16 December 2021

ProCook Group plc

Interim results for the 28 weeks ended 17 October 2021

Strong revenue growth, gaining market share and making good strategic progress

ProCook Group plc ("ProCook" or "the Group"), the UK's leading direct-to-consumer specialist kitchenware brand, today announces its interim results for the first half of FY22 (the 28 weeks ended 17 October 2021).

£m	**H1 FY22**[1]	**H1 FY21**	***YoY*** [2]
Revenue	**32.1**	**23.9**	***+34.4%***
Gross Profit	***21.7***	***16.2***	***+34.4%***
Gross margin %	*67.8%*	*67.8%*	-
Underlying operating profit	**3.3**	**4.5**	***(26.9%)***
Underlying operating profit %	*10.4%*	*19.0%*	
Underlying Profit before tax (PBT)	**3.6**	**4.0**	***(11.0%)***
Net cash / (debt)	0.9	5.5	

Highlights

- Strong revenue growth of +34.4% continues in line with expectations (+70.8% Yo2Y and +142.5% Yo2Y LFL[3]). Channel performance in part reflecting fewer trading restrictions in Retail compared to the prior year:
    - Very strong growth on ProCook.co.uk direct website against tough comparatives +23.5% YoY and +309.7% Yo2Y. Total Ecommerce channel -3.7% YoY due to the strategic exit of Amazon UK
    - Retail performed exceptionally well with revenue of £16.9m, +108.4% YoY, and +77.7% on a Yo2Y LFL basis, since reopening in mid-April
- Significantly outperformed the UK kitchenware market (by +41.9%pts); consistently taking market share[4]
- Growth in active customers of +42.5% YoY. Attracted 319,000 new customers
- Repeat rate (within 12 months) increasing, with Retail +21.7% (+4.3%pts YoY) and Ecommerce[5] +27.8% (+4.2%pts YoY)
- Opened six new destination stores in line with plan, and a London cookery school. As planned, we have closed two high street stores. New stores at Westfield London (opens today) and Westfield Stratford City (opens Saturday)
- Strong inventory position as planned, with inventory on hand of £10.1m, +143.7% YoY, well positioned for peak period despite ongoing supply chain challenges, with good availability for customers
- Underlying PBT performance in line with expectations, reflecting more normal levels of digital marketing spend (lower costs last year during Covid-19 restrictions), retail stores reopening, and investment for continued growth
- Successful IPO with ProCook Group Plc admitted to the premium segment of the London Stock Exchange on 12 November 2021

Daniel O'Neill, CEO & Founder, commented:

"In our maiden set of results as a listed business, we are pleased with our strong performance in the first half. We have made good strategic progress as we continue to share our passion for cooking; attracting more customers to experience our brand and our extensive kitchenware offer.

"I am incredibly grateful to all of our People who have shown such commitment to serving our customers and the enthusiasm they bring to building our brand, despite such a difficult backdrop.

"The retail markets and wider markets are experiencing continued challenges and uncertainties. Whilst not immune to these, our direct-to-consumer business model provides a strong foundation. We believe we are well positioned to continue to disrupt the market with our beautiful and great value product ranges, accompanied by our excellent service proposition, and we are excited by the many opportunities ahead of us."

[1] Underlying operating profit and PBT is presented before exceptional costs in H1 FY22 of £1.4m incurred in relation to the IPO.
[2] YoY reflects year on year performance between H1 FY22 and H1 FY21
[3] Yo2Y LFL reflects:

- Retail Yo2Y LFL – Continuing Retail stores which were trading for at least one full financial year prior to 29 March 2020 inclusive of any stores which may have moved location or increased/ decreased footprint within a given retail centre
- Ecommerce LFL / Yo2Y LFL– Continuing ecommerce websites and marketplaces that have been trading for at least one full financial year prior to 4 April 2021 / 29 March 2020, excluding the UK Marketplace which ceased trading on 28th June 2021

[4] UK Kitchenware market growth (excluding ProCook) calculated using weekly GfK data and management estimates.
[5] Ecommerce repeat rates reflects repeat purchase from procook.co.uk acquired customers, excluding marketplace customers
[6] Latest analyst expectations include total revenue growth of +33.5% to £71.3m, and adjusted PBT of £10.0m
[7] Revenue growth in the eight weeks to 12 December 2021 reflects total business including retail sales and ecommerce sales orders despatched, but not yet adjusted for despatch to delivery timing differences year on year (expected to be minimal)

Analyst Presentation

There will be a live presentation for analysts and institutional investors this morning at 9.30am, hosted via a webinar. For details, please contact procook@mhpc.com.

For further information please contact:

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Next scheduled event

ProCook expects to release its third quarter trading update in January 2022.

Notes to editors

ProCook is the UK's leading direct-to-consumer specialist kitchenware brand. ProCook offers a direct-to-consumer proposition, designing, developing, and retailing a high-quality range of cookware, kitchenware and tableware which provides customers with significant value for money.

The brand sells directly through its website, www.procook.co.uk, and via over 50 own-brand retail stores, located across the UK. ProCook products are also available in Germany and France with delivery options extending to Belgium, Austria, Luxembourg, the Netherlands, and Poland.

Founded over 25 years ago as a family business, selling cookware sets by direct mail in the UK, ProCook has grown into a market leading, multi-channel specialist kitchenware company, employing over 650 colleagues, and operating from its Head Office in Gloucester.

ProCook has been listed on the London Stock Exchange since November 2021 (PROC.L) and has a current market capitalisation of approximately £150m.

CHIEF EXECUTIVE OFFICER'S REPORT

It gives me great pleasure to report on our progress for the first half of our financial year, following our successful IPO and admission to the premium segment of the London Stock Exchange a little over a month ago.

I would like to take the opportunity to thank all of our fantastic people, who have delivered such outstanding results over recent years. Their commitment, skill and ambition are both inspiring and humbling. I'd also like to extend my gratitude to our suppliers and partners, many of whom we have been working with for a long time, who have gone above and beyond to support ProCook, particularly during the recent challenges brought by the pandemic.

In the first half, we were very pleased to be able to welcome our customers back into our stores from mid-April as daily life began to return to something more normal. The recent outbreak of the new covid-19 variant has highlighted just how finely balanced this recovery is. We are committed to taking sensible and cautious measures to help protect our people and customers and keep everyone as safe as possible whilst this pandemic continues.

Finally, I am delighted to welcome our new Chairman, Greg Hodder, and our new Non-Executive Directors, David Stead, Gillian Davies, and Luke Kingsnorth, to the ProCook Group. I am looking forward to working with them all over the years ahead.

Continued momentum and strong trading performance

I am thrilled with our continued momentum and strong trading performance in the first half, and the increasing reach of the ProCook brand.

The UK kitchenware market[1] contracted by -2.8% in the first half, following a strong uplift last year as customers spent more time at home, enjoying more home-cooked meals and developing their hobbies. Impressively, ProCook has outperformed the market by +41.9 percentage points, consistently taking market share throughout the year to date.

We have achieved +34.4% revenue growth in the first half, building on the +27.1% achieved in the same period last year. On a two-year basis we have achieved +70.8% total growth, and on a two-year like for like basis, growth of +142.5%.

£m	**FY22 H1**	**H1 FY21**	***YoY %***	**H1 FY20**	***Yo2Y %***
Revenue	**32.1**	**23.9**	***34.4%***	**18.8**	***70.8%***
Ecommerce	15.2	15.8	*(3.7%)*	5.6	*169.9%*
Retail	16.9	8.1	*108.4%*	13.2	*28.4%*
Ecommerce Mix %	*47.3%*	*66.0%*		*29.9%*	

Our Ecommerce channel has performed in line with our expectations, representing 47.3% of our total revenue in the first half (H1 FY21: 66.0%) as Retail stores reopened, and customers returned to physical shopping. The performance of our own direct website has remained very strong, with revenue growing by +23.5% year on year (against exceptionally tough comparatives), and +309.7% on a two-year basis. As a whole, our Ecommerce revenue declined by -3.7% compared to the same period last year driven by the strategic decision we took to exit the Amazon UK marketplace at the end of June this year.

Revenue from our Retail stores has grown by +108.4% in the first half compared to the same period last year. Existing stores benefited from less social distancing restrictions year on year, and approximately 50% more opening time.

Performance in existing stores on a two year like for like basis was +77.7%. We have opened six new destination stores during the period, and as planned we have closed two high street stores which did not fit well with our retail portfolio of high-footfall locations. We open our new Westfield London store today, with another at Westfield Stratford City opening this Saturday (18th December).

Our profit performance in the first half is in line with our expectations and reflects the seasonal profile we expect in the first half; profits in the second half of the year typically being stronger as volumes increase during peak. We have returned to more normal levels of digital marketing spend this year, after particularly low spend last year whilst online demand was especially high during lockdown periods. We have continued to invest for growth, in new brand marketing activities and in new people to support the ongoing development of the business.

Further detail on our financial performance in the first half is set out in the Financial Review.

[1] Kitchenware market (excluding ProCook) calculated using GfK data and management estimates. Excludes small kitchen electricals.

A clear strategy for sustainable growth

Our mission to become the customers' first choice for Kitchenware is supported by a clear and straightforward strategy for growth building on our strengths and well-established foundations. We have made strong progress with our two strategic priorities during the first half, and in developing our customer offer.

Priority 1: Attracting more customers to our brand

We have accelerated growth in new customer acquisition, with 319,000 new customers acquired in H1 (+72% YoY). Of these, 106,000 have been acquired through our direct Ecommerce channels (+12.5% YoY, +304.8% Yo2Y) and 213,000 through our Retail stores (+139.9% YoY, +51.2% Yo2Y).

Our active customer database is now up to 733,000 at the end of the first half which is 42.5% higher year on year and our total customer database is now exceeds 2.8 million customers.

Priority 2 – Increasing the life time value of our customers

We very closely monitor the two key components of life time value; repeat rates and average order values, and the trends are encouraging.

In the first half our Ecommerce repeat purchase rate within 12 months increased to 27.8% (+4.2 percentage points year on year) and in Retail, we achieved an increase to 21.7% (+4.3 percentage points year on year).

Average transaction values also continued on an upward trajectory with Ecommerce increasing to £65 excluding VAT (+11.1% year on year) supported by the higher mix of customers transacting on our own direct website, and in retail it increased to £35 excluding VAT (+7.6% year on year).

Developing our customer offer in H1

In the UK we have continued our focus on Ecommerce capabilities, deploying a number of platform improvements to re-vamp our check-out, re-design our product landing pages, introduce a new navigation header bar, and to increase payment options adding in Apple pay and Google pay. We are committed to continually developing our capabilities in this area.

We have opened six new stores in retail destination locations where footfall remains strong, and where we anticipate better performance over the years ahead. We are pleased with the performance of these stores since they have opened.

We have also trialled new customer acquisition channels including paid social activities and brand campaigns including press, TV, and social media channels as we seek to attract new customers to experience and benefit from the ProCook proposition. We are learning fast about what works best and how to move forward in this area.

We have also developed, opened, and launched our new Cookery School, located on Tottenham Court Road in central London. We are excited by the potential this offers us to provide more inspiration and experiences to our customers, and to showcase our passion for cooking. We anticipate that over time, we will be able to create our own unique digital content with this fantastic new facility.

Work has begun on our new fully localised and translated EU website technology, and we are making good progress here. Furthermore, we have begun discussions with landlords of outlet centre retail stores in Germany and the Netherlands in anticipation of opening selected trial stores in the next financial year. Our distribution operations in the Netherlands are now functioning well. Our approach to European expansion is expected to be capital-light, and we are adopting a test-and-learn methodology to ensure we have the right level of confidence to build our footprint in these markets.

From a product perspective, our design and sourcing work is continually evolving and improving. We have extended our glassware and tabletop accessory ranges, introduced a fantastic new range of ProCook coffee, and begun the design and development of new small kitchen electrical product ranges.

Developing our customer offer in H2

In the second half of the year, we plan to continue the development of the UK channels, specifically the Ecommerce website, and the UK stores, opening the two new stores in central London at the Westfield shopping centres. We expect these stores to support the raising of our brand profile inside the M25 where we are least well known. We will continue to develop our paid social and brand marketing capabilities, learning as we go about what works best for ProCook. We will ramp up our Cookery School operations, enabling more customers to develop their own skills and passion for cooking.

We also intend to launch our first EU direct website in Germany before the year end and we will test this carefully before ramping up activity and extending shortly afterwards to France and the Netherlands. We will continue the planning for EU trial store openings ready for the next financial year and will scale up the distribution operations in the Netherlands ready for the anticipated volume growth in the EU.

We are planning to further extend our table accessories ranges and re-launch certain kitchen knives ranges over the second half which will see further improvements in product quality and customer value. We will continue our work to progress the development of our small kitchen electricals offer with our suppliers, which is taking longer than we would normally like due to the current Covid-19 challenges.

Building on our foundations

Over the course of the full year, we are committed to investing in our infrastructure and foundations to ensure we have an agile and scalable platform for continued growth, whilst simultaneously reducing our environmental footprint.

We are committed to making ProCook an even better place to work. We have recently launched new enhanced employee benefits and a new Save As You Earn scheme, and we are committed to our membership of the Living Wage Foundation. We were recently certified as a "Great Place to Work" and we will promote and celebrate this with our colleagues over the months ahead as we progress our BCorp application which is well underway.

We are passionate about reducing our environmental footprint and over the course of the second half we are excited by the opportunity to develop our new partnership with the Woodland Trust and are in the process of developing our environmental management framework.

Summary & Outlook

Our performance throughout the first half has been strong, and our market share gains and our improving customer acquisition and repeat metrics highlight the growing awareness and appeal of the ProCook proposition.

Our direct-to-consumer business model provides a strong platform for continued growth as a disruptor in the well-established kitchenware market. With our strategic ambition to become the customers' first choice for kitchenware, and a clear plan building on our strengths and well-established foundations, we are excited about the opportunity ahead of us to attract more customers, increase life time value, and deliver sustainable growth over the long term.

Performance in the eight weeks to 12 December 2021 has been in line with our expectations. Customers have responded positively to our Black Friday campaign and we have recorded our strongest ever week. We continue to significantly outperform the kitchenware market and with good levels of product availability, we are well positioned as we progress through the remainder of our peak trading period.

The consumer and economic backdrop remains uncertain, particularly in light of the new Omicron variant which has impacted high street footfall in recent weeks, and the ongoing supply chain disruption and cost inflation. Nonetheless, we remain focused on delivering the excellent value and service to our customers that we are becoming well-known for. Absent of any significant trading impact or disruption from COVID-19, the Board anticipates full year performance will be in line with expectations.

Daniel O'Neill
Chief Executive Officer
16 December 2021

CHIEF FINANCIAL OFFICER'S REVIEW

Financial Summary

H1 - 28 weeks	**H1 FY22**			**H1 FY21**	***YoY% (FY22***
£'m	**Underlying**	**Adjusting items**	**Reported**	**Reported**	***Underlying)***
Revenue	**32.1**	**-**	**32.1**	**23.9**	*34.4%*
Gross profit	21.7	-	21.7	16.2	*34.4%*
GP%	*67.8%*	-	*67.8%*	*67.8%*	
Net operating costs	(18.4)	(1.4)	(19.8)	(11.6)	*(58.3%)*
Operating profit	**3.3**	**(1.4)**	**2.0**	**4.5**	*(26.9%)*
OP %	*10.4%*	-	*6.1%*	*19.0%*	
Finance expense	(0.2)	-	(0.2)	(0.2)	*(23.4%)*
Other gains/ losses	0.5	-	0.5	(0.3)	-
Profit before tax	**3.6**	**(1.4)**	**2.2**	**4.0**	*(11.0%)*
PBT %	*11.2%*	-	*7.0%*	*16.9%*	
Adjusted EBITDA	**5.3**	**(1.4)**	**4.0**	**6.3**	*(15.0%)*
EBITDA %	*16.6%*		*12.4%*	*26.3%*	

Revenue

Total revenue for H1 FY22 (the 28-week period ending 17 October 2021) increased by 34.4% to £32.1m (H1 FY21: £23.9m).

Ecommerce revenue decreased by -3.7% to £15.2m (H1 FY21: £15.8m) primarily due to the reopening of the Retail stores, and the strategic decision taken to exit the UK Amazon marketplace channel at the end of June 2021 which reduced Ecommerce revenue by -17.1% in the first half. This was partly offset by significant growth in the ProCook direct website with revenue increasing by +23.5%. On a two-year like-for-like basis Ecommerce revenue increased by +249.8%.

Retail revenue increased significantly by +108.4% to £16.9m (H1 FY21: £8.1m), benefiting from an approximate +50% increase in store opening time due to Covid-19 restrictions in the comparative period, and net four new stores (six new stores, two closures) opening in the period. Revenue growth benefited from an increase in ATV of +7.6% within retail and higher conversion. On a two-year like-for-like basis, revenue in existing stores in FY20 grew by +77.7% over the first half.

Gross margin

Gross margin of 67.8% was in line with the same period last year, despite the impact of increased marine freight costs of approximately £0.6m incurred in the year to date (impact of -180bps) due to the various macro challenges around the global supply chain. Underlying product margins remain strong and stable.

Operating costs

Operating costs for the period were £18.7m (H1 FY21: £13.0m), an increase of +43.8%. The key drivers of this increase were:

- Ecommerce costs +£1.3m:
  - Digital marketing costs +£1.2m returning to more normal levels, as expected, due to unusually low costs in the comparative period as a result of exceptional online demand during the Covid-19 restrictions
  - Additional distribution and warehousing costs year on year of £0.6m, partly offset by;
  - Lower Amazon UK fees following the strategic exit of that channel -£0.5m
- Retail costs +£3.5m:
  - New stores impact of +£0.9m
  - Re-opening and volume impact: +£2.6m, (including non-repeating prior year government support +£1.1m which supported staff costs and rates whilst non-essential retail stores were closed)
- Central costs +£1.9m as we continued to invest for growth in brand marketing (£1.0m) and new people

Underlying operating costs before adjusting items in relation to IPO exceptional costs, as a percentage of sales were 57.4%, reflecting improved operational leverage compared to pre-pandemic levels.

Operating Profit

Operating profit generated in the Ecommerce and Retail channels totalled £7.8m in the first half (H1 FY21: 7.1m) a +10% improvement. Operating margins reflect the seasonal profile of the business, typically increasing in the second half as volumes increase during peak trading as fixed overheads are better absorbed.

£m	**H1 FY22[1]**	**H1 FY21**	***YoY %***
Ecommerce			
Revenue	15.2	15.8	*(3.7%)*
Operating profit	3.6	5.4	*(35.8%)*
Operating profit %	*23.5%*	*34.1%*	
Retail			
Revenue	16.9	8.1	*108.4%*
Operating profit	4.2	1.7	*145.7%*
Operating profit %	*25.1%*	*21.3%*	
Underlying central operating costs	(4.5)	(2.5)	*(72.4%)*
Underlying operating profit	**3.3**	**4.5**	*(26.9%)*
Operating profit %	*10.4%*	*19.0%*	

Underlying operating profit for the period was £3.3m (H1 FY21: £4.5m), a decrease of -£1.2m, in line with our expectations for the period.

[1] FY22 Underlying central operating costs and underlying operating profit presented before adjusting items of £1.4m in H1 in relation to exceptional IPO costs

Financial items

There was a net gain of £0.3m (H1 FY21: £0.5m loss) in respect of financial items in the period. This includes interest on lease liabilities of £0.2m (H1 FY21: £0.2m), interest payable and on the Group's trade finance facility amounting to £24k (H1 FY21: £60k) and an unrealised gain of £0.5m (H1 FY21: £0.3m loss) on foreign exchange differences on the translation of dollar denominated assets and liabilities.

Profit before / after Tax

Underlying profit before tax in the period of £3.6m (H1 FY21: £4.0m), was in line with our expectations for the first half.

Non-recurring IPO advisory costs of £1.4m have been recognised as adjusting items during the period. After these costs, reported profit before tax was £2.2m in H1 FY22.

Profit after tax and adjusting IPO cost items, was £1.7m (H1 FY21: £3.2m) reflecting the projected full year effective tax rate of 22.4% (H1 FY21: 21.9%).

Cash generation and net cash

In the period, the Group’s free cash flow was £0.4m (see comment below) after investment in net working capital of £0.3m (£3.6m increase in inventory, £0.3m increase in trade and receivables, largely offset by a £3.5m increase in trade and other payables), and capital expenditure of £1.9m in respect of the 6 new stores and the cookery school which were opened in the year to date. Tax paid of £1.4m in the year to date reflects final payment in respect of FY21 and a shift to quarterly payments to HMRC as a result of moving into the “large company” status.

£m	H1 FY22	H1 FY21
Operating profit (after adjusting items costs)	**2.0**	**4.5**
Depreciation and amortisation	2.0	1.7
Net working capital movement	(0.3)	1.6
Other non-cash movements	0.1	0.1
Tax paid	(1.4)	-
Net cash from operations	**2.3**	**8.0**
Capital expenditure	(1.9)	3.3
Free cash flow[1]	**0.4**	**11.3**
Net cash flow	**(1.6)**	**4.2**
Net bank cash/ (debt) at end of period	0.9	5.5

[1] Free cash flow is defined as net cash from operations after capital expenditure. This measure is presented before financing cash flows.

The Group has invested in increased stock levels to protect peak trading and ensure strong levels of availability whilst global supply chain challenges continue. Inventory on hand (excluding inventory in transit) was £10.1 million as at 17 October 2021 (H1 FY21: £4.1m) up +143.7% year on year. Total inventory was £13.5m at 17 October 2021 (H1 FY21: £6.5m).

The period end reflects one of the cash low points within the year as the Group invests in working capital ahead of its peak trading period. As mentioned above, the Group invested more heavily than is typical to protect product availability for customers during the ongoing global supply chain issues. Nonetheless, the Group ended the period with a strong balance sheet with a net cash position of £0.9m (H1 FY21: net cash of £5.5m). In light of this position, the directors believe that the Group is well placed to manage its financing and other business risks have a reasonable expectation that the Company will have adequate resources to continue for the foreseeable future. Including IFRS 16 lease liabilities, net debt was £17.5m (H1 FY21: £10.1m).

Banking agreements

The Group has in place a £5.0m committed Trade Finance Facility which expires in September 2023, with an option to extend to £6.0m if required at any point during the term. The terms of the facility are consistent with normal practice and include covenants in respect of leverage (net debt to be no greater than 2.0x EBITDA) and inventory (inventory less trade creditors to be no less than 1.5x facility drawdown). The Group's ability to meet these covenants has been stress tested as part of going concern considerations, which is described in more detail in the notes to the interim financial statements below.

Dividends

The Board is committed to a capital application and dividend policy which targets a dividend pay-out ratio of 20-30% of Profit after tax and returning any surplus cash to shareholders.

Pre IPO, the Group has paid a final dividend in respect of FY21 to shareholders totalling £1.9m, of which £1.0m was paid in the first half of the year, and the remaining £0.9m was paid in November.

Capital allocation and dividend policy

In normal circumstances, the Board currently believes that, to ensure operating flexibility through the business cycle, it must maintain a minimum unrestricted cash / debt headroom which the Board will review and agree limits on an annual basis, or more frequently as required. Maintaining this headroom will provide a level of flexibility sufficient to fund ProCook’s working capital needs as well as set aside an appropriate operating reserve for unexpected events). The Group's dividend policy targets ordinary dividend pay-out ratio of 20% to 30% of profit after tax during the financial year to which the dividend relates. The Board anticipates, again under normal circumstances, considering returning surplus cash to shareholders if average cash / debt headroom over a period consistently exceeds the minimum headroom target, subject to known and anticipated investment plans at the time. The Group's full capital and dividend policy is available on our website at www.procookgroup.co.uk.

IPO

On the 12 November 2021 the Group successfully completed an Initial Public Offering and was admitted to the premium segment of the London Stock Exchange.

A Group reorganisation was completed prior to admission, with ProCook Group plc incorporated as a holding company above the existing trading entities. The financial statements presented in these interim results are those of the ProCook Limited Group, prior to insertion of the new holding company which took place after the balance sheet date.

Principal risks and uncertainties

The Board continually reviews and monitors the risks and uncertainties which could have a material effect on the Group's results. A summary of the principal risks is set out below:

Risk	Impact
Competition, market and macroeconomic factors	Failure to adapt to changing consumer needs and to maintain a compelling customer offer compared to competitors could limit or reduce profitability and opportunities for growth. Macroeconomic factors which reduce consumer confidence and / or disposable incomes could impact revenue growth and profit generation.
Strategy and business change	Failure to design and effectively implement appropriate strategies could slow or limit the growth of the business, and / or impact the overall customers proposition – in turn impacting revenue growth and profit generation
Brand damage	Reputational damage due to a variety of issues such as data loss, product quality or safety, and ethical or sustainability issues in the supply chain could negatively impact the Group.
Climate change	Changing customer needs and preferences, impacts on supply chain, increased compliance burden, and changes to product and packaging requirements could lead to lower revenues or increased costs.
Supply chain disruption	Delays or higher costs in the supply chain could impact product availability and customer satisfaction, or increased costs. This could lead to lower revenues and profitability or reduced repeat rates in the future.
IT platforms, data loss and cyber security	Failing to develop and maintain appropriate technology to support operations, or the loss of key platforms or data due to cyber-attacks or other failures, could lead to reputational damage and fines and a loss of customer confidence in the Group.
People and culture	Failing to attract, retain and motivate high calibre employees, and to maintain our unique culture could lead to operational challenges and failure to execute the Group strategy.
Marketing effectiveness	Loss of ability to attract new customers and retain existing customers in a cost-effective way could slow growth, and lead to loss of sales and / or profits.
Finance and treasury	Failure to manage financial matters such as liquidity, foreign exchange, access to capital and effective financial planning and reporting could impact growth and efficiency.
Regulatory and compliance	Adverse reputational risk and potential higher costs incurred due to failure to comply with legal and regulatory requirements, accompanied by potential fines or other penalties, relating to a broad range of regulatory issues such as health and safety, legal and financial compliance.

Dan Walden
Chief Financial Officer
16 December 2021

INTERIM FINANCIAL INFORMATION OF THE PROCOOK LIMITED GROUP

FOR THE 28 WEEKS ENDED 17 OCTOBER 2021

Consolidated Income Statement (Unaudited)

£'000s	Note	28 weeks ended 17 October 2021 Underlying	Adjusting	Reported	28 weeks ended 11 October 2020	53 weeks ended 04 April 2021
Revenue	4	**32,076**	**-**	**32,076**	**23,875**	**53,417**
Cost of sales		(10,333)	-	(10,333)	(7,693)	(16,765)
Gross profit		**21,743**	**-**	**21,743**	**16,182**	**36,652**
Operating expenses	5	(18,712)	(1,355)	(20,067)	(13,029)	(29,762)
Other income	8	294	-	294	1,395	2,848
Operating Profit		**3,325**	**(1,355)**	**1,970**	**4,548**	**9,738**
Finance expense	9	(243)	-	(243)	(197)	(406)
Other gains/(losses)	10	514	-	514	(312)	(949)
Profit before tax		**3,596**	**(1,355)**	**2,241**	**4,039**	**8,383**
Tax expense	11	(683)	181	(502)	(884)	(1,834)
Profit for the period		**2,913**	**(1,174)**	**1,739**	**3,155**	**6,549**
Total comprehensive income		**2,913**	**(1,174)**	**1,739**	**3,155**	**6,549**
Earnings per ordinary share (basic)	13	2.91p		1.74p	3.16p	6.50p
Earnings per ordinary share (diluted)	13	**2.68p**		**1.60p**	**2.99p**	**6.10p**

Consolidated Statement of Financial Position (Unaudited)
As at 17 October 2021

£'000s	Note	As at 17 October 2021	As at 4 April 2021
Assets			
Non-current assets			
Property, plant, and equipment	14	5,112	3,846
Right-of-use assets	15	16,564	15,137
Intangible assets	16	155	67
Total non-current assets		**21,831**	**19,050**
Current assets			
Inventories	18	13,545	9,948
Trade and other receivables	19	2,145	1,888
Corporation tax	11	577	-
Cash and cash equivalents	20	4,287	5,879
Total current assets		20,554	17,715
Total assets		**42,385**	**36,765**
Liabilities			
Current liabilities			
Trade and other payables	21	9,629	6,612
Lease liabilities	15	2,672	2,673
Borrowings	22	3,419	2,803
Corporation tax payable	11	-	413
Total current liabilities		**15,720**	**12,501**
Non-current liabilities			
Lease liabilities	15	15,701	14,073
Other provisions	23	160	160
Deferred tax liabilities	11	63	29
Total non-current liabilities		**15,924**	**14,262**
Total liabilities		**31,644**	**26,763**
NET ASSETS		**10,741**	**10,002**
Issued capital and reserves attributable to owners of ProCook Limited			
Share capital	26	0	0
Retained earnings		10,741	10,002
TOTAL EQUITY		**10,741**	**10,002**

Consolidated Statement of cash flows (Unaudited)

For the 28 weeks to 17 October 2021

£'000s	Note	28 weeks ended 17 October 2021	28 weeks ended 11 October 2020
Cash flows from operating activities			
Profit before tax		2,241	4,039
Adjustments for:			
Depreciation and impairment of property, plant, and equipment	14	428	379
Amortisation of Intangible assets	16	18	-
Loss/(profit) on disposal of property, plant, and equipment		79	89
Amortisation of right-of-use assets	15	1,559	1,346
Other (gains)/losses	10	(514)	312
Finance expense	9	243	197
		4,054	**6,362**
Decrease/(increase) in inventories	18	(3,597)	(1,225)
(Increase)/decrease in trade and other receivables	19	(257)	(1,051)
Increase/(decrease) in trade and other payables	21	3,524	3,893
Cash generated from operations		**3,724**	**7,979**
Income taxes paid		(1,404)	-
Net cash flows from operating activities		**2,320**	**7,979**
Investing activities			
Purchase of property, plant, and equipment	14	(1,820)	(1,741)
Purchase of intangible assets	16	(106)	-
Proceeds from sale of fixed assets		-	5,085
Net cash (used in)/from investing activities		**(1,926)**	**3,344**
Financing activities			
Interest paid	9	(243)	(197)
Proceeds from borrowings	22	3,419	-
Repayment of borrowings	22	(2,803)	(4,920)
Principle movement on lease liabilities	15	(1,359)	(1,070)
Dividends paid to the holders of the parent	12	(1,000)	(950)
Net cash used in financing activities		**(1,986)**	**(7,137)**
Net increase/(decrease) in cash and cash equivalents		**(1,592)**	**4,186**
Cash and cash equivalents at beginning of the period		5,879	2,956
Cash and cash equivalents at end of period	20	**4,287**	**7,142**

Consolidated statement of changes in equity (Unaudited)
For the 28 weeks to 17 October 2021

£'000	Share capital	Revaluation reserve	Retained earnings	Total equity
As at 30 March 2020	**0**	**472**	**4487**	**4,959**
Comprehensive Income for the year				
Adjustment in respect of prior years	-	-	(56)	(56)
Profit	-	-	3,155	3,155
Contributions by and distributions to owners				
Dividends	-	-	(950)	(950)
As at 11 October 2020	**0**	**472**	**6,636**	**7,108**
As at 12 October 2020	**0**	**472**	**6,636**	**7,108**
Comprehensive Income for the year				
Profit	-	-	3,394	3,394
Transfer from revaluation reserve to retained earnings	-	(472)	472	-
Contributions by and distributions to owners				
Dividends	-	-	(500)	(500)
As at 4 April 2021	**0**	**-**	**10,002**	**10,002**
As at 5 April 2021	**0**	**-**	**10,002**	**10,002**
Comprehensive Income for the period				
Profit	-	-	1,739	1,739
Dividends	-	-	(1,000)	(1,000)
As at 17 October 2021	**0**	**-**	**10,741**	**10,741**

Notes to the financial statements (Unaudited)

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" or the "Group") throughout the period is the provision of retail of kitchenware and related products.

The Group's financial results and cashflows are subject to seasonal trends throughout the financial period. Traditionally, revenue and profit are higher in the last 24 weeks of the financial period due to the increase in trade in the run up to Christmas.

2 Accounting policies

2.1 Basis of preparation

These interim financial statements for the 28 weeks ended 17 October 2021 have been prepared in accordance with IAS 34 "Interim financial information". These interim financial statements are the first period of financial statements prepared under IFRS and the 3 April 2022 full year will be the first full year prepared under IFRS. As such, they have been prepared in full accordance with IAS 1 – Presentation of Financial Statements.

These interim financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006 and are not audited. Statutory accounts for the period ended 4 April 2021 were approved by the Board of Directors on 19 August 2021 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

The financial information presented 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 financial information is presented in pounds sterling and all values are rounded to the nearest thousand (£'000), except when otherwise indicated.

The principal accounting policies adopted in the preparation of the financial information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated. The Group have applied the requirements of IFRS 16 Leases from 29 March 2020, to facilitate consistent presentation across the periods shown. As such, IFRS 16 had been applied at 29 March 2020 which is the start of the financial periods presented. The modified retrospective method of adoption was applied and has resulted in recognition of assets (right-of-use assets) by the 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 Group has performed well over recent periods, and continues to grow, acquiring new customers, increasing retention, and creating more reasons to shop with ProCook. With the retail estate closed for approximately half of the FY21 financial year, the 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.

In their consideration of going concern, the Directors have reviewed the Group's future cash forecasts and profit projections, which are based on market data and past experience. The Directors are of the opinion that the Group's forecasts and projections, which take into account reasonably possible changes in trading performance, show that the Group is able to operate within its current facilities and comply with its banking covenants for the foreseeable future. With the continued encouraging current trading results the Directors are satisfied that there are sufficient resources to continue in business for at least 12 months from the date of signing these financial statements.

The Directors believe that the Group is well placed to manage its business risks successfully. Having reassessed the principal risks, the Directors consider it appropriate to adopt the going concern basis of accounting in preparing the financial information

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 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 Group that have been adopted for the year ended 4 April 2021 and period ending 17 October 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 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 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 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 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 Group operates through store point of sale transactions and website orders. Revenue is recognised at a point in time when the 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 Group's websites are recognised at the point the product is delivered 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

Other operating income represents all other income received by the Group. This includes Government grants for the Coronavirus 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 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 28-week period ending 17 October 2021, the 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. In addition to the CJRS, the Group also utilised the Local Restrictions Support Grants, which provided a cash grant for each period of national lockdowns. 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 Adjusting items

Adjusting items consist of material non-recurring income and expense items arising outside of the normal trading of the Group.

2.8 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.

2.9 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.

2.10 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.

2.11 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 based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK where the 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 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 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.

2.12 Property plant and equipment

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 (over term of the lease)
- Plant and machinery	5 – 10% straight line
- Fixtures, fittings, and equipment	10 –20 % straight line (over term of the lease)
- 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 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 it's 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.

2.13 Intangible assets

Identifiable development expenditure to develop customised software for IT systems 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 Group intends to and has sufficient resources to complete the project
- The 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 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 estimated useful lives. Amortisation is provided on the following basis:

- Intangibles (Software) 33.3% straight line

2.14 Impairment of non-financial assets

At the end of each reporting period, the 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 various ecommerce platforms.

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.

2.15 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.

2.16 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 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 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 model 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 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 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 Group first identifying a credit loss event; instead, the 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 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 Group uses its historical experience, external indicators, and forward-looking information to calculate the expected credit losses using a provision matrix.

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

2.17 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.

2.18 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 is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.19 Pensions

The Group operates a defined contribution pension scheme. Contributions to the 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 Group.

2.20 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 consideration 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 the Group has been made based on senior management's assessment of likely costs in the light of 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 consideration 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.

2.21 Leased assets

At inception of a contract, the 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 Group assesses whether: an identified physically distinct asset can be identified; and the 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 (less than £5,000); or
- 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 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 Group if it is reasonably certain to access that option; and
- 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 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 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.

During the year ended 4 April 2021, rates relief was obtained which provided rent concessions throughout the periods where stores were closed. Such rent concessions were treated as lease modifications and the PVMLP was adjusted to reflect the new payment structure. An adjustment was made to both the Finance lease liability and the Right of Use Asset value to this effect.

Where the 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 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 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.

2.22 Share options

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

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

2.23 Dividends

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

2.24 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 Group. The Group currently reports under two reporting lines: Ecommerce and Retail.

2.25 Business combinations

The 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. Critical accounting estimates and judgements

The 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.

Estimates

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 Group, lease length and comparisons against seasoned corporate bond rates and other relevant data points.

Warranty Provision

The Group offers warranties ranging from 12 months to 25 years on certain products sold, during which, the Group will make good any product defects which may arise. Management have estimated the warranty provision amount based on past experience claim rates.

Judgements

Expired leases

Judgement is exercised in determining the lease term and expiry date of the lease. 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 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.

Dilapidations

Judgement is exercised when determining the likely restoration costs of each of the freehold properties. As at the balance sheet dates provided withing these financial statements, management have determined that there are no expected dilapidations costs associated with the current leases and as such no provision for dilapidation costs have been recognised.

4. Revenue from contracts with customers

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

Geographical Reporting

£'000	28 weeks ended 17 October 2021	28 weeks ended 11 October 2020	53 weeks ended 04 April 2021
United Kingdom	30,661	22,205	50,110
European Union	1,415	1,670	3,307
Total revenue	**32,076**	**23,875**	**53,417**

5. Expenses by nature

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

£'000	28 weeks ended 17 October 2021	28 weeks ended 11 October 2020	53 weeks ended 04 April 2021
Exchange (gains)/losses	68	(336)	519
Depreciation of tangible fixed assets	(428)	(379)	(708)
Amortisation of right-of-use-assets	(1,559)	(1,346)	(2,666)
Impairment of tangible fixed assets	-	-	(209)

6. Adjusting items

Due to the non-recurring nature of the activities relating to the Initial Public Offering on the London Stock Exchange by the Group over the 28 weeks to 17 October 2021, the business has incurred exceptional costs which are material and one-off in nature, and so have been separately disclosed on the face of the Consolidated Statement of Comprehensive Income. These costs in the year to date were £1,354,678 (4 April 2021: £nil) which all relate to the Initial Public Offering, for which final admission took place on the 12 November 2021.

7. Segmental reporting

The Chief Operating Decision Maker (CODM) has been identified as the Board of Directors and segmental reporting analysis is presented based on the Group's internal reporting to the Board. At 17 October 2021, the Group had two operating segments, being Ecommerce and Retail. Central costs are reported separately to the Board, but this is not considered an operating segment.

£'000	28 weeks ended 17 October 2021	28 weeks ended 11 October 2020	53 weeks ended 04 April 2021
Revenue			
Ecommerce	15,182	15,767	39,876
Retail	16,894	8,108	13541
	32,076	**23,875**	**53,417**
Operating profit			
Ecommerce	3,574	5,373	14,112
Retail	4,233	1,724	1849
Central costs	(5,837)	(2,549)	(6,223)
Profit from operations	**1,970**	**4,548**	**9,738**

8. Other income

£'000	28 weeks ended 17 October 2021	28 weeks ended 11 October 2020	53 weeks ended 04 April 2021
Other income	-	-	43
Government grants	294	1,395	2,805
Total other income	**294**	**1,395**	**2,848**

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

9. Finance expense

£'000	28 weeks ended 17 October 2021	28 weeks ended 11 October 2020	53 weeks ended 04 April 2021
Finance expense:			
Interest on borrowings and other interest	24	60	90
Interest on lease liabilities	219	137	316
Total finance expense	**243**	**197**	**406**

10. Other gains and losses

£'000	28 weeks ended 17 October 2021	28 weeks ended 11 October 2020	53 weeks ended 04 April 2021
Gain/(loss) on derivatives	514	(312)	(949)
Total	**514**	**(312)**	**(949)**

11. Tax expense

The tax expense for the periods presented differ from the standard rate of corporate tax. The differences are explained below:

£'000	28 weeks ended 17 October 2021	28 weeks ended 11 October 2020	53 weeks ended 04 April 2021
Current tax on profits for the year	468	933	2113
Adjustments in respect of previous years	-	-	-
Total current tax			2113
Deferred tax			
Origination and reversal of temporary differences	34	(49)	(221)
Adjustment in respect of prior periods	-	-	(58)
Total deferred tax	34	(49)	(279)
Tax expense per statement of comprehensive income	**502**	**884**	**1,834**

£'000	28 weeks ended 17 October 2021	28 weeks ended 11 October 2020	53 weeks ended 04 April 2021
Profit on ordinary activities before tax	**2,241**	**4,039**	**8,383**
Tax using the domestic tax rates	426	767	1593
Effects of:			
Tax effect of expenses that are not deductible for tax purposes	140	3	8
Adjustments in respect of prior years	-	-	58
Permanent capital allowances in excess of depreciation	(63)	(87)	(134)
Chargeable gains	-	200	309
Total taxation expense	**502**	**884**	**1,834**

The main rate of UK corporation tax was 19% for all periods presented. The UK corporation tax will be set at the main rate of 25% from the 1 April 2023, which will be recognised in the financial year ended 31 March 2024.

11. Tax expense (continued)

Current tax assets and liabilities

£'000	As at 17 October 2021	As at 4 April 2021
Income tax payable	(585)	413
Total	**(585)**	**413**

The following is the analysis of the deferred tax balances for financial reporting purposes:

£'000	As at 17 October 2021	As at 4 April 2021
Accelerated capital allowances and other timing differences	63	29
Total	**63**	**29**

Movement in the year

Liability at 30 March 2020	138
Credit to profit and loss	(49)
Liability at 11 October 2020	89
Liability at 5 April 2021	29
Charge to profit and loss	34
Liability at 17 October 2021	63

12. Dividends

£'000	28 weeks ended 17 October 2021	28 weeks ended 11 October 2020	53 weeks ended 04 April 2021
Final dividends paid	1,000	950	1,450
Total	**1,000**	**950**	**1,450**

Dividend paid per share in the 28 weeks ended 17 October 2021 £100 (53 weeks ended 4 April 2021: £145; 28 weeks ended 11 October 2020: £95).

13. 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, bonus issue and capital reduction as part of the corporate reorganisation set out in note 32. 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.

£'000	28 weeks ended 17 October 2021	28 weeks ended 11 October 2020	53 weeks ended 04 April 2021
Profit used in calculating basic diluted EPS	1,739,016	3,155,363	6,502,000
Weighted average number of shares	100,000,000	100,000,000	100,000,000
Diluted weighted average number of shares	108,580,000	105,360,000	106,583,774
Earnings per share	1.74p	3.16p	6.50p
Diluted earnings per share	**1.60p**	**2.99p**	**6.10p**

14. Property, plant, and equipment

£'000	Land and Buildings	Plant and machinery	Fixtures and Fittings	Motor Vehicles	Total
Cost					
At 30 March 2020	4,697	211	4,700	4	**9,612**
Additions	100	206	1,660	-	**1,966**
Disposals	(4,398)	(97)	(316)	-	**(4,811)**
At 4 April 2021	399	320	6,044	4	**6,767**
Depreciation					
At 30 March 2020	468	38	2,002	3	**2,511**
Charge for the period	70	15	622	1	**708**
Impairment	-	-	209	-	**209**
Disposals	(379)	(21)	(107)	-	**(507)**
At 4 April 2021	159	32	2,726	4	**2,921**
Net book amount					
At 4 April 2021	**240**	**288**	**3,318**	**-**	**3,846**

Cost					
At 5 April 2021	399	320	6,044	4	**6,767**
Additions	177	108	1,510	25	**1,820**
Disposals	(56)	-	(375)	-	**(431)**
At 17 October 2021	520	428	7,179	29	**8,156**
Depreciation					
At 5 April 2021	159	32	2,726	4	**2,921**
Charge for the period	22	13	392	1	**428**
Disposals	(9)	-	(296)	-	**(305)**
At 17 October 2021	172	45	2,822	5	**3,044**
Net book amount					
At 17 October 2021	**348**	**383**	**4,357**	**24**	**5,112**

Impairment tests have been carried out where appropriate and no impairment charge has been recognised as a result in the 28 weeks to 17 October 2021. An impairment loss of £208,907 was recognised in the income statement within operating expenses during the year ended 4 April 2021, which related to a Group wide review of fixtures and fittings, where assets were identified whether they are still in working order or in use in retail stores, the impairment was recognised within the UK retail reporting segment.

Depreciation was recognised in the income statement within operating expenses throughout the period.

15. Leased assets

The 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 17th October 2021	*As at 4th April 2021*
Number of active leases	63	53

The Group 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 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 Group occasionally 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).

15. Leased Assets *(continued)*

On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the 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 Group.

Incremental borrowing rate

The 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 measured by reference to the Group's financing 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 £932,247 (4 April 2021; £703,360); and decrease in ROU assets of £931,473 (4 April 2021; £683,981). This rate is used to reflect the risk premium over the borrowing cost measured by reference to the Groups financing facilities.

Short term or low value lease expense

No short term or low value leases existed during the financial period.

Right of use assets

£'000	Leasehold Property	Motor Vehicles	Plant and Equipment	**Total**
Cost				
At 30 March 2020	12,563	94	52	**12,709**
Additions	9,196	117	-	**9,313**
Re-measurement	1,214	-	-	**1,214**
Disposals	(1,534)	-	-	**(1,534)**
At 4 April 2021	21,439	211	52	**21,702**
Depreciation				
At 30 March 2020	4,142	22	24	**4,188**
Charge for the period	2,618	36	12	**2,666**
Disposals	(289)	-	-	**(289)**
At 4 April 2021	6,471	58	36	**6,565**
Net book amount				
At 4 April 2021	**14,968**	**153**	**16**	**15,137**
Cost				
At 5 April 2021	21,439	211	52	**21,702**
Additions	2,069	-	-	**2,069**
Re-measurement	917	-	-	**917**
At 17 October 2021	24,425	211	52	**24,688**
Depreciation				
At 5 April 2021	6,471	58	36	**6,565**
Charge for the period	1,519	34	6	**1,559**
At 17 October 2021	7,990	92	42	**8,124**
Net book amount				
At 17 October 2021	**16,435**	**119**	**10**	**16,564**

15. Leased Assets *(continued)*

Lease liabilities

£'000	Leasehold Property	Motor Vehicles	Plant and Equipment	**Total**
At 30 March 2020	8,559	73	29	**8,661**
Additions	9,196	117	-	**9,313**
Re-measurement	1,214	-	-	**1,214**
Interest expense	312	3	1	**316**
Lease payments	(2,496)	(43)	(15)	**(2,554)**
Disposals	(204)	-	-	**(204)**
At 4 April 2021	**16,581**	**150**	**15**	**16,746**
At 5 April 2021	16,581	150	15	**16,746**
Additions	2,069	-	-	**2,069**
Re-measurement	917	-	-	**917**
Interest expense	217	2	-	**219**
Lease payments	(1,539)	(33)	(6)	**(1,578)**
At 17 October 2021	**18,245**	**119**	**9**	**18,373**

Remeasurements have arisen where store lease rental terms and lease expiry dates have been renegotiated.

Reconciliation of minimum lease payments and present value

£'000	As at 17 October 2021	As at 4 April 2021	As at 29 March 2020
Within 1 year	3,063	2,908	2,525
Later than 1 year and less than 5 years	8,629	8,064	5,628
After 5 years	9,003	8,051	1,087
Total including interest cash flows	**20,695**	**19,023**	**9,240**
Less: interest cash flows	(2,322)	(2,277)	(579)
Total principal cash flows	**18,373**	**16,746**	**8,661**

Reconciliation of current and non-current lease liabilities

£'000	As at 17 October 2021	As at 4 April 2021	As at 29 March 2020
Current	2,672	2,673	1,717
Non-current	15,701	14,073	6,944
Total	**18,373**	**16,746**	**8,661**

16. Intangible assets

£'000	Software	**Total**
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	106	**106**
At 17 October 2021	173	**173**
Amortisation		
At 5 April 2021	-	**-**
Charge for the period	18	**18**
At 17 October 2021		
Net book amount	18	**18**
At 17 October 2021	**155**	**155**

17. 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 B.V.	Provision of retail of cookware and related products	Netherlands	ProCook B.V., Veerpolder 1-B, 2361KV, Warmond, The Netherlands	100%; (From incorporation at 14 June 2021)

ProCook Limited holds direct investments in all subsidiaries.

18. Inventories

£'000	As at 17 October 2021	As at 4 April 2021
Finished goods and goods for resale	13,545	9,948

The cost of Group inventories recognised as an expense in the period to 17 October 2021 amounted to £9,292,011 (4 April 2021: £15,928,664). This is included in cost of sales.

19. Trade receivables

£'000	As at 17 October 2021	As at 4 April 2021
Amounts falling due within one year:		
Trade receivables	-	1
Other receivables	920	516
Derivative financial instruments	-	-
Corporation Tax	577	-
Prepayments	1,225	1,371
Total	**2722**	**1,888**

Included in other receivables at the period end is supplier deposits consisting of £761,512 in the period ending 17 October 2021 (4 April 2021: £380,973)

Prepayments consist mainly of standard prepayments, which includes the likes of rates and electricity, with no material individual prepayments.

20. 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:

£'000	As at 17 October 2021	As at 4 April 2021
Cash at bank available on demand	4,287	5,879
Total	**4,287**	**5,879**

21. Trade and other payables

£'000	As at 17 October 2021	As at 4 April 2021
Amounts falling due within one year:		
Trade payables	3,025	2,705
Other payables	1,342	231
Accruals	3,275	2,098
Deferred income	98	182
Derivative financial instruments	434	949
Other taxation and social security	1,455	447
Total	**9,629**	**6,612**

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 £19,216 at the period ended 17 October 2021 (4 April 2021: £95,820) owing to a director. The balances were non-interest bearing.

22. Borrowings

£'000	As at 17 October 2021	As at 4 April 2021
Current		
Bank loans	3,419	2,803
Non-current		
Bank loans	-	-
Total borrowings	**3,419**	**2,803**

A maturity analysis of the Group's borrowings is shown below:

£'000	As at 17 October 2021	As at 4 April 2021
Payable within one year	3,419	2,803
Payable after one year but less than five years	-	-
Payable after five years	-	-
Total	**3,419**	**2,803**

Included in bank loans is a trade finance facility which is committed until September 2023. The agreement provides a 150-day finance facility. At 17 October 2021 the facility held a limit of £5,000,000 with an option to extend to £6,000,000 at the Group's discretion. The following amounts had been drawn down and were outstanding at 17 October 2021: £3,418,923 (4 April 2021: £2,803,182). The facility incurred interest payable at 17 October 2021 at a fixed rate above the Bank of England base rate.

23. Other provisions

£'000	As at 17 October 2021	As at 4 April 2021
Amounts falling after one year:		
Warranty provision	160	160
Total	**160**	**160**

The Group offers warranties ranging from 12 months to 25 years on certain products. The warranty provision is an estimate of the expected costs to the Group of servicing such warranties.

24. Forward currency contracts

The Group's local currency is pounds sterling but due to international purchases in foreign currencies, the Group seeks to reduce the foreign exchange risk by entering into forward contracts and other derivatives. At 17 October 2021, the outstanding contracts all mature within 8 months of the period end. At the balance sheet date, Group was 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.

25. Retirement benefit plan

The Group operates a defined contribution retirement benefit scheme for all qualifying employees. The scheme is administered and managed by a separate third-party specialist pension scheme provider. The total expense recognised in the statement of profit or loss and other comprehensive income for the period ended 17 October 2021 was £97,982 (4 April 2021 was £136,081) represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

26. Share Capital

	As at 17 October 2021	As at 4 April 2021
Allotted, called up and fully paid		
10,000 Ordinary shares of 1p each	100	100
Total	**100**	**100**

All classes of shares have full voting, dividend and capital distribution rights.

The Group operates several 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
Total	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 17 October 2021	WAEP	As at 4 April 2021	WAEP
Outstanding at beginning of period	858	141.5	536	101.7
Granted during the period	-	-	322	207.7
Forfeited/lapsed during the period	-	-	-	-
Exercised during the period	-	-	-	-
Outstanding at period end	858	141.5	858	141.5
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 on the grounds of materiality.

The equity settled remuneration scheme granted on the 21 October 2015 vested on Initial Public Offering. The 536 share options granted were transferred and converted into 5,360,000 share options in the ProCook Group plc.

27. 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.

28. Commitments and contingences

Capital and financial commitments

As at the 17 October 2021 the Group had committed to a 15-year lease of Unit 10, St, Modwen Park, Haresfield, Gloucester, GL10 3EZ. The expected commencement of this lease is 1 December 2022, with expected initial rental of £1.1m per annum and a rent-free period of 24 months.

29. Financial Instruments

Financial assets

Financial assets are not measured at fair value and due to the 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.

29. Financial Instruments *(continued)*

£'000	As at 17 October 2021	As at 4 April 2021
Trade receivables	-	1
Other receivables	920	516
Corporation Tax	577	-
Prepayments	1,225	1,371
Cash at bank and on hand	4,287	5,879
Total	**7,009**	**7,767**

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 borrowings.

£'000	As at 17 October 2021	As at 4 April 2021
Trade payables	3,025	2,705
Other payables	1,342	231
Accruals	3,275	2,098
Deferred income	98	182
Other taxation and social security	1,455	447
Other Provisions	160	160
Deferred tax liabilities	63	29
Corporation Tax payable	-	413
Borrowings	3,419	2,803
Lease liabilities	18,373	16,746
Total	**31,210**	**25,814**

Financial liabilities measured at fair value include derivative financial liabilities, as follows:

£'000	As at 17 October 2021	As at 4 April 2021
Derivatives	434	949
Total	**434**	**949**

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 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 Group. The 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 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. To minimise the risk, the 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 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 financial statements.

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.

29. Financial Instruments *(continued)*

Currently all financial institutions whereby the Group holds significant levels of cash are rated from AA- to A+.

Interest rate risk

As at 17 October 2021 the Group's only current borrowings are the Trade Finance facility at a floating interest rate linked to the Bank of England base rate. This is variable on the amount drawn down, therefore interest rate risk exposure for the Group is minimal. The Group's policy aims to manage the interest cost of the Group within the constraints of its financial borrowings.

Foreign exchange risk

Foreign exchange risk arises when the Group enter transactions in a currency other than their functional currency. The 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 Group will make purchases of large inventory orders from overseas, and the Group will use additional means to cover its exposure to the foreign exchange movement. The 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 Group's foreign exchange contracts are designated to settle the corresponding liability.

Liquidity risk

The Group seeks to maintain sufficient cash balances. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash reserves to meet future working capital requirements and to take advantage of business opportunities.

A maturity analysis of the Group's trade and other payables is shown below:

£'000	As at 17 October 2021	As at 4 April 2021
Trade payables	3,025	2,705
Other payables	1,342	231
Accruals	3,275	2,098
Deferred income	98	182
Derivative financial instruments	434	949
Other taxation and social security	1,455	447
Borrowings	3,419	2,803
Lease liabilities	2,672	2,673
Total	**15,720**	**11,436**

£'000	As at 17 October 2021	As at 4 April 2021
Due after one year:		
Deferred tax liabilities	63	29
Other Provisions	160	160
Lease liabilities	15,701	14,073
Total	**15,924**	**14,262**

A maturity analysis of borrowings is shown in separately in note 23.

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 17 October 2021 Debt comprised of one HSBC Trade Finance facility loan which is set out in further detail above and in the notes to the accounts.

The Group's current objectives when maintaining capital are to:

- Safeguard the 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.

29. Financial Instruments *(continued)*

The Group sets the amount of capital it requires in proportion to risk. The 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 Group may issue new shares or sell assets to reduce debt.

During the periods presented the Group's business strategy remained unchanged.

30. Related Parties

Included in trade debtors at the period ending 17 October 2021 was £3,011 (4 April 2021: £11,208) owing from Quella Bicycle Limited which shares a director with the Group. The balance is non-interest bearing.

Included in other creditors at the period ending 17 October 2021 was £19,216 (4 April 2021: £Nil) owed to a director. The balance is non-interest bearing.

Included in other creditors at the period ending 17 October 2021 was £50,054 (4 April 2021: £49,318) owed to a charity called Life's a Beach, where a director of the entity acts as a trustee. The balance is non-interest bearing.

31. Events after the reporting period

Initial Public Offering

On the 9 November 2021, the Group successfully completed its Initial Public Offering and began conditional trading on the premium segment of the London Stock Exchange, with full admission being granted on the 12 November 2021.

Group Reorganisation

The Group has undertaken a reorganisation following the reporting period. As at the reporting date, the Group structure is as detailed within note 17.

Following the restructuring, ProCook Group plc has been incorporated and is the ultimate holding company of the group with the name ProCook Group plc, with 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

ProCook Group plc owns 100% of the issued shares of ProCook Limited, with ProCook Limited owning 100% of the issued shares of ProCook B.V., ProCook (Steamer Trading) Limited and ProCook (Kitchens) Limited.

Contingent Fee

KPMG LLP has been engaged by the Group to provide a range of corporate finance services since July 2015. The Initial Public Offering (IPO) has triggered a contingent fee within the scope of their engagement and fees of £1.6m became payable under the terms of this agreement. The fee is expected to be paid in December 2021.

Dividend

A dividend of £0.9m was paid out by ProCook Group plc on the 10 November 2021 to existing shareholders prior to the Initial Public Offering.

32. Changes in liabilities arising from financing activities

£'000	At 5 April 2021	Financing cash flows	Interest	New borrowings and remeasurements	Reclass	At 17 October 2021
Short-term borrowings	2,803	(8,684)	24,216	(14,916)	0	3,419
Lease liabilities	16,746	(1,578)	219	2,986	0	18,373
Total liabilities from financing activities	**19,549**	**(10,262)**	**24,435**	**(11,930)**	**0**	**21,792**

33. Transition to IFRS

For all periods up to and including 4 April 2021, the Group prepared its statutory financial statements in accordance with FRS 102. These are the first financial statements the Group has prepared in accordance with IFRS. The Group's effective IFRS transition date for the purposes of these financial statements was 29 March 2020. The effects of transition to IFRS on the balance sheets at 4 April 2021 and 29 March 2020 and the income statements for the period ended 4 April 2021 are shown below. In preparing the consolidated financial statements of the Group, the Group has applied IFRS for the first time from29 March 2020. 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.

Estimates

The estimates within the statutory accounts up to 17 October 2021 are consistent with those made for the same dates in accordance with FRS 102 (after adjustments to reflect any differences in accounting policies). We note here that there has been a net zero impact on the consolidated cash flow as a result of the transition to IFRS.

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 Group have applied the modified retrospective approach with no other expedients used on transition. Adjustments to leases under IFRS 16, to recognise leases previously recognised as operating leases as right-of-use assets. Under this adjustment, in the period to 4 April 2021 right of use assets increased £6,616,294 (29 March 2020: £792,491) and lease liabilities by £8,085,309 (29 March 2020: £865,392) along with a decrease in trade and other payables of £16,168 (29 March 2020: £47,530), non-current other payables decreased by £133,337 (29 March 2020: £nil) and a PPE net reduction of £55,193 (29 March 2020: £33,489). During the period to 4 April 2021 the impact of this adjustment has increased operating expenses by £1,292,228, increased finance expenses by £316,326 and decreased the tax expense by £279,168. Additional detail on transition to IFRS 16 is detailed in the accounting policies note 2.21 and note 15.
2. This adjustment was to correctly align the purchase of Steamer Trading Limited 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 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 in 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.
3. Included in this adjustment is cumulative tax impact of each of the IFRS and FRS102 adjustments. This has resulted in a deferred tax liabilities reducing by £310,327 as at 4 April 2021 (29 March 2020: £287,771) and a corresponding tax expense reduction of £310,327 (29 March 2020: £287,771).
4. Historically the Group did not apply adjustments for the impact of timing differences between completion of order and actual delivery of online sales. This adjustment is therefore an alignment of revenue to IFSR 15 as well as a restatement under FRS102. The impact of this adjustment for the period to 4 April 2021 has decreased revenue by £48,356 (29 March 2021: £86,483) and reduced cost of sales by £10,261(29 March 2020: £26,125) and increased deferred income and inventory respectively. This adjustment also reduced the tax expense by £7,463. Two further adjustments were required under FRS 102; firstly, is the movement of intangible assets into their own class, having previously been recognised under PPE due to their level of materiality (4 April 2021: £67,000, 29 March 2020: £nil). Secondly 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 opening Balance Sheet as at 29 March 2020; this adjustment increased stock in transit by £362,945 and a corresponding increase to Trade Payables. There is no impact to the income statement of the Group.

33. Transition to IFRS *(continued)*

Balance sheet at 29 March 2020

£'000	*UK GAAP*	*B/fwd Adj*	*IFRS Adjustment 1*	IFRS Adjustment 2	*IFRS Adjustment 3*	*FRS 102 Restatement 4*	*IFRS*
Assets							
Current assets							
Inventories	5,266	1,649	-	(1,266)	-	(337)	5,312
Trade and other receivables	782	-	-	-	-	-	782
Cash and cash equivalents	2,956	-	-	-	-	-	2,956
Total current assets	**9,004**	**1,649**	**-**	**(1,266)**	**-**	**(337)**	**9,050**
Non-current assets							
Property, plant, and equipment	7,166	(32)	(33)	-	-	-	7,101
Right-of-use assets	-	7,729	792	-	-	-	8,521
Intangible assets	-	-	-	-	-	-	-
Total non-current assets	**7,166**	**7,697**	**759**	**-**	**-**	**-**	**15,622**
Total assets	**16,170**	**9,346**	**759**	**(1,266)**	**-**	**(337)**	**24,672**
Liabilities							
Current liabilities							
Trade and other payables	3,917	159	(47)	-	-	(277)	3,752
Lease liabilities	-	1,884	(167)	-	-	-	1,717
Borrowings	4,239	-	-	-	-	-	4,239
Corporation tax payable	294	-	-	-	-	-	294
Total current liabilities	**8,450**	**2,043**	**(214)**	**-**	**-**	**(277)**	**10,002**
Non-current liabilities							
Lease liabilities	-	5,912	1,032	-	-	-	6,944
Other provisions	160	-	-	-	-	-	160
Other payables	296	(296)	-	-	-	-	-
Borrowings	2357	-	-	-	-	-	2357
Deferred tax liabilities	337	201		-	(288)	-	250
Total non-current liabilities	**3150**	**5,817**	**1,032**	**-**	**(288)**	**-**	**9,711**
Total liabilities	**11,600**	**7,860**	**818**	**-**	**(288)**	**(277)**	**19,713**
NET ASSETS	**4,570**	**1,486**	**(59)**	**(1,266)**	**288**	**(60)**	**4,959**
Equity attributable to owners of ProCook Limited							
Share capital	0	-	-	-	-	-	0
Revaluation reserve	472	-	-	-	-	-	472
Retained earnings	4,099	1,486	(59)	(1,266)	288	(60)	4,487
TOTAL EQUITY	**4,572**	**1,486**	**(59)**	**(1,266)**	**288**	**(60)**	**4,959**

33. Transition to IFRS *(continued)*

Balance sheet at 4 April 2021

£'000	*UK GAAP*	*B/fwd Adj*	*IFRS Adjustment 1*	IFRS Adjustment 2	*IFRS Adjustment 3*	*FRS 102 Restatement 4*	*IFRS*
Assets							
Current assets							
Inventories	9,892	46	-	-	-	10	9,948
Trade and other receivables	1,888	-	-	-	-	-	1,888
Cash and cash equivalents	5,879	-	-	-	-	-	5,879
Total current assets	**17,659**	**46**	**-**	**-**	**-**	**10**	**17,715**
Non-current assets							
Property, plant, and equipment	3,968	(65)	10	-	-	(67)	3,846
Right-of-use assets	-	8,521	6,616	-	-	-	15,137
Intangible assets	-	-	-	-	-	67	67
Total non-current assets	**3,968**	**8,456**	**6,626**	**-**	**-**	**-**	**19,050**
Total assets	**21,627**	**8,502**	**6,626**	**-**	**-**	**10**	**36,765**
Liabilities							
Current liabilities							
Trade and other payables	6,713	(165)	16	-	-	48	6,612
Lease liabilities	-	1,717	956	-	-	-	2,673
Borrowings	2,803	-	-	-	-	-	2,803
Corporation tax payable	413	-	-	-	-	-	413
Total current liabilities	**9,929**	**1,552**	**972**	**-**	**-**	**48**	**12,501**
Non-current liabilities							
Lease liabilities	-	6,944	7,129	-	-	-	14,073
Other provisions	160	-	-	-	-	-	160
Other payables	163	(296)	133	-	-	-	-
Deferred tax liabilities	426	(87)		-	(310)	-	29
Total non-current liabilities	**749**	**6,561**	**7,262**	**-**	**(310)**	**-**	**14,262**
				-			
Total liabilities	**10,678**	**8,113**	**8,234**	**-**	**(310)**	**48**	**26,763**
				-			
NET ASSETS	**10,949**	**389**	**(1,608)**	**-**	**310**	**(38)**	**10,002**
Equity attributable to owners of ProCook Limited							
Share capital	-	-	-	-	-	-	-
Retained earnings	10,949	389	(1,608)	-	310	(38)	10,002
TOTAL EQUITY	**10,949**	**389**	**(1,608)**	**-**	**310**	**(38)**	**10,002**

33. Transition to IFRS *(continued)*

Income statement for the period ended 4 April 2021

£'000	*UK GAAP*	*IFRS Adjustment 1*	*IFRS Adjustment 2*	*IFRS Adjustment 3*	*FRS 102 Restatement 4*	*IFRS*
Revenue	**53,465**	**-**	**-**	**-**	**(48)**	**53,417**
Cost of sales	(16,775)	-	-	-	10	(16,765)
Gross profit	**36,690**	**-**	**-**	**-**	**(38)**	**36,652**
Operating expenses	(28,470)	(1,292)	-	-	-	(29,762)
Other income	2,848	-	-	-	-	2,848
Profit from operations	**11,068**	**(1,292)**	**-**	**-**	**(38)**	**9,738**
Finance expense	(90)	(316)	-	-	-	(406)
Other gains/(losses)	(949)	-	-	-	-	(949)
Profit before tax	**10,029**	**(1,608)**	**-**	**-**	**(38)**	**8,383**
Tax expense	(2,144)	-	-	310	-	(1,834)
Profit for the period	**7,885**	**(1,608)**	**-**	**310**	**(38)**	**6,549**
Total other comprehensive income	**7,827**	**(1,608)**	**-**	**310**	**(38)**	**6,549**