	–	–	–	–	–	–	322	207.69	–	–
Forfeited/lapsed during the period	–	–	–	–	–	–	–	–	–	–
Exercised during the period	–	–	–	–	–	–	–	–	–	–
Outstanding at period end	536	101.73	536	101.73	536	101.73	858	141.50	858	141.50
Exercisable at end of period	–	–	–	–	–	–	–	–	–	–

All options valid at the end of each of the period presents had the same exercise condition based on an exit criterion. No expense was recognised in the statement of comprehensive income for the options outstanding as in the opinion of the Directors of ProCook Limited it was not highly probable that the exit criteria of the share option awards would be met in the foreseeable future at the balance sheet date for year period.

28. Reserves

Revaluation reserve

Revaluation reserve represents the surplus or deficit on the revaluation of assets less any associated deferred taxation. The revaluation reserve relates solely to the warehouse which was disposed of during the year ended 4 April 2021. This has therefore been transferred to retained earnings during that period.

Retained earnings

Cumulative profit and loss net of distributions to owners.

29. Commitments and contingences

Capital and financial commitments

On 2 September 2021 ProCook entered into a 15-year agreement for lease in respect of Unit 10, St, Moden Park, Harsefield, Gloucester, GL10 3EZ. The expected commencement of this lease is 1 August 2022, with expected rentals of £1,128,505 per annum and a rent-free period of 24 months, which will be spread evenly over the initial 48 months of the lease. The ProCook Limited Group held no additional capital, financial and or other commitments at any period end throughout the historical financial information period.

30. Financial Instruments

Financial assets

Financial assets are not measured at fair value and due to short-term nature, the carrying value approximates their fair value. They comprise trade receivables, other receivables, and cash. It does not include current tax receivable and prepayments.

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Trade receivables	30	9	–	1	–
Other receivables	–	285	270	516	1,307
Cash at bank and on hand	1,720	2,436	2,956	5,879	5,263
	1,750	2,730	3,226	6,396	6,570

Financial assets measured at fair value include derivative financial assets, as follows:

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Derivatives	–	173	–	–	–
	–	173	–	–	–

Derivatives are included within the balance sheet under trade and other receivables and are recognised under level 3 of the fair value hierarchy.

Financial liabilities

Financial liabilities measured are not measured at fair value and due to short-term nature, the carrying value approximates their fair value. They comprise trade payables, accruals and sale and borrowings.

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Trade payables	339	1,060	1,292	2,705	1,831
Other payables	428	753	583	231	198
Accruals	466	764	1,065	2,098	3,116
Borrowings	5,309	6,540	6,596	2,803	74
Lease liabilities	8,905	7,778	8,575	17,419	19,475
	15,447	16,895	18,111	25,256	24,694

Financial liabilities measured at fair value include derivative financial liabilities, as follows:

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Derivatives	508	–	–	949	726
	508	–	–	949	726

Derivatives are included within the balance sheet under trade and other payables and are recognised under level 3 of the fair value hierarchy.

Financial risk management

The ProCook Limited Group is exposed through its operation to the following financial risks: credit risk, interest rate risk, and liquidity risk. Risk management is carried out by the directors of the ProCook Limited Group. The ProCook Limited Group uses financial instruments to provide flexibility regarding its working capital requirements and to enable it to manage specific financial risks to which it is exposed.

The ProCook Limited Group finances its operations through a mixture of debt finance, cash and liquid resources and various items such as trade debtors and trade payables which arise directly from the Business's operations.

Credit risk

Credit risk is the risk of financial loss to the ProCook Limited Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. In order to minimise the risk, the ProCook Limited Group endeavours only to deal with companies which are demonstrably creditworthy and this, together with the aggregate financial exposure, is continuously monitored. The maximum exposure to credit risk is the carrying value of its financial receivables, trade and other receivables and cash and cash equivalents as disclosed in the notes to the historical financial information.

The receivables' age analysis is evaluated on a regular basis for potential doubtful debts, considering historic, current and forward-looking information. No impairments to trade receivables, have been made to date. Further disclosures regarding trade and other receivables are provided within the notes to historical financial information.

Credit risk also arises on cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "B+" are accepted.

Currently all financial institutions whereby ProCook Limited holds significant levels of cash are rated from AA- to A+.

Interest rate risk

As at 27 June 2021 the ProCook Limited Group's only current borrowings are the HSBC financing facility at a floating interest rate of the Bank of England base rate +2%, this is variable on the amount drawn down, therefore interest rate risk exposure for the ProCook Limited Group is minimal. The ProCook Limited Group's policy aims to manage the interest cost of the ProCook Limited Group within the constraints of its financial borrowings.

Foreign exchange risk

Foreign exchange risk arises when the ProCook Limited Group enter into transactions in a currency other than their functional currency. The ProCook Limited Group's policy is, where possible, to settle liabilities denominated in a currency other than its functional currency with cash already denominated in that currency.

The ProCook Limited Group will make purchases of large inventory orders from overseas, and the ProCook Limited Group will use additional means to cover its exposure to the foreign exchange movement. The ProCook Limited Group will use various financial derivatives such as forward exchange contracts, to hedge against any predicted movement in foreign currency to restrict losses and to ascertain control of expected cash out flows. All the ProCook Limited Groups foreign exchange contracts are designated to settle the corresponding liability.

Liquidity risk

The ProCook Limited Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the ProCook Limited Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the ProCook Limited Group's trade and other payables is shown below:

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Less than one year:					
Trade payables	339	1,060	1,292	2,705	1,831
Other payables	428	753	583	231	198
Accruals	466	764	1,065	2,098	3,116
Borrowings	2,444	3,219	4,239	2,803	74
Lease liabilities	1,670	1,868	2,281	2,783	2,965
	5,347	7,664	9,460	10,620	8,184

	As at 2 April 2018 £'000	*As at 31 March 2019 £'000*	*As at 29 March 2020 £'000*	*As at 4 April 2021 £'000*	*As at 27 June 2021 £'000*
Due after one year:					
Borrowings	2,865	3,321	2,357	–	–
Lease liabilities	7,235	5,910	6,294	14,636	16,510
	10,100	9,231	8,651	14,636	16,510

A maturity analysis of borrowings is shown in separately in note 23 to historical financial information.

Capital disclosures

The capital structure of the business consists of cash and cash equivalents, debt and equity. Equity comprises share capital and retained profit and is equal to the amount shown as 'Equity' in the balance sheet. As at 27 June 2021 Debt comprised of one HSBC finance loan which is set out in further detail above and in the notes to the accounts.

The ProCook Limited Group's current objectives when maintaining capital are to:

- Safeguard the ProCook Limited Group's ability as a going concern so that it can continue to pursue its growth plans.
- Provide a reasonable expectation of future returns to shareholders.
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The ProCook Limited Group sets the amount of capital it requires in proportion to risk. The ProCook Limited Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the ProCook Limited Group may issue new shares or sell assets to reduce debt.

During the periods ended covered within the historical financial information the ProCook Limited Group's business strategy remained unchanged.

31. Business combinations during the periods covered by the HFI

Steamer Trading Limited

On 9 January 2019, ProCook Limited completed the acquisition of the business and assets of Steamer Trading Limited for a total consideration of £1,119,900 in cash.

The principal reason for the acquisition was the seller to acquire the inventories, property, plant and equipment and licenses for the stores. The following table summarises the fair value of assets acquired, and liabilities assumed at the acquisition date:

	Fair value *£'000*
Property, plant and equipment	500
Inventories	2,672
Cash and cash equivalents	5
Deferred tax liability	(294)
Total fair value	2,883
Consideration settled in cash	1,120
Gain on bargain purchase	(1,763)

The negative goodwill of £1,763,224 has been recognised in the Income Statement at the acquisition date as a gain on bargain purchase. A gain on bargain purchase derived from Steamer Trading Limited being under a creditor voluntary liquidation at the time its assets were acquired.

No trade receivables were acquired. Acquisition costs totalled £32,589 and are disclosed within the statement of comprehensive income. In the period from 9 January 2019 to 31 March 2019, Steamer Trading Limited has contributed £2,264,324 to the ProCook Limited Group's revenues and a loss of £211,578 to the ProCook Limited Group's comprehensive profit. Disclosure of the revenue and profit that Steamer Trading Limited would have contributed if the acquisition had occurred on 2 April 2018 is deemed impractical, given the difference accounting reference date of Steamer Trading prior to being acquired by ProCook Limited.

32. Related Parties

Included in trade debtors at the period ending 27 June 2021 was £12,057 (4 April 2021: £11,208; 29 March 2020: £3,995; 31 March 2019: £9,523) owing from Quella Bicycle Limited which shares a director with the ProCook Limited Group. No interest is charged on this balance.

Included in other debtors at the period ending 27 June 2021 was £Nil (4 April 2021: £Nil; 29 March 2020: £23,983; 31 March 2019: £26,210) owing from a Director at the year end. The balance is non-interest bearing and was repaid in full post year end.

Included in other creditors at the period ending 27 June 2021 was £55,246 (4 April 2021: £49,318; 29 March 2020: £27,587; 31 March 2019: £3,588) owed to a charity called Life's a Beach which is controlled by a director of the entity.

Included in other payables was £55,246 at the period ending 27 June 2021 (4 April 2021: £95,820; 29 March 2020: £49,000) owing to a Director. The balances were non-interest bearing.

33. Ultimate controlling party

The Directors do not consider there to be one ultimate controlling party.

34. Events after the reporting period

There are no material events after the reporting period.

35. Changes in liabilities arising from financing activities

	At 5 April 2021 £'000	*Financing cash flows £'000*	*Interest £'000*	*New borrowings and remeasurements £'000*	*Reclass £'000*	*At 27 June 2021 £'000*
Short-term borrowings	2,803	(2,813)	10	74	–	74
Lease liabilities	17,419	(870)	114	2,812	–	19,475
Total liabilities from financing activities	20,222	(3,683)	124	2,886	–	19,549

	At 30 March 2020 £'000	*Financing cash flows £'000*	*Interest £'000*	*New borrowings and remeasurements £'000*	*Reclass £'000*	*At 4 April 2021 £'000*
Long-term borrowings	2,357	(2,559)	20	–	182	–
Short-term borrowings	4,239	(3,930)	68	2,608	(182)	2,803
Lease liabilities	8,575	(2,391)	325	10,910	–	17,419
Total liabilities from financing activities	15,171	(8,880)	413	13,518	–	20,222

	At 1 April 2019 £'000	Financing cash flows £'000	Interest £'000	New borrowings and remeasurements £'000	Reclass £'000	At 29 March 2020 £'000
Long-term borrowings	3,321	(78)	78	–	(964)	2,357
Short-term borrowings	3,219	(2,914)	163	2,807	964	4,239
Lease asset liabilities	7,778	(2,536)	242	3,091	–	8,575
Total liabilities from financing activities	14,318	(5,528)	483	5,898	–	15,171

	At 2 April 2018 £'000	Financing cash flows £'000	Interest £'000	New borrowings and remeasurements £'000	Reclass £'000	At 31 March 2019 £'000
Long-term borrowings	2,865	(82)	82	691	(235)	3,321
Short-term borrowings	2,444	(2,341)	114	2,767	235	3,219
Lease asset liabilities	8,905	(1,978)	224	627	–	7,778
Total liabilities from financing activities	14,214	(4,401)	420	4,085	–	14,318

36. Transition to IFRS

For all periods up to and including 4 April 2021, the ProCook Limited Group prepared its statutory financial statements in accordance with FRS 102. This is the first financial information the ProCook Limited Group has prepared in accordance with IFRS. The ProCook Limited Group's effective IFRS transition date for the purposes of this financial information was 2 April 2018. The effects of transition to IFRS on the balance sheets at 2 April 2018, 31 March 2019, 29 March 2020 and 4 April 2021 and the income statements for the years ended 31 March 2019, 29 March 2020 and 4 April 2021, are shown below. The Procook Limited Group have no obligation to file statutory financial statements with the Registrar of Companies for the period ended 27 June 2021, therefore no transition note is necessary for this period. In preparing the consolidated historical financial information of the Procook Limited Group, the Procook Limited Group has applied IFRS for the first time from 2 April 2018. The principles and requirements for first time adoption of IFRS are set out in IFRS 1. IFRS 1 allows certain exemptions in the application of standards to prior periods in order to assist companies with the transition process.

The Procook Limited Group have applied the requirements of IFRS 16 Leases from 2 April 2018, in advance of its effective date of 1 January 2019, to facilitate consistent presentation across the periods shown within the historical financial information. The effects of adoption have been recognised directly in opening retained earnings. The lease payments associated with leases for which the lease term ends within 12 months of the date of transition to IFRS and leases for which the underlying asset is of low value have been recognised as an expense on a straight-line basis over the lease term. No other transitional exemptions have been taken.

Estimates

The estimates within the statutory accounts up to 4 April 2021 are consistent with those made for the same dates in accordance with FRS 102 (after adjustments to reflect any differences in accounting policies).

The transition adjustments required on applying IFRS, as numbered in the tables below, were:

1. Under IFRS 16 the standard was effective from 1 January 2019, with early adoption applicable. The ProCook Limited Group have applied the modified retrospective approach adopting the standard effectively from 2 April 2018, the first day of the first period included in the historical financial information ("HFI") under IFRS, no other expedients were used on transition. Adjustments to leases under IFRS 16, to recognise leases previously recognised as operating leases as right-of-use assets. The initial recognition of right-of-use assets and lease liabilities as of 2 April 2018 was for £8,903,922 and £8,903,922 respectively, with a reduction in trade and other payables of £549,191 and reduction in property, plant and equipment of £33,561, with the difference recorded to retained earnings. In the year ended 31 March 2019 right-of-use assets decreased by £1,245,150 and lease liabilities decreased by £1,126,386, along with a decrease in trade and other payables of £58,614, an increase in property, plant, and equipment of £2,765 and a decrease of £33,340 in deferred tax liabilities. The impact of this adjustment has decreased operating expenses by £48,935, increased finance expense by £224,410 and decreased the tax expense by £33,340. In the year ended 29 March 2020 right-of-use assets increased by £688,640 and lease liabilities increased by £797,874, along with an increase in trade and other payables of £46,592, a reduction in property, plant, and equipment of £33,507 and a decrease of £35,740 in deferred tax liabilities. The impact of this adjustment has decreased operating expenses by £53,273, increased finance expense by £241,379 and decreased the tax expense by £35,740. In the year ended 4 April 2021 right-of-use assets increased by £7,234,238 and lease liabilities increased by £8,843,232, along with a decrease in trade and other payables of £1,525, an increase in property, plant, and equipment of £9,686 and a decrease of £303,578 in deferred tax liabilities. The impact of this adjustment has increased operating expenses by £1,272,691, increased finance expense by £325,092 and decreased the tax expense by £303,578. Additional detail on transition to IFRS 16 is detailed in the accounting policies note 2.20 and note 16.

2. Included in this adjustment is the restatement for stock in transit, which was recognised in the 2021 financial statements and revised 2020 figures correctly, however, was not adjusted for in the prior periods, which are included in the historical financial information. There is no impact to the income statement of the ProCook Limited Group.

3. Included in this adjustment is the restatement for the correct allocation of all borrowing amounts, whereby historically the short-term finance facility was recognised within other payables. This was recognised in the 2021 financial statements and revised 2020 figures correctly, however, was not adjusted for in the prior periods, which are included in the historical financial information. There is no impact to the income statement of the ProCook Limited Group.

The following transition adjustments required on applying IFRS, as numbered in the tables below, which would also have included restatement under FRS102 are continued as follows:

4. This adjustment was to correctly align the purchase of Steamer Trading Limited in line with IFRS. Historically the purchase of Steamer Trading Limited was not accounted for under business combinations in the FRS 102 financial statements. Upon review of the balance, on transition, it was deemed the business did meet the criteria of a business on acquisition and should have been classified under acquisition accounting. The balance has been correctly restated in the transition to IFRS, including the impact of IFRS 3. The impact of this adjustments in relation to restatement was an increase of £1,266,239 in inventories, a corresponding increase in trade and other payables of £1,266,134 and a decrease in operating expenses by £105, the impact under IFRS decreased trade and other payables by £1,266,134, has increased cost of sales by £791,000 and provided a gain on bargain purchase of £2,057,134 in the year ended 31 March 2019. It has further increased cost of sales expenses and decreased inventories by £1,266,239 in the year ended 29 March 2020, the net impact of restatement under FRS102 within operating expense is £nil. Included in the adjustments was the correction of the stock value which was previously accounted for including a provision to agree to discounted acquisition price, whereas this has been reversed on transition and stock valued at fair value. The deferred tax effect of this adjustment is detailed in the in the reconciliations from UK to IFRS.

5. This adjustment was to align revenue with IFRS 15, whereby revenue is to be recorded once all transfer of control has been passed to the consumer. Historically the ProCook Limited Group did not apply adjustments for the impact of timing differences between completion of order and actual delivery of online sales. The alignment of IFSR 15 would have also been a restatement under FRS102 as both risk and reward and transfer of control had taken place. The impact of this adjustment has decreased revenue by £46,597 and decreased cost of sale expenses by £14,690 and increased trade and other payables and inventories respectively, in the year ended 31 March 2019. The impact of this adjustment has decreased revenue by £86,268 and decreased cost of sale expenses by £26,029 and increased trade and other payables and inventories respectively, in the year ended 29 March 2020. The impact of this adjustment has decreased revenue by £48,772 and decreased cost of sale expenses by £10,415 and increased trade and other payables and inventories respectively, in the year ended 4 April 2021. The deferred tax effect of this adjustment is detailed in the in the reconciliations from UK to IFRS.

Balance sheet at 2 April 2018

	UK GAAP £'000	IFRS Adjust-ment[1] £'000	IFRS Adjust-ment[2] £'000	IFRS Adjust-ment[3] £'000	IFRS £'000
Assets					
Current assets					
Inventories	2,950	–	–	–	2,950
Trade and other receivables	557	–	–	–	557
Cash and cash equivalents	1,720	–	–	–	1,720
Total current assets	5,227	–	–	–	5,227
Non-current assets					
Property, plant, and equipment	6,544	(34)	–	–	6,510
Right-of-use assets	–	8,904	–	–	8,904
Total non-current assets	6,544	8,870	–	–	15,414
Total assets	11,771	8,870	–	–	20,641
Liabilities					
Current liabilities					
Trade and other payables	3,491	(81)	–	(1,263)	2,147
Lease liabilities	-	1,670	–	–	1,670
Borrowings	1,181	–	–	1,263	2,444
Corporation tax payable	136	–	–	–	136
Total current liabilities	4,808	1,589	–	–	6,397
Non-current liabilities					
Lease liabilities	-	7,235	–	–	7,235
Borrowings	2,865	–	–	–	2,865
Other provisions	160	–	–	–	160
Other payables	468	(468)	–	–	–
Deferred tax liabilities	240	–	–	–	240
Total non-current liabilities	3,733	6,767	–	–	10,500
Total liabilities	8,541	8,356	–	–	16,897
NET ASSETS	3,230	514	–	–	3,744
Equity attributable to owners of ProCook Limited					
Share capital	–	–	–	–	–
Revaluation reserve	472	–	–	–	472
Retained earnings	2,758	514	–	–	3,272
TOTAL EQUITY	3,230	514	–	–	3,744

Balance sheet at 31 March 2019

	UK GAAP £'000	B/fwd Adj £'000	IFRS Adjust-ment[1] £'000	IFRS Adjust-ment[2] £'000	IFRS Adjust-ment[3] £'000	IFRS Adjust-ment[4] £'000	IFRS 102 Restate-ment[4]	FRS 102 Restate-ment[5] £'000	IFRS £'000
Assets									
Current assets									
Inventories	3,948	–	–	363	–	–	1,266	15	5,592
Trade and other receivables	915	–	–	–	–	–	–		915
Cash and cash equivalents	2,436	–	–	–	–	–	–	–	2,436
Total current assets	7,299	–	–	363	–	–	1,266	15	8,943
Non-current assets									
Property, plant, and equipment	7,165	(34)	3	–	–	–	–	–	7,134
Right-of-use assets	–	8,904	(1,245)	–	–	–	–	–	7,659
Total non-current assets	7,165	8,870	(1,242)	–	–	–	–	–	14,793
Total assets	14,464	8,870	(1,242)	363	–	–	1,266	15	23,736
Liabilities									
Current liabilities									
Trade and other payables	5,143	(1,344)	(21)	363	(885)	(1,266)	1,266	47	3,303
Lease liabilities	–	1,670	198	–	–	–	–	–	1,868
Borrowings	1,071	1,263	–	–	885	–	–	–	3,219
Corporation tax payable	331	–	–	–	–	–	–	–	331
Total current liabilities	6,545	1,589	177	–	363	(1,266)	1,266	47	8,721
Non-current liabilities									
Lease liabilities	-	7,235	(1,325)	–	–	–	–	–	5,910
Borrowings	3,321	–	–	–	–	–	–	–	3,321
Other provisions	160	–	–	–	–	–	–	–	160
Other payables	388	(468)	80	–	–	–		-	–
Deferred tax liabilities	213	–	(33)	–	–	240	–	(6)	414
Total non-current liabilities	4,082	6,767	(1,278)	–	–	240	–	(6)	9,805
Total liabilities	10,627	8,356	(1,101)	363	–	(1,026)	1,266	41	18,52
NET ASSETS	3,837	514	(141)	(32)	1,026	–	–	(26)	5,210
Equity attributable to owners of ProCook Limited									
Share capital	–	–	–	–	–	–	–	–	–
Revaluation reserve	472	–	–	–	–	–		–	472
Retained earnings	3,365	514	(141)	–	–	1,026	–	(26)	4,738
TOTAL EQUITY	3,837	514	(141)	–		1,026	–	(26)	5,210

Income statement for the period ended 31 March 2019

	UK GAAP £'000	*IFRS Adjust-ment[1] £'000*	*IFRS Adjust-ment[2] £'000*	*IFRS Adjust-ment[3] £'000*	*IFRS Adjust-ment[4] £'000*	*FRS 102 Restate-ment[4] £'000*	*FRS 102 Restate-ment[5] £'000*	*IFRS £'000*
Revenue	27,827	–	–	–	–	–	(47)	27,780
Cost of sales	(9,066)	–	–	–	(791)	–	15	(9,842)
Gross profit	18,761	–	–	–	(791)	–	(32)	17,938
Operating expenses	(17,818)	49	–	–	–	–	–	(17,769)
Other income	–	–	–	–	–	–	–	–
Profit from operations	943	49	–	–	(791)	–	(32)	169
Finance income	–	–	–	–	–	–	–	–
Finance expense	(201)	(224)	–	–	–	–	–	(425)
Gain on bargain purchase	–	–	–	–	1,763	–	–	1,763
Other gains/(losses)	681	–	–	–	–	–	–	681
Profit before taxation	1,423	(175)	–	–	972	–	(32)	2,188
Tax expense	(310)	33	–	–	(54)	–	6	(217)
Profit for the period	1,113	(142)	–	–	1,026	–	(26)	1,971
Other comprehensive income								
Total other comprehensive income	–	–	–	–	–	–	–	–
Total other comprehensive income	1,113	(142)	–	1,026	–		(26)	1,971

Balance sheet at 29 March 2020

	UK GAAP £'000	B/fwd Adj £'000	IFRS Adjust-ment[1] £'000	IFRS Adjust-ment[2] £'000	IFRS Adjust-ment[3] £'000	IFRS Adjust-ment[4] £'000	FRS 102 Restate-ment[5] £'000	IFRS £'000
Assets								
Current assets								
Inventories	5,266	1,644	–	(363)	–	(1,266)	26	5,307
Trade and other receivables	782	–	–	–	–	–	–	782
Cash and cash equivalents	2,956	–	–	–	–	–	–	2,956
Total current assets	9,004	1,644	–	(363)	–	(1,266)	26	9,045
Non-current assets								
Intangible assets	–	–	–	–	–	–	–	–
Property, plant, and equipment	7,166	(31)	(34)	–	–	–	–	7,101
Right-of-use assets	–	7,659	689	–	–	–	–	8,348
Total non-current assets	7,166	7,628	655	–	–	–	–	15,449
Total assets	16,170	9,272	655	(363)	–	(1,266)	26	24,494
Liabilities								
Current liabilities								
Trade and other payables	3,917	(1,840)	(46)	(363)	2,148	–	86	3,902
Lease liabilities	–	1,868	413	–	–	–	–	2,281
Borrowings	4,239	2,148	–	–	(2,148)	–	–	4,239
Corporation tax payable	294	–	–	–	–	–	–	294
Total current liabilities	8,450	2,176	367	(363)	–	–	86	10,716
Non-current liabilities								
Lease liabilities	–	5,910	384	–	–	–	–	6,294
Borrowings	2,357	–	–	–	–	–	–	2,357
Other provisions	160	–	–	–	–	–	–	160
Other payables	296	(388)	92	–	–	–	–	–
Deferred tax liabilities	337	201	(36)	–	–	(240)	(12)	250
Total non-current liabilities	3,150	5,723	440	–	–	(240)	(12)	9,061
Total liabilities	11,600	7,899	807	(363)	–	(240)	74	19,777
NET ASSETS	4,570	1,373	(152)	–	–	(1,026)	(48)	4,717
Equity attributable to owners of ProCook Limited								
Share capital	–	–	–	–	–	–	–	–
Revaluation reserve	472	–	–	–	–	–	–	472
Retained earnings	4,098	1,373	(152)	–	–	(1,026)	(48)	4,245
TOTAL EQUITY	4,570	1,373	(152)	–	–	(1,026)	(48)	4,717

Income statement for the period ended 29 March 2020

	UK GAAP £'000	IFRS Adjust-ment1 £'000	IFRS Adjust-ment[2] £'000	IFRS Adjust-ment[3] £'000	IFRS Adjust-ment[4] £'000	FRS 102 Restate-ment[5]	IFRS £'000
Revenue	38,954	–	–	–	–	(86)	38,868
Cost of sales	(13,498)	–	–	(1,266)	–	26	(14,738)
Gross profit	25,456	–	–	(1,266)	–	(60)	24,130
Operating expenses	(23,417)	53	–	–	–	–	(23,364)
Other income	33	–	–	–	–	–	33
Profit from operations	2,072	53	–	(1,266)	–	(60)	799
Finance income	–	–	–	–	–	–	–
Finance expense	(241)	(242)	–	–	–	–	(483)
Gain on bargain purchase			–	–	–	–	–
Other gains/(losses)	(173)	–	–	–	–	–	(173)
Profit before taxation	1,658	(189)	–	(1,266)	–	(60)	143
Tax expense	(424)	36	–	240	–	12	(136)
Profit for the period	1,234	(153)	–	(1,026)	–	(48)	7
Other comprehensive income							
Total other comprehensive income	–	–	–	–	–		–
Total other comprehensive income	1,234	(153)	–	(1,026)	–	(48)	7

Balance sheet at 4 April 2021

	UK GAAP £'000	B/fwd Adj £'000	IFRS Adjust-ment[1] £'000	IFRS Adjust-ment[2] £'000	IFRS Adjust-ment[3] £'000	IFRS Adjust-ment[4] £'000	FRS 102 Restate-ment[5] £'000	IFRS £'000
Assets								
Current assets								
Inventories	9,892	41	–	–	–	–	10	9,943
Trade and other receivables	1,888	–	–	–	–	–	–	1,888
Cash and cash equivalents	5,879	–	–	–	–	–	–	5,879
Total current assets	17,659	41	–	–	–	–	10	17,710
Non-current assets								
Property, plant, and equipment	3,968	(65)	10	(67)		–	–	3,846
Right-of-use assets	–	8,348	7,234	–	–	–	–	15,582
Intangible assets	–	–	–	67		–	–	67
Total non-current assets	3,968	8,283	7,244	–	–	–	–	19,495
Total assets	21,627	8,324	7,244	–	–	–	10	37,205
Liabilities								
Current liabilities								
Trade and other payables	6,713	(15)	(135)	–	–	–	49	6,612
Lease liabilities	–	2,281	502	–	–	–	–	2,783
Borrowings	2,803	–	–	–	–	–	–	2,803
Corporation tax payable	413	–	–	–	–	–	–	413
Total current liabilities	9,929	2,266	367	–	–	–	49	12,611
Non-current liabilities								
Lease liabilities	–	6,294	8,342	–	–	–		14,636
Other provisions	160	–	–	–	–	–		160
Other payables	163	(296)	133	–	–	–		–
Deferred tax liabilities	426	(87)	(303)	–	–	–	(7)	29
Total non-current liabilities	749	5,911	8,172	–	–	–	(7)	14,825
Total liabilities	10,678	8,177	8,539	–	–	–	42	27,436
NET ASSETS	10,949	147	(1,295)	–	–	–	(32)	9,769
Equity attributable to owners of ProCook Limited								
Share capital	–	–	–	–	–	–		–
Retained earnings	10,949	147	(1,295)	–	–	–	(32)	9,769
TOTAL EQUITY	10,949	147	(1,295)	–	–	–	(32)	9,769

PART 7

ADDITIONAL INFORMATION

1. Responsibility Statement (1) 1.1

The Company and the Directors, whose names appear on page 28 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document does not omit anything likely to affect the import of such information. (1) 1.2

2. History and development

2.1 The Company was incorporated and registered in England and Wales on 14 October 2021 under the name of Project Berry Topco Limited with registered number 13679248 as a private company with limited liability under the 2006 Act. The Directors intend to change the Company's name to ProCook Group Limited. The LEI of the Company is 213800RWZMK3ARHMUN52. 1) 4.1 (1) 4.2 (1) 4.3

2.2 The Company's registered office and its head office is at ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY. It is domiciled in the United Kingdom.

2.3 The principal laws and legislation under which the Company operates and the Shares have been created are the 2006 Act and regulations made under that Act. (1) 4.4

2.4 The Company will, following the steps listed in paragraph 3.9 below, be the ultimate holding company of the Group, and have the following significant subsidiaries and undertakings: (1) 6.1 (1) 6.2

Name	*Country of incorporation*	*Principal Activity*
ProCook Limited	England and Wales	Trading
ProCook B.V.	The Netherlands	Trading
ProCook (Steamer Trading) Limited	England and Wales	Trading
ProCook (Kitchens) Limited	England and Wales	Dormant

The Company will, following the steps listed in paragraph 3.9 below, own directly or indirectly 100% of the issued shares of the above companies and can exercise 100% of the voting rights.

2.5 The registered office of each of the above companies is at ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY (except ProCook B.V., the registered of which is at Veerpolder 1 b, 2361KV, Warmond, Netherlands).

2.6 ProCook Limited was founded in 2008 following a purchase of assets from Pro Realisations Limited (which formerly traded as ProCook) which went into administration as a result of its bank withdrawing its financing facilities during the financial crisis.

3. Share capital

3.1 As at the date of this document, the issued and fully paid share capital of the Company was: (1) 19.1.1(a) (1) 19.1.1(b) (1) 19.1.1(c)

Issued Shares	
£	*Number*
£1	100

3.2 The Company does not have any limit on its authorised share capital as the concept of authorised share capital does not exist under the 2006 Act.

3.3 As at the date of this document, the Company holds no Shares in treasury. (1) 19.1.3

3.4 As at the date of this document, there are no convertible securities, exchangeable securities or securities with warrants in the Company. (1) 19.1.4

PART 7

ADDITIONAL INFORMATION

1. Responsibility Statement

The Company and the Directors, whose names appear on page 28 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document does not omit anything likely to affect the import of such information.

2. History and development

2.1 The Company was incorporated and registered in England and Wales on 14 October 2021 under the name of Project Berry Topco Limited with registered number 13679248 as a private company with limited liability under the 2006 Act. The Directors intend to change the Company's name to ProCook Group Limited. The LEI of the Company is 213800RWZMK3ARHMUN52.

2.2 The Company's registered office and its head office is at ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY. It is domiciled in the United Kingdom.

2.3 The principal laws and legislation under which the Company operates and the Shares have been created are the 2006 Act and regulations made under that Act.

2.4 The Company will, following the steps listed in paragraph 3.9 below, be the ultimate holding company of the Group, and have the following significant subsidiaries and undertakings:

Name	*Country of incorporation*	*Principal Activity*
ProCook Limited	England and Wales	Trading
ProCook B.V.	The Netherlands	Trading
ProCook (Steamer Trading) Limited	England and Wales	Trading
ProCook (Kitchens) Limited	England and Wales	Dormant

The Company will, following the steps listed in paragraph 3.9 below, own directly or indirectly 100% of the issued shares of the above companies and can exercise 100% of the voting rights.

2.5 The registered office of each of the above companies is at ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY (except ProCook B.V., the registered of which is at Veerpolder 1 b, 2361KV, Warmond, Netherlands).

2.6 ProCook Limited was founded in 2008 following a purchase of assets from Pro Realisations Limited (which formerly traded as ProCook) which went into administration as a result of its bank withdrawing its financing facilities during the financial crisis.

3. Share capital

3.1 As at the date of this document, the issued and fully paid share capital of the Company was:

Issued Shares	
£	*Number*
£1	100

3.2 The Company does not have any limit on its authorised share capital as the concept of authorised share capital does not exist under the 2006 Act.

3.3 As at the date of this document, the Company holds no Shares in treasury.

3.4 As at the date of this document, there are no convertible securities, exchangeable securities or securities with warrants in the Company.

3.5 As at the date of this document, there are no acquisition rights in the capital of the Company, obligations over authorised but unissued capital of the Company or undertakings to increase the capital of the Company.

3.6 The following alterations in the share capital of the Company have taken place since its incorporation:

(i) on the incorporation of the Company, the issued share capital of the Company was £1 divided into 100 Shares taken by the subscribers to the Company's memorandum of association.

3.7 As at the date of this document, there are no options to subscribe for shares in the Company granted to employees and Directors. Entitlements under some of the Share Options are intended to be exchanged for options to acquire Shares as part of the reorganisation described in paragraph 3.9 below. Any Share Options not exchanged for options to acquire Shares are expected to be released immediately prior to Admission.

3.8 Save as disclosed above and in paragraph 3.9 below, no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option. The Company proposes to make awards on Admission under share incentive schemes intended to be put in place at Admission.

3.9 The Group will undertake certain steps as part of a reorganisation of its corporate structure following the date of this document, as follows:

(i) the Company will acquire the entire issued share capital of ProCook Limited in exchange for the issue of 9,900 Shares;

(ii) the Company will undertake a bonus issue of shares to holders of Shares in proportion to their existing Shares of an additional 99,990,000 Shares to increase the Company's issued share capital;

(iii) the Company will undertake a capital reduction using the solvency statement procedure in the 2006 Act in order to create distributable profits in the Company;

(iv) certain existing options to acquire ordinary shares in ProCook Limited will be exchanged for options to acquire Shares;

(v) the trustee of an employee benefit trust to be settled by the Company will subscribe for Shares at par in order to satisfy certain awards under share incentive schemes intended to be put in place at Admission; and

(vi) prior to Admission, the Company will be re-registered as a public limited company with the name ProCook Group plc.

4. Articles of Association

The articles of association of the Company are suitable for a company of the size and with the ownership profile of the Company and are not suitable for a company the shares in which are admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Should the Company proceed with an initial public offering in the United Kingdom, it will adopt new articles of association which are suitable for a company the shares in which are admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, being the Articles, which would contain provisions to the effect set out below. This is a description of significant rights and does not purport to be complete or exhaustive.

(a) ***Objects***

The Articles contain no specific restrictions on the company's objects and therefore, by virtue of section 31(1) of the 2006 Act the Company's objects are unrestricted.

(b) ***Voting rights***

Subject to paragraph (g) below, and to any special terms as to voting upon which any shares may for the time being be held, on a show of hands, every member who (being an individual) is present in person or by proxy or (being a corporation) is present by a duly appointed representative shall have one vote and, on a poll, every member present in person or by a representative or proxy shall have one vote for every ordinary share in the capital of the Company held by him. A proxy need not be a member of the Company.

(c) ***Variation of rights***

If at any time the capital of the Company is divided into different classes of shares, all or any of the rights or privileges attached to any class of shares in the Company may be varied or abrogated with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. At every such separate general meeting (except an adjourned meeting), the quorum shall be two persons holding or representing by proxy one-third in nominal value of the issued shares of that class.

(d) ***Alteration of capital***

The Company may, by ordinary resolution, increase its share capital, consolidate and divide all or any of its share capital into shares of a larger nominal value, sub-divide all or any of its shares into shares of a smaller nominal value and cancel any shares not taken, or agreed to be taken, by any person.

The Company may, subject to the 2006 Act, by special resolution, reduce or cancel its share capital or any capital redemption reserve or share premium account.

Subject to and in accordance with the provisions of the 2006 Act, the Company may purchase its own shares (including any redeemable shares), provided that the Company shall not purchase any of its shares unless such purchase has been sanctioned by a special resolution passed at a separate meeting of the holders of any class of shares convertible into equity share capital of the Company.

(e) ***Transfer of shares***

A member may transfer all or any of his shares (1) in the case of certificated shares, by instrument in writing in any usual or common form or in such other form as may be approved by the Directors and (2) in the case of uncertificated shares, through CREST in accordance with and subject to the CREST Regulations and the facilities and requirements of the relevant system concerned. The instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, if the share is not fully paid, by or behalf of the transferee. The Directors may, in their absolute discretion, refuse to register a transfer of any share held in certificated form which is not fully paid, provided that dealings in the shares are not prevented from taking place on an open and proper basis. In the case of uncertificated shares, the Directors may only refuse to register a transfer in accordance with the CREST Regulations. The Directors may also refuse to register a transfer of shares (whether fully paid or not) if the transfer is in favour of more than four persons jointly. Subject to that and to paragraph (g) below, the Articles contain no restrictions on the free transferability of fully paid shares provided that the transfer is in respect of only one class of share and is accompanied by the share certificate and any other evidence of title required by the Directors and that the provisions in the Articles relating to the deposit of instruments for transfer have been complied with.

(f) ***Dividends***

The Company may, by ordinary resolution, declare dividends provided that no dividend shall be paid otherwise than out of profits and no dividend shall exceed the amount recommended by the Directors. The Directors may from time to time pay such interim dividends as appear to the Directors to be justified.

Subject to the rights of persons, if any, holding shares with special dividend rights, and subject to paragraph (g) below, all dividends shall be apportioned and paid pro rata according to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid. No amount paid or credited as paid in advance of calls shall be regarded as paid on shares for this purpose.

All dividends unclaimed for a period of 12 years after the payment date for such dividend shall, if the Directors so resolve, be forfeited and shall revert to the Company.

The Directors may, if authorised by an ordinary resolution of the Company, offer the holders of shares the right to elect to receive additional shares, credited as fully paid, instead of cash in respect of any dividend or any part of any dividend. The Directors may, at their discretion, make the right to participate in any such elections subject to restrictions necessary or expedient to deal with legal, regulatory or other difficulties in respect of overseas shareholders.

(g) ***Suspension of rights***

If a member or any other person appearing to be interested in shares held by such member has been duly served with notice under section 793 of the 2006 Act and is in default in supplying to the Company within 14 days (or such longer period as may be specified in such notice) the information thereby required, then, if the Directors so resolve, such member shall not be entitled to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of the shares which are the subject of such notice. Where the holding represents more than 0.25% of the issued shares of that class (calculated exclusive of any treasury shares of that class), the payment of dividends may be withheld, and such member shall not be entitled to transfer such shares otherwise than by an arm's length sale.

(h) ***Return of capital***

Subject to any preferred, deferred or other special rights, or subject to such conditions or restrictions to which any shares in the capital of the Company may be issued, on a winding-up or other return of capital, the holders of ordinary shares are entitled to share in any surplus assets pro rata to the amount paid up on their ordinary shares. A liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the 2006 Act, divide amongst the members in specie or in kind the whole or any part of the assets of the Company, those assets to be set at such value as he deems fair. A liquidator, with the sanction of a special resolution, may also vest the whole or any part of the assets of the Company in trustees on trusts for the benefit of the members.

(i) ***Pre-emption rights***

There are no rights of pre-emption under the Articles in respect of transfers of issued shares.

In certain circumstances, the members may have statutory pre-emption rights under the 2006 Act in respect of the allotment of new shares in the Company. Those statutory pre-emption rights would require the Company to offer new shares for allotment by existing members on a pro rata basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the members.

(j) ***General meetings***

Annual general meetings should be held within the time periods specified by the 2006 Act. Other general meetings may be called whenever the Directors think fit or when one has been requisitioned in accordance with the 2006 Act. Two members present in person or by proxy (or, being a corporation, present by a duly appointed representative) at the meeting and entitled to vote shall be a quorum for all purposes.

Annual general meetings or a meeting at which it is proposed to pass a resolution requiring special notice are called on at least 21 days' notice in writing, exclusive of the day of which the notice is served or deemed to be served and of the day on which the meeting is to be held.

Other general meetings are to be called on 14 days' notice in writing, exclusive of the day on which the notice is served or deemed to be served and the day on which the meeting is to be held. Notice is to be given to all members on the register at the close of business on a day determined by the Company, such day being not more than 21 days before the day that the notice of meeting is sent.

The Company may specify in the notice of meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person must be entered into the register in order to have the right to attend or vote at the meeting. In every notice calling a meeting of the Company, there shall appear, with reasonable prominence, a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend, speak and vote instead of him/her, and that a proxy need not be a member.

(k) ***Directors***

Save as provided in the Articles or by the terms of any authorisation given by the Directors, a Director shall not vote as a Director in respect of any contract, transaction or arrangement or proposed contract, transaction or arrangement or any other proposal whatsoever in which he (or a person connected with him) has any interest which (otherwise than by virtue of an interest in shares or debentures or other securities of or otherwise in or through the Company) and which conflicts or may conflict with the interests of the Company and, if he shall do so, his vote shall not be counted, nor in relation thereto shall he be counted in the quorum present at the meeting.

The Directors may authorise a Director to be involved in a situation in which the Director has or may have a direct or indirect interest which conflicts or may conflict with the interests of the Company and may impose such terms or conditions on the grant of such authorisation as they think fit and, in doing so, will act in such a way, in good faith, as they consider will be most likely to promote the success of the Company.

A Director shall (in the absence of some other interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution relating to any of the following matters, namely:

(i) the giving of any security, guarantee or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(ii) the giving of any security, guarantee or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) the granting of any indemnity or provision of funding pursuant to the Company's articles of association unless the terms of such arrangement confer upon such Director a benefit not generally available to any other Director;

(iv) an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or is to be or may be entitled to participate as a holder of securities or as an underwriter or sub-underwriter;

(v) any matters involving or relating to any other company in which he or any person connected with him has a direct or indirect interest (whether as an officer or shareholder or otherwise) provided that he and any persons connected with him are not to his knowledge the holder (otherwise than as a nominee for the Company or any of its subsidiary undertakings) of or beneficially interested in 1%, or more of any class of the equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purpose of the relevant Article to be a material interest in all circumstances);

(vi) an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom the arrangement relates; or

(vii) the purchase and/or maintenance of any insurance policy for the benefit of Directors or for the benefit of persons including Directors.

Fees may be paid out of the funds of the Company to Directors who are not managing or executive directors at such rates as the Directors may from time to time determine provided that such fees do not in the aggregate exceed the sum of £500,000 per annum (exclusive of value added tax if applicable) or such other figure as the Company may, by ordinary resolution, from time to time determine.

Any Director who devotes special attention to the business of the Company, or otherwise performs services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director, may be paid such additional remuneration as the Directors or any committee authorised by the Directors may determine.

The Directors (including alternate Directors) are entitled to be paid, out of the funds of the Company, all their travelling, hotel and other expenses properly incurred by them in and about the business of the Company, including their expenses of travelling to and from meetings of the Directors, committee meetings or general meetings.

A Director may hold any other office or employment with the Company (other than the office of auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. Subject to the 2006 Act and other companies legislation, a Director or intending Director may enter into any contract, arrangement, transaction or proposal with the Company relating to the tenure of any such other office or employment. Any such contract, arrangement, transaction or proposal, and any contract, arrangement, transaction or proposal in which any Director or any person connected with him is in any way interested (whether directly or indirectly) and which has been authorised by the Directors, cannot be avoided and a Director is not liable to account to the Company for any benefit realised from any such contract, arrangement, transaction or proposal by reason of either holding office as a Director or because of the fiduciary relationship established by that office if the Director has declared his interest in accordance with the 2006 Act.

Save as provided by the Articles or by the terms of any authorisation given by the Directors under the Articles, a Director shall not vote as a Director, or be counted in the quorum, in respect of any contract, transaction or arrangement or proposed contract, transaction or arrangement or any other proposal in which he has any interest which conflicts or may conflict with the interests of the Company (other than an interest in shares or debentures or other securities of or otherwise in or through the Company). If he does vote, his vote shall not be counted.

The remuneration and other terms and conditions of appointment of a Director appointed to any executive office or employment in the Company shall, from time to time (without prejudice to the provisions of any agreement between him and the Company), be fixed by the Directors or by any committee appointed by the Directors, and may (without limitation) be by way of fixed salary, lump sum, commission on the dividends or profits of the Company (or of any other company in which the Company is interested) or other participation in any such profits or by any combination of them.

(l) ***Borrowing Powers***

The Directors may exercise all the powers of the Company to borrow or raise money, to mortgage or charge all or any of its undertaking, property, assets and uncalled capital, to issue debentures and other securities and to give security, whether outright or as collateral security for any debt, liability or obligation of the Company, any subsidiary of the Company or of any third party provided that the Directors shall restrict the borrowings of the Company, and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries, so as to secure (as regards subsidiaries, so far as by such exercise they can secure) that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Group and for the time being owing to persons outside the Group shall not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to the greater of 2.5 times the adjusted capital and reserves of the Company and £150 million.

Those borrowing powers may be varied by an alteration to the Articles, which would require a special resolution of the Company.

5. Share incentive schemes

The Share Options are suitable for a company of the size and with the ownership profile of the Company and are not suitable for a company the shares in which are admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Should the Company proceed with an initial public offering in the United Kingdom, it will adopt new share incentive schemes which are suitable for a company the shares in which are admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities, details of which would be set out in a prospectus issued in connection with such initial public offering.

6. Directors', Senior Managers' and other interests

6.1 The Directors and Senior Managers, their functions within the Group and brief biographies are set out in Part 3 (Directors, Senior Managers and corporate governance).

6.2 The interests of each Director and Senior Manager, all of which are beneficial (except as noted below), in the share capital of the Company are as follows:

	Shares	*%*
Directors		
Greg Hodder	nil	–
Daniel O'Neill*	51	51
Steve Sanders	nil	–
Dan Walden	nil	–
Gillian Davies	nil	–
Luke Kingsnorth	nil	–
David Stead	nil	–
Senior Managers		
Sarah Savery-Smith	nil	–
Andy Kerr	nil	–
Paul Neiss	nil	–
Richard O'Neill	nil	–
Sarah Wheatley	nil	–

* This includes 20 Shares legal and beneficially held by Sarah O'Neill (Daniel O'Neill's wife) and 10 Shares held by Daniel O'Neill and Sarah O'Neill as trustees of the O'Neill 2021 Discretionary Trust.

6.3 The Directors and Senior Managers are also interested in unissued shares in ProCook Limited under the Share Options, which are intended to be exchanged for options to acquire Shares or released prior to Admission:

	Exercise price	*Shares in ProCook Limited*	*Latest exercise date/ exercise period*
Steve Sanders	£101.73	107	21 October 2025
Steve Sanders	£207.69	108	16 November 2030
Paul Neiss	£101.73	107	21 October 2025
Sarah Savery-Smith	£101.73	107	21 October 2025
Sarah Savery-Smith	£207.69	54	16 November 2030
Richard O'Neill	£207.69	107	16 November 2030
Andy Kerr	£101.73	54	21 October 2025
Andy Kerr	£207.69	53	16 November 2030

6.4 Save as disclosed above, no Director or Senior Manager has any interest in the share capital or loan capital of the Company nor does any person connected with any of the Directors or Senior Managers (within the meaning of section 252 of the 2006 Act) have any such interests, whether beneficial or non-beneficial.

6.5 The Directors and Senior Managers have held the following directorships and/or been a partner in the following partnerships within the five years prior to the date of this document (other than directorships held in the Company and its Subsidiaries):

Name	*Current directorships/partnerships*	*Former directorships/partnerships*
Directors		
Greg Hodder	Hotel Chocolat plc Jarrold & Sons Limited	IG Design Group plc Majestic Wines plc
Daniel O'Neill	Roasted Café Limited Quella Bicycle Limited Green Avenue Ltd	Quella Ltd
Steve Sanders	None	Fohan Ltd
Dan Walden	None	Booking.com Transport Limited Traveljigsaw Insurance Limited Rentalcars (Call Centre) Spain S.L.
Gillian Davies	Knights Group Holdings plc Ten Lifestyle Group plc Iverna Financial Ltd	Harwood Wealth Management Group Limited
Luke Kingsnorth	None	None
David Stead	Card Factory plc Joules Group plc Naked Wines plc	University of Birmingham Alfa Financial Software Holdings plc
Senior Managers		
Sarah Savery-Smith	None	None
Andy Kerr	None	None
Paul Neiss	None	None
Richard O'Neill	None	None
Sarah Wheatley	None	None

6.6 Save as disclosed above, no Director or Senior Manager has at any time within the previous five years:

(i) had any convictions in relation to fraudulent offences; or

(ii) been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or

(iii) been a director of any company which, while he was a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors; or

(iv) been a partner of any partnership which, while he was a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset: or

(v) had any public criticism and/or sanction by statutory or regulatory authorities (including designated professional bodies); or

(vi) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6.7 In 1993, Daniel O'Neill was a director of MJN Technology Limited when it went into administration. In connection with those circumstances, for a period of five years from 1996 following a charge of trading whilst insolvent, he was disqualified from acting as a director and in 2000, he pleaded guilty to fraudulent trading in carrying on the business of MJN Technology Limited for which he was ordered to pay the minimum fine of £2,000 and compensation of £17,500.

6.8 So far as the Directors are aware, there are no arrangements the operation of which may, at a later date, result in a change of control of the Company.

6.9 Save as disclosed in paragraphs 6.2 and 6.3 above and as set out below, the Company is not aware of any person who is directly or indirectly interested in 3% or more of the issued share capital or voting rights of the Company:

Name	*Shares*	*%*
Daniel O'Neill	21	21
Sarah O'Neill	20	20
Daniel O'Neill and Sarah O'Neill as trustees of the O'Neill 2021 Discretionary Settlement	10	10
Michael O'Neill	49	49

6.10 None of the Company's major holders of shares listed above has voting rights which are different from other holders of Shares. It is anticipated that a relationship agreement (as mandated by the Listing Rules), will be entered into on Admission to govern the relationship between the Company and any controlling shareholders.

6.11 There are no loans made or guarantees granted or provided by any member of the Group to or for the benefit of any Director or Senior Manager.

6.12 Save as set out in note 32 to the historical financial information in Part 6 (Historical financial information) of this document, no Director or Senior Manager is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and which was effected by any member of the Group during the current or immediately preceding financial year or which was effected by any member of the Group during any earlier financial year and remains in any respect outstanding or unperformed.

7. Directors service contracts, letters of appointment, remuneration and other matters

7.1 In the event that the Company resolves to proceed with Admission, Daniel O'Neill, Steve Sanders and Dan Walden would be engaged under service agreements with ProCook Limited in respect of their positions as Chief Executive Officer, Chief Operating Officer and Chief Financial Officer respectively. The Directors, ProCook Limited and the Company intend that, immediately following Admission, those agreements will be transferred by ProCook Limited to the Company, with those Directors' employment transferring from ProCook Limited to the Company.

The principal terms of those service agreements are summarised below:

Termination

Each Executive Director's service agreement is terminable by the Company or the respective Executive Director on six months' written notice. The Company is also entitled to terminate each Executive Director's service agreement with immediate effect by payment in lieu of notice equal to the basic annual salary that would have been payable to the Executive Director during the notice period, or without payment of notice in certain circumstances (e.g. gross misconduct). Each director may be placed on garden leave for the period of any notice.

Base salary

Daniel O'Neill receives a basic salary of £300,000 per annum, Steve Sanders receives a basic salary of £200,000 per annum and Dan Walden receives a basic salary of £250,000 per annum. The Executive Directors' salaries will be reviewed annually by the Remuneration Committee. There is no obligation to increase the relevant Executive Director's salary following a review.

Bonus and incentives

Each Executive Director may be allowed to participate in such bonus and incentive schemes as the Company operates and on such terms as the Board may determine from time to time. Details of the incentive arrangements which the Executive Directors may benefit from following Admission are set out in paragraph 5 above.

Pension and other benefits

Each Executive Director is entitled to a contributory workplace pension, to which they will be automatically enrolled, if eligible. Each Executive Director is entitled to participate in the Company's life assurance scheme after completing two years' service.

Confidentiality and other undertakings

Each Executive Director is subject to a confidentiality undertaking without limitation in time and to non-competition, non-solicitation, non-dealing and non-hiring restrictive covenants for a period of 12 months after the termination of their employment arrangement.

7.2 In the event that the Company resolves to proceed with Admission, Greg Hodder, David Stead, Gillian Davies and Luke Kingsnorth would be engaged under letters of appointment with the Company, with their services commencing at a date to be notified to them (anticipated to be in advance of Admission), in respect of their positions as Chair, Senior Independent Non-Executive Director, Independent Non-Executive Director and Independent Non-Executive Director respectively.

The principal terms of those letters of appointment are summarised below:

Term of appointment

Each appointment is for a fixed term of three years and can be renewed for a further period of three years or other additional period. Each appointment is subject to annual re-election by shareholders at each annual general meeting.

Each Non-Executive Director's appointment may be terminated at any time by either the Company or the respective Non-Executive Director giving the other three months' written notice or in accordance with the Articles.

Each Non-Executive Director's appointment will terminate automatically on 31 December 2021 if Admission has not occurred by that date.

Remuneration and benefits

Greg Hodder is entitled to receive £120,000 per annum for his role as Non-Executive Chair. That fee is inclusive of membership of any committees of the Board and his role as chair of the Nomination Committee.

David Stead is entitled to receive £45,000 per annum for his role as Non-Executive Director, and additional £5,000 per annum for his role as Senior Independent Non-Executive Director and an additional £5,000 per annum for his role as chair of the Remuneration Committee. Those fees are inclusive of membership of any committees of the Board.

Gillian Davies is entitled to receive £45,000 per annum for her role as Non-Executive Director and an additional £5,000 per annum for her role as chair of the Audit and Risk Committee. Those fees are inclusive of membership of any committees of the Board.

Luke Kingsnorth is entitled to receive £45,000 per annum for his role as Non-Executive Director. That fee is inclusive of membership of any committees of the Board.

Each of the Non-Executive Directors is entitled to reimbursement of reasonable and properly incurred expenses (including travel expenses).

Confidentiality and other undertakings

Each Non-Executive Director is subject to a confidentiality undertaking without limitation in time.

7.3 Save as set out in paragraphs 7.1 and 7.2 above, there are no service agreements or letters of appointment in existence between any of the Directors and any member of the Group.

8. Directors' and Senior Managers' remuneration in the financial period ended 4 April 2021

8.1 Under the terms of their service agreements and applicable incentive plans, in the financial period ended 4 April 2021, the aggregate remuneration and benefits of the Directors and the Senior Managers who served during that financial year, consisting of seven individuals, was £926,063.

The remuneration of each Director and Senior Manager for the financial period ended 4 April 2021 was as follows:

	Salary/ fees £	*Bonus* £	*Pension contribution* £	*Taxable benefits* £	*Total* £
Directors					
Daniel O'Neill	9,410	549	112	8,735	18,806
Steve Sanders	122,308	89,120	1,313	–	212,741
Dan Walden	–	–	–	–	–
Senior Managers					
Sarah Savery-Smith	71,346	89,120	1,313	–	161,779
Andy Kerr	71,346	89,120	1,313	–	161,779
Paul Neiss	71,346	89,120	1,313	–	161,779
Richard O'Neill	68,269	77,996	1,313	–	147,578
Sarah Wheatley	54,519	7,386	1,313	–	63,218

8.2 There is no arrangement under which any Director has waived or agreed to waive future emoluments nor has there been any waiver of emoluments during the financial year immediately preceding the date of this document.

8.3 For the financial period ended 4 April 2021, the Group made pension contributions (and other retirement related benefits (if any)) on behalf of the Directors and the Senior Managers who served during that financial year, consisting of eight individuals, in an aggregate amount of £7,990

9. Material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by any member of the Group during the two years preceding the date of this document and are or may be material or contain any provision under which any member of the Group has an obligation or entitlement which is material to the Group as at the date of this document:

9.1 ***Sale and leaseback***

ProCook Limited sold its long leasehold interest in Unit 2 Gateway, 12 Business Park, Davy Way, Waterwells, Gloucester on 10 September 2020 to Leftfield Logistics IX Limited ("the Buyer") for an aggregate consideration of £5,150,000. Immediately on completion of that sale, the Buyer granted an underlease back to the Company for a term of 20 years at an annual rent of £303,225 which is to be reviewed every 5 years in line with the open market.

9.2 ***Agreement for lease***

ProCook Limited entered into an agreement for lease with St Modwen Developments Limited on 2 September 2021 in relation to Unit 10, St Modwen Park, Gloucester GL10 3EZ ("the New Site"). The agreement for lease is conditional upon planning permission and vacant possession. There is a long stop date for satisfaction of those conditions of 2 March 2022. The New Site is intended to have an area of 167,268 square feet with rent based on the square footage of the New Site, when developed. The term of the lease which would be granted on completion of the agreement for lease is 15 years and ProCook Limited, as tenant, would benefit from security of tenure.

9.3 ***Bank facility***

On 14 October 2021, ProCook Limited entered into a new trade finance agreement with HSBC UK Bank plc, pursuant to which HSBC will provide a committed trade finance facility with an expiry date of 1 October 2023 and up to £5 million, with the ability for ProCook Limited to increase that amount to £6 million. The agreement contains covenants which the Directors consider are normal for an agreement of this nature.

10. Related party transactions

10.1 Save as set out below and in note 32 of the historical financial information in Part 6 (Historical financial information) of this document, there are no related party transactions that were entered into by members of the Group during the period covered by the financial information contained in Part 6 (Historical financial information) of this document or during the period from 5 April 2021 to 15 October 2021, being the date of this document:

Quella Bicycle Limited, a company of which Daniel O'Neill is a director, has agreed in principle the terms of a lease for a term of three years from the date of the lease to rent space at the Company's premises at Unit 2, St Modwen Park, Gloucester GL10 3EZ, for an annual rental of £7,000.

11. Investments and joint ventures

11.1 The Company currently has no material investments (in progress or planned for the future on which the Directors have made firm commitments or otherwise) other than the subsidiaries listed in paragraph 2.4 above and its planned investment in a new warehouse which, if it were to proceed, is anticipated to incur capital expenditure of approximately £1 million which would be funded from the Group's own resources.

11.2 The Company does not hold a proportion of the capital in any joint venture or undertakings, which is likely to have a significant effect on the assessment of its assets, liabilities, financial position or profits and losses, other than the subsidiaries listed in paragraph 2.4 above.

12. Significant change

There has been no significant change in the financial position or financial performance of the Group since 27 June 2021, being the date to which the latest historical financial information for the Group set out in Part 6 (Historical financial information) of this document was prepared.

13. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which, during the 12 months immediately preceding the date of this document, may have, or have had in the recent past, significant effects on the financial position or profitability of the Company or the Group.

14. General

14.1 BDO LLP has given and has not withdrawn its written consent to the inclusion in this document of its report in Section A of Part 6 (Historical financial information) of this document, and has authorised the contents of that report for the purposes of item 1.3 of the Prospectus Regulation. A written consent under the Prospectus Regulation Rules is different from a consent filed with the United States Securities and Exchange Commission under Section 7 of the Securities Act. BDO LLP has not filed and will not be required to file a consent under Section 7 of the Securities Act.

14.2 The annual accounts of ProCook Limited have been audited in accordance with national law for the financial periods ended 31 March 2019 and 29 March 2020 and 4 April 2021 by Saffrey Champness LLP, Chartered Accountants, of St Catherine's Court, Berkeley Place, Clifton, Bristol, BS8 1BQ. Auditors' reports in respect of each statutory accounts for the financial periods ended 31 March 2019, 29 March 2020 and 4 April 2021 have been made and each such report was an unqualified report.

15. Documents available for inspection

Copies of the following documents will be available on the Group's website, at www.procookgroup.co.uk, for a period of 12 months following the date of this document:

15.1 the Articles;

15.2 the historical financial information of ProCook Limited for the three financial periods ended 31 March 2019, 29 March 2020 and 4 April 2021 and 12 weeks ended 27 June 2021 together with the related accountant's report from BDO LLP which is set out in Part 6 (Historical financial information);

15.3 the consent letter referred to in paragraph 14.1 above; and

15.4 this document.

For the purposes of 3.2.2 of the Prospectus Regulation Rules, this document will be published in electronic form and available on the Company's website, at www.procookgroup.co.uk, subject to certain access restrictions.

Dated: 15 October 2021

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"2006 Act"	the Companies Act 2006, as amended
"Admission"	the admission of the Company's shares to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities
"Articles" or "Articles of Association"	the articles of association of the Company which, should it proceed with an initial public offering in the United Kingdom, it would adopt conditional on Admission
"Audit and Risk Committee"	the audit and risk committee of the Board
"Board" or "Directors"	the board of directors of the Company (including, for the purposes of this document, the proposed directors of the Company set out on page 28 of this document)
"Brexit"	the United Kingdom's exit from the European Union
"Chair"	the chair of the Board
"Company" or "ProCook"	Project Berry Topco Limited
"Covid-19"	the coronavirus which is known or referred to as "Covid-19"
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
"EU"	the European Union
"EUWA"	European Union (Withdrawal) Act 2018 (as amended from time to time)
"Executive Directors"	the executive directors of the Company
"FCA"	the UK Financial Conduct Authority
"FSMA"	the Financial Services and Markets Act 2000 (as amended from time to time)
"FY[XX]"	the financial period ended in the year specified
"GDPR"	Regulation (EU) 2016/679
"Group"	the Company and its Subsidiaries from time to time
"IFRS"	International Financial Reporting Standards as adopted by the EU
"LEI"	legal identity identifier
"Listing Rules"	the listing rules of the FCA made under section 73A(1) of FSMA
"London Stock Exchange"	London Stock Exchange plc
"Nomination Committee"	the nomination committee of the Board
"Non-Executive Directors"	the non-executive directors of the Company (including the Chair)
"Official List"	the official list of the FCA
"PCI-DSS"	the Payment Card Industry – Data Security Standard

"PECR"	the Privacy and Electronic Communications (EC Directive) Regulations 2003, as amended from time to time
"Pounds Sterling" or "£"	pounds sterling, the lawful currency of the UK
"Prospectus Regulation"	Regulation (EU) 2017/1129 as it forms part of the law of England and Wales by virtue of the EUWA, as amended by UK legislation from time to time
"Prospectus Regulation Rules"	the prospectus regulation rules of the FCA made under section 73A(1) of FSMA
"Regulation S"	Regulation S under the Securities Act
"Remuneration Committee"	the remuneration committee of the Board
"Securities Act"	the US Securities Act 1933, as amended
"Senior Managers"	those individuals identified as such in Part 3 (Directors, Senior Managers and corporate governance) of this document
"Shareholders"	the holders of Shares from time to time
"Share Options"	the existing options to acquire an aggregate of 858 ordinary shares of £0.01 in ProCook Limited
"Shares"	ordinary shares of £0.01 each in the capital of the Company
"Subsidiary"	has the meaning given to it in section 1159 of the 2006 Act and includes group companies included in the consolidated financial statements of the Group from time to time
"UK Corporate Governance Code"	the UK Corporate Governance Code issued by the Financial Reporting Council
"UK GDPR"	Regulation (EU) 2016/679 as it forms part of the law of England and Wales by virtue of the EUWA, as amended by UK legislation from time to time
"United Kingdom" or "UK"	the United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia

GLOSSARY

The following technical terms or other abbreviations (or variations of them) are used in this document:

AOV	average order value
bps	a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%
CAGR	compound annual growth rate
CRM	customer relationship management
CSR	corporate social responsibility
Designer Outlet Centre store	a ProCook store located in out of town retail centres predominantly occupied by "premium" brand retailers
Destination Retail store	a ProCook store located in a large shopping centre, such as Bluewater in Kent, which are seen as an all day retail and leisure experience by the consumer
EPOS	electronic point of sale
ESG	environmental, social and governance
FY	financial year ending in the year indicated
Garden Centre store	a ProCook store located in a garden centre which, together with associated retail offerings on site, is seen as an all day retail and leisure experience by the consumer
H	the relevant half of a calendar year, e.g., H1 2021 is the first half of 2021
KPI	key performance indicator
PPC	pay-per-click
retail	in relation to the Group, its retail channel
ROAS	return on advertising spend
Q	the relevant quarter of a calendar year, e.g., Q1 2021 is the first quarter of 2021
SKU	stock keeping unit