ProCook

6 July 2022

ProCook Group plc

Preliminary Results for the 52 weeks ended 3 April 2022

Continued revenue growth and market share gains in FY22

Confidence in proposition to continue to outperform market in FY23 and beyond

ProCook Group plc ("ProCook" or "the Group"), the UK's leading direct-to-consumer specialist kitchenware brand, today reports its preliminary results for the 52 weeks ended 3 April 2022.

	FY22	FY21	YoY
Revenue	**£69.2m**	**£53.4m**	**+29.5%**
Gross Profit	**£45.0m**	**£35.9m**	**+25.5%**
Gross margin%	*65.1%*	*67.2%*	*(210bps)*
Underlying profit before tax[1]	**£9.5m**	**£8.3m**	**+14.5%**
Underlying profit before tax %	*13.7%*	*15.5%*	*(180bps)*
New customers acquired ('000)	723	417	+73.8%
Number of active customers L12M ('000)[2]	974	557	+74.9%
12 month repeat rate %[3]	25.5%	18.6%	+6.9%pts

Financial and strategic highlights

- Strong revenue growth of +29.5% (+78.0% vs FY20), with retail stores re-opened following the end of Covid-19 restrictions, and our UK website up +250.3% vs FY20, highlighting the strength of our multichannel proposition
- LFL revenue[4] growth of +32.1% (+123.5% vs FY20), opened eight new stores during the year
- Outperformed the UK kitchenware market (by +36.0%pts)[5]; consistently taking market share with substantial future opportunities to continue to penetrate the UK market
- Growth in active customers of +74.9% YoY. Attracted 723,000 new customers
- Increased 12 month repeat rates to 25.5% (+6.9%pts YoY)
- Strong gross margins of 65.1%, down YoY as expected after impact of supply chain cost pressures
- Underlying PBT of £9.5m (FY21: £8.3m) reflecting shift back to more normal operating costs post-pandemic
- New £10m revolving credit facility secured in April 2022 increasing total facilities to £16m. Year-end net debt of £1.8m (FY21: net cash £3.1m)
- Great place to Work Certification™ awarded in year
- Carbon neutral for Scope I and II emissions, developing roadmap to Net Zero including scope III
- Successful IPO with ProCook Group Plc listing on the premium segment of the London Stock Exchange on 12 November 2021
- Final dividend of 0.9p proposed by the Board, reflecting our strong financial performance in the year

Current Trading and Summary Outlook

Based on GfK data we estimate the UK Kitchenware market contracted during the first quarter of our FY23 financial year by approximately -12%. In light of this macro-economic backdrop, our exceptional outperformance of the market in the first quarter of last year which provides tough comparatives (FY22 Q1: Total revenue +84.9%, LFL revenue +96.7%, UK revenue excluding Amazon +143.3%), and our strategic exit of Amazon UK in June 2021, our sales performance in the first quarter of FY23 has declined year on year. Revenue in the UK, excluding Amazon, was -9.0% year on year, outperforming the market, and +49.9% compared to Q1 FY20. Total revenue in the first quarter of £11.4m was -21.6% year on year, but +35.5% compared to Q1 FY20 (pre-pandemic).

The rapid deterioration in the consumer and macro environment means that we have now had to adjust and re-prioritise our focus. We are well placed to manage these current challenges with a strong financial position, a resilient business model, a clear strategy for sustainable and profitable growth, and a customer proposition focused on exceptional service, quality and value. We will continue to invest in the initiatives that will drive our brand forward, making ProCook a stronger, more sustainable business for all of our stakeholders and with a sharpened focus on our core UK market in the short term.

In line with our recent trading update on 10 June 2022, the Board expects that revenue for FY23, will be broadly in line with the last year, with underlying profit before tax of between £4-6m, reflecting ongoing investment in future growth, cost inflation and a return to a more typical seasonal second half weighting. We are confident that the Group remains well placed to capture increased share of its large and growing market and deliver medium to long term growth and value to all stakeholders.

Daniel O'Neill, CEO and Founder, commented:

"Over the last year we have made considerable progress in developing our customer proposition and direct-to-consumer model. I am pleased with our trading performance and the strategic progress we have made during what has been a challenging period. Despite these challenges, our business is now much larger and stronger than pre-pandemic, with more customers and significantly improved sales and profits. I would like to personally thank all of our people and partners, who have accomplished so much together over recent years.

"Current market conditions have changed rapidly with consumer confidence deteriorating to lows not seen for many years.

"Despite this backdrop, as a direct-to-consumer kitchenware specialist, our attention remains on providing our customers with great products, exceptional value and the best possible service. We are confident that our proposition will continue to attract new customers to ProCook and that we can cater for all budgets and tastes, with our commitment to creating exceptional value through pricing which is at least 30% cheaper than comparable products from competitor brands.

"We are energised by the longer term opportunities we see ahead of us to develop the ProCook brand and our sharpened focus on the core UK market opportunity during these difficult times, will give us the capacity to reinforce and strengthen our market position and customer proposition, leaving us better placed to capture wider growth opportunities as trading conditions improve."

Analyst presentation

There will be an in-person presentation for analysts and institutional investors this morning at 9.00am, hosted at Peel Hunt LLP, 100 Liverpool Street, London, EC2M 2AT. This presentation will also be streamed live as a webinar with a facility for Q&A. For details, please contact catherine.chapman@mhpc.com.

For further information please contact:

ProCook Group plc investor.relations@procook.co.uk
Daniel O'Neill, Chief Executive Officer and Founder
Dan Walden, Chief Financial Officer

MHP Communications (Financial PR Adviser) procook@mhpc.com
Katie Hunt Tel: +44 (0)7711 191 518
Catherine Chapman

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 through 55 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 700 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 £45m.

Quarterly revenue performance

	FY22 (52 weeks ending 3 April 2022)						
	Q1	**Q2**	**H1**	**Q3**	**Q4**	**H2**	**FY**
Revenue	**£14.6m**	**£17.5m**	**£32.1m**	**£23.0m**	**£14.0m**	**£37.0m**	**£69.2m**
Revenue growth %	84.9%	9.8%	34.6%	35.7%	11.4%	25.4%	29.5%
Yo2Y revenue growth %	72.9%	69.3%	70.9%	84.0%	85.8%	84.7%	78.0%
LFL revenue	**£11.2m**	**£14.3m**	**£25.5m**	**£18.6m**	**£10.9m**	**£29.5m**	**£55.0m**
LFL growth %	96.7%	19.5%	44.4%	34.1%	7.7%	23.0%	32.1%
Yo2Y LFL growth %	167.7%	131.5%	146.2%	105.7%	109.1%	107.0%	123.5%

	FY21 (53 weeks ending 4 April 2021)						
	Q1	**Q2**	**H1**	**Q3**	**Q4**	**H2**	**FY**
Revenue	**£7.9m**	**£16.0m**	**£23.9m**	**£17.0m**	**£12.5m**	**£29.5m**	**£53.4m**
Revenue growth %	(6.5%)	54.3%	27.0%	35.6%	66.8%	47.3%	37.5%
LFL revenue	**£5.7m**	**£11.9m**	**£17.7m**	**£13.8m**	**£10.1m**	**£24.0m**	**£41.6m**
Total LFL growth %	36.1%	93.8%	70.4%	53.4%	94.1%	68.3%	69.1%

Notes

[1] Underlying profit before tax is presented before non-underlying items of £9.4m in FY22 in relation to IPO costs and IPO-related share-based awards
[2] Number of active customers reflects those customers on our database who have purchased in the last 12 months
[3] 12 month repeat rate reflects the % of customers first acquired in a previous financial year which have made at least one subsequent purchase in the following financial year
[4] LFL reflects:

- Retail 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 – Continuing ecommerce websites and marketplaces that have been trading for at least one full financial year prior to 29 March 2020, excluding the UK Marketplace which ceased trading on 28th June 2021

[5] UK Kitchenware market growth (excluding ProCook) calculated using weekly GfK data and management estimates

Chairman's Statement

I am pleased to report on our first annual results as a publicly listed company. The year has been challenging in many ways; however, the business has made considerable progress. During the year, we significantly grew our customer base, delivered another record sales performance, and expanded our store portfolio and product range, whilst also completing our initial public offering ('IPO').

I would like to thank all of our ProCook team, suppliers and partners on behalf of the Board for their energy and dedication to continually improving our customer proposition.

The return to a more normal life for our customers following the Covid-19 restrictions which dominated so much of the previous two years offered a welcome boost to trading in the year as our retail stores re-opened. Fortunately, the impact of the Omicron variant, which resulted in lower footfall during quarters three and four, was relatively short lived. Global supply chain disruptions have continued to present multiple and complex challenges and our buying, logistics and supply chain teams have had to work tirelessly to resolve these whilst we also invested in inventory to protect availability for customers during this period.

The more recent onset of the significant inflation and cost of living pressures has presented new challenges for our business, as well as for our customers, colleagues and suppliers. However, we are confident that our strategy and proposition will deliver sustainable, profitable growth over the medium to longer term, and we are highly focussed on emerging from these near-term headwinds as an even stronger business.

We have a clear purpose to share our passion for cooking, and our mission to become the customers' first choice for kitchenware drives our focus on raising brand awareness, attracting new customers and increasing the lifetime value of customers. Excellent progress has been made with these key strategic objectives over the last year.

Governance

As a Board, we are committed to the highest standards of corporate governance, and I am very pleased to now be working with our Non-Executive Directors - David Stead, Gillian Davies and Luke Kingsnorth - each of whom have brought deep and highly relevant sector experience and skills to the Group, since we formed the Board in October 2021, prior to the IPO.

The Board is working very well with the Executive Directors and wider Leadership Team, balancing a healthy challenge on strategic, operational and governance matters, with pragmatic knowledge-sharing and support to help achieve our strategic ambitions.

Sustainability

ProCook is committed to doing the right thing with a long-standing focus on improving sustainability and I am encouraged by the progress made in this area over the last year. Having already reported carbon neutral status for Scope I and II emissions during the year, the Leadership Team are now completing the work to establish the roadmap of actions needed to mitigate Scope III emissions and achieve Net Zero by our target date of 2030, whilst also further eliminating waste across the business including single-use plastics.

Additionally, the group has been recognised as a Great Place to Work™ during the year, testament to the efforts to create an inclusive, engaging and caring workplace. We also continue to support a number of important community initiatives.

Our Chief Executive Officer, in his review, sets out more detail about this important topic and the next steps we will take. I am pleased to witness the high level of engagement right across the business towards sustainability as a whole, and as a Board we are committed to reducing our impact on the environment and creating an even better place to work.

Dividend

As a result of the Group's strong performance in the year and our confidence in the Group's ability to deliver sustainable, profitable growth over the medium to longer term, and in line with our capital allocation policy, the Board is pleased to recommend a final dividend of 0.9p per share.

Subject to approval at the AGM, payment is expected to be made in late September.

Outlook

It is clear that the current macro environment is extremely challenging and is having significant impacts on consumer behaviour. However, ProCook offers exceptional value across different price points, and our market opportunity remains highly attractive. We are financially strong, with a flexible and resilient business model and we are continually enhancing our customer proposition and marketing activities.

By focusing our efforts on the core organic UK market opportunity in the short term, we are confident that we can emerge from these difficult market conditions in a stronger position to capture the clear opportunities ahead of us.

Greg Hodder

Chairman

6 July 2022

CEO's Review

Introduction

Over the last year we have made considerable progress in developing our customer proposition and direct-to-consumer model. I am pleased with our trading performance and the strategic progress we have made during what has been a challenging period. Despite these challenges, our business is now much larger and stronger than pre-pandemic, with more customers and significantly improved sales and profits.

The Group has achieved a great deal during the last year in pursuit of our mission to become the customers' first choice for kitchenware, and I would like to personally thank all of our people and partners, who have accomplished so much together over recent years.

Current market conditions have changed rapidly due to rising inflation and the cost-of-living squeeze, with consumer confidence deteriorating to lows not seen for many years. We have adjusted quickly to the reality of this new trading environment, but uncertainty remains around how prolonged this difficult trading environment may be.

Despite this backdrop, as a direct-to-consumer kitchenware specialist, our attention remains on providing our customers with great products, exceptional value and the best possible service. We are confident that our proposition will continue to attract new customers to ProCook and that we can cater for all budgets and tastes, with our commitment to creating exceptional value through pricing which is at least 30% cheaper than comparable products from competitor brands.

We are energised by the longer term opportunities we see ahead of us to develop the ProCook brand and our sharpened focus on the core UK market opportunity during these difficult times, will give us the capacity to reinforce and strengthen our market position and customer proposition, leaving us better placed to capture wider growth opportunities as trading conditions improve.

Performance in FY22

Strong trading momentum

We are pleased with our strong revenue growth of 29.5% in FY22, which represented a +78.0% increase on FY20 (pre-pandemic) and a compound annual growth rate exceeding +30% over the last five years. This performance reflected our consistent outperformance of the UK kitchenware market, which enabled us to further grow our market share.

Early in the year we were pleased to re-open our Retail stores following the disruption and closures related to Covid-19 restrictions in the previous financial year. Our like for like Retail revenue was +69.3% compared to FY20 supported by strong conversion and increased average transaction values. Additionally, we opened eight new stores during the year (and closed two) in retail destination locations extending our retail portfolio to 55 stores, as well as launching our first Cookery School on Tottenham Court Road, London.

Our Ecommerce performance reflected two key factors; the shift back to retail-based shopping by consumers and the strategic exit of the Amazon UK Marketplace at the end of June 2021. Whilst total Ecommerce revenue declined by -18.9% as a result of these factors, our like for like Ecommerce revenue remained up +197.1% compared to FY20 reflecting the step change in performance achieved through our own website.

Gross margin declined by -210bps year on year due to the continued global supply chain disruption and the higher costs incurred to import products. During the year revenue growth was driven by volume and product mix as we chose to hold our pricing to maximise value for customers. We maintained our disciplined focus on our cost base throughout the year, whilst investing in specific initiatives to support our growth ambitions. We delivered underlying profit before tax of £9.5m (FY21: £8.3m) after the return to a more normal level of operating costs post-pandemic, higher central costs reflecting our becoming a plc, and as we continued to invest for long term growth.

Customer first focus drives growth

As a direct-to-consumer business, our customers' experience is key to our continued success and we are pleased to have retained our excellent-rated Trustpilot score of 4.8. Our growth opportunity is significant and successfully attracting and retaining customers is our highest strategic priority.

During the year we accelerated new customer acquisition, attracting 723,000 new customers to shop with ProCook (+73.8% year on year). Our active customer database reached 974,000 customers at the end of the year (+74.9% year on year) and our total customer database was approximately 3.2 million customers.

Additionally, we have made strong progress with customer retention activities including improved re-targeting, better email collection in-store and enhanced customer segmentation, resulting in our 12-month repeat purchase rate increasing during the year to 25.5% (FY21: 18.6%). In Ecommerce this rose by +3.8% points to 27.9%, and in Retail by +4.3% points to 21.4%.

Average Transaction Values (ATV) continued on an upward trajectory driven by the customer-focused improvements we have made. In Retail we increased overall value for customers through add-on items and enhanced product training for our colleagues with ATV increasing to £35 (+7.3% year on year). In Ecommerce, we have improved the overall shopping experience on our website with improved navigation tools, increased payment options and redesigned product landing pages. Ecommerce ATV increased to £67 (+8.9% year on year) which was also supported by the higher mix of customers transacting on our own direct website.

Focused on sustainability

Our business has always been focused on doing the right thing, and we are pleased with the progress we have made in the last 12 months. The appointment of our ESG Director this year has helped us gain further momentum in the implementation of our ESG strategy.

We are committed to making ProCook an even better place to work and were delighted to be certified as a Great Place to Work™ during the year as well as receiving two awards from the UK's Best Workplaces for being ranked 60 in the top 100 large organisations and being ranked 45 in the top 100 large organisations for Colleague Wellbeing. We have made good progress with our B Corp application. Of course, there is more to do, and we will be shortly launching a new colleague advisory panel to help us listen more and capture feedback and ideas from right across the business.

We are passionate about reducing our environmental footprint and our partnership with The Woodland Trust to mitigate unavoidable Scope I and II emissions has enabled some of our colleagues to utilise their 'Great Causes' day (which we offer all colleagues) to support replanting activities in the UK. We have taken further steps to eliminate single use plastics in our operations and now have minimal plastic product packaging left in our ranges. Having now developed our environmental management framework we are finalising our roadmap to achieve Net Zero emissions (including scope III) by our target date of 2030.

As a responsible employer and corporate citizen, we continue to promote equality, diversity and inclusion, and our work with the GEM Project, supports people in Gloucestershire overcome challenges to employment and helps them move closer towards or into work. In March we were awarded the Gloucestershire Inclusive Employer award. We began participation in the Disability Confident Committed scheme this year, and plan to move this forward another level in the coming months.

Becoming the customers' first choice for Kitchenware

Well positioned in a large market opportunity

The UK kitchenware market in which we operate in is large and typically quite stable. Experience tells us that the market is relatively resilient in difficult economic times as consumers eat out less and entertain more in their homes.

As a direct-to-consumer specialist retailer, our business model allows us to offer customers exceptional value through our high quality direct-sourced products, designed by our own team, and which span a range of styles and price points to suit individual needs, tastes and budgets. These value for money credentials, accompanied by our conveniently located stores and strong service, provide a level of resilience to the current macro challenges.

In our core UK market, we have a significant opportunity to raise brand awareness and increase market share, which we estimate was 2.2% in 2021, as we pursue our mission to become the customers' first choice for kitchenware.

Attract, engage and retain more customers

Prompted recall of the ProCook brand is still below 40% in the UK (with some of our competitors enjoying over 70%). Our opportunity to raise customer's awareness of what we offer is therefore significant. Showcasing our passion for cooking through 'how to' guides, recipes and lifestyle content combined with our quality product range and leading pricing will allow us to inspire and engage our customers.

Having recently welcomed our new Chief Marketing Officer, Angela Porter, we are now refreshing our brand marketing strategy. We will be accelerating our top-of funnel campaign activity utilising digital content, much of which we will create in our own cookery school which doubles as a studio and media hub. We are optimising our paid media activities implementing automated bidding and integrating customer data to deliver enhanced conversion tracking.

We are in the process of implementing a powerful new customer experience platform which will also serve as our email service provider. We will use this new technology to drive forward our retention marketing activities. We will improve segmentation of customers cohorts, enhance our targeting and re-targeting activities across our sales channels and introduce greater personalisation all whilst gaining valuable and deep insights into customer behaviour and activity.

Developing our proposition

We are committed to developing our own ecommerce platforms to enable us to engage more effectively and directly with our customers. As a result, we expect to withdraw from our remaining Amazon EU activities during the next few months in order to focus fully on this priority.

Our own website already performs well, as our recent benchmarking exercise conducted by external specialists has concluded, however we have identified where we can make further improvements, and we have developed an experimentation roadmap for user experience and conversion optimisation in the months ahead. We are planning to migrate the website to the new codebase that we developed for the EU during FY22 to benefit from improved site speed, enhanced security and reduced ongoing development time. Focusing on the UK first will deliver benefits more quickly and allow us to optimise the website, ready for when we choose to roll out Ecommerce trading to new territories.

Our 55 retail stores, which are designed to inspire customers, provide a convenient opportunity to test, seek advice and take products home the same day. Our focus in the short term is on the key retail metrics that drive performance, so we are rolling out further training for our colleagues and elevating our customer service focus. In the year ahead we are planning to open approximately four new stores in the UK, as well as relocating at least two stores to larger sites within existing retail centres to provide more space to better display product ranges, particularly tableware.

Our comprehensive product range across Cookware, Kitchen Accessories and Tableware has over 1,600 SKUs which are ProCook own-brand, designed by us and direct-sourced from our manufacturing partners. We construct ranges within clear price and quality/feature hierarchies providing customers choice over what suits their needs best. We are committed to our pricing model, saving the customer at least 30% against comparable products from competitor brands, and are confident that this offers our customers exceptional value for money. Looking ahead we are excited by the opportunity to extend our Tableware offer as we further penetrate this large segment of the kitchenware market. Equally, we expect to launch the first phases of our new ranges of Kitchen Electricals within the coming year, which will provide another reason for our existing customers to shop again with ProCook and allow us to attract new customers to the brand.

Building on our foundations

The rapid growth of the business over recent years has meant our head office working space and logistics efficiency has been compromised. We are very much looking forward to moving into our new BREEAM certified Distribution Centre and HQ later in FY23. This will improve efficiency and capacity in our logistics operations and provide an inspiring environment for our colleagues to flourish and teams to collaborate, pushing us on to greater achievements in the years ahead.

Our proprietary technology platforms support our operations across the business and coupled with best-in-class third-party technologies, allow us to be nimble, efficient and highly customer-oriented. We have a full development roadmap for the year ahead, including the implementation of the new customer experience platform, migration to our new codebase for our UK website, improvements to our warehouse management system and security enhancements, alongside continual website performance improvements.

We remain fully committed to investing in our infrastructure and foundations to ensure we have an agile and scalable platform that will support future growth.

Current Trading and Outlook

Based on GfK data we estimate the UK Kitchenware market contracted during the first quarter of our FY23 financial year by approximately -12%. In light of this macro-economic backdrop, our exceptional outperformance of the market in the first quarter of last year which provides tough comparatives (FY22 Q1: Total revenue +84.9%, LFL revenue +96.7%, UK revenue excluding Amazon +143.3%), and our strategic exit of Amazon UK in June 2021, our sales performance in the first quarter of FY23 has declined year on year. Revenue in the UK, excluding Amazon, was -9.0% year on year, outperforming the market, and +49.9% compared to Q1 FY20. Total revenue in the first quarter of £11.4m was -21.6% year on year, but +35.5% compared to Q1 FY20 (pre-pandemic).

The rapid deterioration in the consumer and macro environment means that we have now had to adjust and re-prioritise our focus. We are well placed to manage these current challenges with a strong financial position, a resilient business model, a clear strategy for sustainable and profitable growth, and a customer proposition focused on exceptional service, quality and value. We will continue to invest in the initiatives that will drive our brand forward, making ProCook a stronger, more sustainable business for all of our stakeholders and with a sharpened focus on our core UK market in the short term.

In line with our recent trading update on 10 June 2022, the Board expects that revenue for FY23, will be broadly in line with the last year, with underlying profit before tax of between £4-6m, reflecting ongoing investment in future growth, cost inflation and a return to a more typical seasonal second half weighting. We are confident that the Group remains well placed to capture increased share of its large and growing market and deliver medium to long term growth and value to all stakeholders.

Daniel O’Neill

Chief Executive Officer and Founder

6 July 2022

CFO's Review

We have delivered another strong financial performance in FY22, despite the increasingly challenging market backdrop. Revenue grew by 29.5% to £69.2m as we continued to grow our market share, and underlying profit before tax of £9.5m represents 13.7% of revenue. We have continued to invest, with the long term in mind, in areas that will support sustainable and profitable growth and the achievement of our strategic priorities.

Revenue

	FY22	*YoY*	*Yo2Y*
Revenue	**£69.2m**	***29.5%***	***78.0%***
Ecommerce	£32.3m	*(18.9%)*	*124.9%*
Retail	£36.8m	*171.9%*	*50.5%*
LFL Revenue	**£55.0m**	***32.1%***	***123.5%***
Ecommerce	£31.0m	*(2.2%)*	*197.1%*
Retail	£24.0m	*140.7%*	*69.3%*

Total revenue in FY22 (the 52-week period ending 3 April 2022) increased by +29.5% to £69.2m (FY21, the 53-week period ending 4 April 2021: £53.4m). Compared to FY20, total revenue growth was +78.0%, reflecting like for like growth of 123.5%.

We have continued to grow our market share, significantly outperforming the UK Kitchenware market. Based on our analysis of weekly GfK data, our year-on-year growth was +36 percentage points ahead of the market. Based on Euromonitor's updated total UK kitchenware market size for 2021 calendar year[1], we estimate that our share of the market grew from 1.7% in 2020 to 2.2% in 2021.

Ecommerce revenue decreased by -18.9% to £32.3m (FY21: £39.9m) reflecting the strategic decision we took at the end of June 2021 to exit the UK Amazon marketplace which reduced our overall Ecommerce revenue by -£6.8m (-17.2%). Revenue from own website declined by just -1.5% year-on-year, remaining +250.3% compared to pre-pandemic performance in FY20, despite the return of customers to physical retail stores very early in the year.

Retail revenue grew by +171.9% to £36.8m (FY21: £13.5m), benefiting from the stores being open for almost all of the year (Covid-19 restrictions in FY21 meant that our stores were only open for approximately 50% of the year). On a two-year like-for-like basis, revenue in existing stores in FY20 grew by +69.3%. During the year we opened eight new stores in destination retail centres and closed two high street stores increasing our retail store estate to 55 stores.

[1] In the May 2022 "Homewares in the UK report" from Euromonitor, the 2020 UK Kitchenware market size has been revised downwards, as a result of subsequently obtaining more accurate and complete historic numbers for the full year, to £3.1bn from £3.6bn as reported in April 2021.

Gross profit

We delivered gross profits of £45.0m in FY22 (FY21: £35.9m) maintaining strong gross margins of 65.1% (FY21: 67.2%), despite choosing to hold selling prices to maximise value for customers, whilst in the midst of significant global supply chain challenges. The cost impact of increased marine freight costs during the year was approximately -200bps year-on-year.

Prior year adjustment

Following careful review of the costs associated with transporting inventory to its final selling location we have concluded that it is appropriate to recognise such costs within gross profit. We have adjusted for this in the current and prior year to aid comparability. This adjustment has reduced gross margin in FY22 by approximately -210bps (FY21: approximately -140bps). A corresponding credit has been made to reduce operating costs resulting in nil net effect on profits in either financial year.

Operating expenses and other income

Underlying operating expenses net of other income

Total underlying operating expenses net of other income were £35.9m (FY21: £26.2m) representing 51.9% of sales (FY21: 49.0%). This growth in costs was driven by a number of key factors:

1. Year-on-year effect of existing retail stores fully reopening: +£5.7m
2. New costs in relation the net six new stores opened in the year: +£1.7m
3. Variable costs in relation to continuing ecommerce channels as cost per acquisition returned to more normal pre-pandemic levels: +£0.7m
4. Variable cost savings from the exit of the UK Amazon marketplace: -£0.6m
5. New headcount related costs in central functions to support growth: £0.7m
6. Additional spend on brand marketing to increase customer awareness: £0.9m
7. Other central overhead cost increases including audit and professional fees, IT and facilities: £0.7m

Retail costs benefitted from the continued property rates 'holiday' during the year by approximately £1.3m. This temporary relief came to an end in April 2022.

Other income

Total other income of £0.4m in FY22 (FY21: £2.8m) relates to the Government's Coronavirus Job Retention Scheme and Business Rates Relief scheme which came into effect during the pandemic whilst our stores (as 'non-essential' retail stores) were closed for significant periods of time. These have been included in the above explanations on a net basis as they relate directly to operating costs in relation to our Retail stores.

Non-underlying operating expenses

Non-underlying operating expenses in FY22 of £9.4m include non-recurring costs in relation to the IPO of £2.7m (2021: £nil) and costs in respect of employee share-based IPO awards of £6.7m (2021: £nil). Expenses in relation to these IPO awards are expected to continue through relevant vesting periods to FY25, albeit these costs reduce over time.

Operating profit

Total underlying operating profit for the period was £9.2m (FY21: £9.7m). The significant change in channel mix year on year, as retail fully re-opened, resulted in a large year on year shift in channel profitability. Ecommerce operating profitability declined from 35.5% of revenue to 24.9% as demand reduced and costs per acquisition rose back to pre-pandemic levels. Retail profitability doubled from 13.1% of revenue to 26.2%, benefitting from the significant growth in sales year on year. The total operating profit from our Ecommerce and Retail channels combined was £17.7m (FY21: £15.9m) an +11.1% increase. This growth was offset by the investment in brand marketing and other central costs as set out above.

£m	**FY22**	**FY21**
Underlying operating profit		
Ecommerce	8.1	14.1
Retail	9.6	1.8
Central costs	(8.5)	(6.2)
Total	**9.2**	**9.7**
As a % sales		
Ecommerce	24.9%	35.5%
Retail	26.2%	13.1%
Central costs	(12.3%)	(11.7%)
Total	**13.3%**	**18.2%**

Total reported operating loss, after the £9.4m of non-underlying costs relating to the IPO in the current year was -£0.2m (FY21: profit of £9.7m).

Profit and earnings per share

Underlying profit before tax was £9.5m representing 13.7% of revenue (FY21: £8.3m, 15.5%).

During the year there was a net gain of £0.3m (FY21: -£1.4m net loss) in respect of financial items in the period. Financial items included interest expenses on lease liabilities and borrowings of -£0.6m (FY21: -£0.5m) offset by unrealised gains of +£0.9m on derivatives and foreign exchange differences on the translation of dollar denominated assets and liabilities, (FY21: -£0.9m loss).

After non-underlying costs, we reported a profit before tax of £0.1m (FY21: £8.3m). Reported loss after tax was £0.1m (FY21: £6.4m profit).

The effective tax rate based on underlying profit before tax was 20.0% (FY21: 22.5%).

Earnings per Share

Underlying basic earnings per share for the year increased to 7.34 pence (FY21: 6.42 pence) and underlying diluted earnings per share increased to 6.76 pence (FY21: 5.92 pence).

Reported basic earnings per share for the year were (0.01) pence (FY21: 6.42 pence) and reported diluted earnings per share were (0.01) pence (FY21: 5.92 pence).

Cash generation and net cash/ debt

The Group had a free cash outflow of £3.0m in the current period (FY21: inflow of £8.2m) and ended the year with net debt of £1.8m (FY21: net cash £3.1m).

£m	FY22	FY21
Reported profit before tax	**0.1**	**8.3**
Depreciation, amortisation, impairment and profit/loss on disposal	4.1	3.8
Share based payments	5.8	-
Finance expense	0.6	0.5
Unrealised FX (gains)/losses	(1.1)	0.9
Net working capital outflow	(3.2)	(3.8)
Tax paid	(2.0)	(2.0)
Net operating cash flow	**4.3**	**7.7**
Net capital expenditure	(3.8)	3.1
Interest	(0.6)	(0.5)
Payment of lease liabilities	(2.9)	(2.1)
Free Cash Flow	**(3.0)**	**8.2**

Cash and Cash equivalents	3.8	5.9
Borrowings	(5.5)	(2.8)
Net (Debt)/ Cash	**(1.8)**	**3.1**

The lower reported operating profit in the year includes the £9.4m of non-underlying expenses which resulted in £2.2m of additional cash outflows compared to FY21.

Our increased net working capital position resulted in a cash outflow of £3.2m in the year (FY21: £3.8m) reflecting our continued investment in inventory to protect trading and ensure strong levels of availability during this period of global supply chain disruption. Inventory on hand at the year-end (excluding inventory in transit) was £15.2m (FY21: £8.1m) up +86.4% year on year. Total inventory at the year-end was £16.8m (FY21: £10.1m). The increase in inventory was partly offset by higher trade and other payables including a higher VAT payable (£1.9m), as a result of the Group's creation of a VAT Group earlier in the year, which will be paid early in the new financial year.

Net capital expenditure of £3.8m in the year primarily related to the eight new stores opened during the year including the new Cookery School at Tottenham Court Road, London. In the prior year, there was a net capital expenditure cash inflow of £3.1m after net proceeds of £5.1m in relation to the sale and leaseback of the head office site in Gloucester.

Tax payments of £2.0m (FY21: £2.0m) reflect payments in advance based on the anticipated full year current tax charge, which has reduced as we have finalised our assessment of disallowable costs and share-based awards in relation to the IPO and completed our transition to IFRS as part of the year end close. As at 3 April 2022, we have a current tax asset of £0.3m which is currently being recovered.

Banking agreements

After the year end, on 20 April 2022, the Group entered into an agreement for a committed £10m Revolving Credit Facility (RCF) to provide additional cash headroom to support operational and investment activities. This facility expires in April 2025 and has two one-year extension options. 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 fixed charge cover (EBITDAR to be no less than 1.7x fixed charges). Both covenants are calculated on a pre-IFRS 16 basis. The Group's ability to meet these covenants has been stress tested as part of going concern and viability considerations, which is described in more detail elsewhere in this report.

As part of this new agreement, the Group has retained its access to the existing £6.0m trade finance facility (although this is now an uncommitted facility), which is due to expire in September 2023. The terms of the facility are consistent with normal practice.

Additionally, the RCF agreement provides an accordion option, subject to the lender's approval, to extend the facility by a further £5m.

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 reviews on an annual basis, or more frequently as required. Maintaining this headroom provides a level of flexibility sufficient to fund the working capital and investment needs of the Group (as well as set aside an appropriate operating reserve for unexpected events). The Group's dividend policy targets an 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, under normal circumstances, that it will consider 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.

Dividends

Prior to the IPO, in FY22 the Group paid dividends to the existing shareholders at that time, totalling £1.9m (FY21: £1.5m), of which £1.0m was paid in the first half of the year, and the remaining £0.9m was paid in November 2021.

As a result of the Group's strong performance in the year and the Board's confidence in the Group's ability to deliver sustainable, profitable growth over the medium to longer term, and in line with our capital allocation policy, the Board has recommended to pay a final dividend of 0.9p per share. Subject to approval by shareholders at the AGM, the final dividend will be paid on 30 September 2022 to shareholders on the register on 2 September 2022.

Treasury Management

The Group is exposed to foreign currency risk through its trading activities. The main source of this relates to stock purchases from non-UK suppliers, which accounts for approximately 95% of the Group's annual stock purchases. To manage the exchange rate risk, a mixture of standard ("vanilla") forwards and outperformance trades are utilised. The Group seeks target levels of coverage for future USD payments, as determined by internal forecasts and the Group's Treasury Management Policy.

Given the level of USD transactions and cover obtained via financial instruments, the Group is exposed to a counter-party risk with each of the financial institutions where arrangements are held. The Group manages this risk by ensuring only highly credited institutions are used and limiting the level of exposure with each.

The Group is also exposed to interest rate risk where the Group has financial obligations that give rise to a variable interest charge. To minimise the charges and exposure driven by interest rates, the Group ensures that credit facilities are used optimally in parallel with the latest interest rate information and forecasts.

Tax Strategy

The Group's tax policy is to manage its tax affairs in a responsible and transparent manner in line with our commitment to high corporate governance standards. This ensures the Group complies with the relevant legislation and has due regard to our reputation and thus seek to promote the long-term success of the Group and deliver sustainable shareholder value.

A copy of the Group's tax strategy is available our website at www.procookgroup.co.uk.

IPO

On the 12 November 2021, the Group successfully completed its 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.

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

6 July 2022

Consolidated Income Statement
For the 52 weeks to 3 April 2022

£'000s	Note	52 weeks ended 3 April 2022 Underlying	Non-underlying	Reported	53 weeks ended 4 April 2021
Revenue	1	**69,154**	**-**	**69,154**	**53,393**
Cost of sales		(24,111)	-	(24,111)	(17,513)
Gross profit		**45,043**	-	**45,043**	**35,880**
Operating expenses	2	(36,277)	(9,400)	(45,677)	(29,032)
Other income	5	407	-	407	2,848
Operating profit/(loss)		**9,173**	**(9,400)**	**(227)**	**9,696**
Finance expense		(623)		(623)	(457)
Other gains/(losses)		944	-	944	(949)
Profit before tax		**9,494**	**(9,400)**	**94**	**8,290**
Tax expense	6	(1,900)	1,720	(180)	(1,866)
Profit/(loss) for the period		**7,594**	**(7,680)**	**(86)**	**6,424**
Total comprehensive income/(loss)		**7,594**	**(7,680)**	**(86)**	**6,424**
Earnings per ordinary share - basic	8	7.34p		(0.01)p	6.42p
Earnings per ordinary share - diluted	8	6.76p		(0.01)p	5.92p

Consolidated Statement of Financial Position
As at 3 April 2022

£'000s	Note	As at 3 April 2022	As at 4 April 2021	As at 29 March 2020
Assets				
Non-current assets				
Intangible assets	9	363	67	-
Property, plant, and equipment	10	5,801	3,631	6,780
Right-of-use assets	11	20,985	17,834	10,132
Deferred tax asset	6	1,175	-	-
Total non-current assets		**28,324**	**21,532**	**16,912**
Current assets				
Inventories		16,759	10,088	5,402
Trade and other receivables		1,975	1,455	600
Current tax asset		271	-	-
Cash and cash equivalents		3,782	5,879	2,956
Total current assets		**22,787**	**17,422**	**8,958**
Total assets		**51,111**	**38,954**	**25,870**
Liabilities				
Current liabilities				
Trade and other payables		8,278	6,221	3,651
Lease liabilities	11	2,844	2,781	1,751
Provisions		173	160	160
Borrowings		5,540	2,803	4,239
Current tax liability		-	387	294
Total current liabilities		**16,835**	**12,352**	**10,095**
Non-current liabilities				
Trade and other payables		816	-	-
Lease liabilities	11	19,605	16,670	8,334
Provisions		444	398	303
Borrowings		-	-	2,357
Deferred tax liability	6	-	29	250
Total non-current liabilities		**20,865**	**17,097**	**11,244**
Total liabilities		**37,700**	**29,449**	**21,339**
Net Assets		**13,411**	**9,505**	**4,531**
Equity and reserves attributable to Shareholders of ProCook Group plc				
Share capital		1,090	-	-
Share option reserve		5,801	-	-
Share premium		1	-	-
Revaluation reserve		-	-	472
Retained earnings		6,519	9,505	4,059
Total equity and reserves		**13,411**	**9,505**	**4,531**

Consolidated statement of cash flows
For the 52 weeks to 3 April 2022

£'000s	Note	52 weeks ended 03 April 2022	53 weeks ended 04 April 2021
Cash flows from operating activities			
(Loss)/Profit before tax		94	8,290
Adjustments for:			
Depreciation of property, plant, and equipment	10	860	673
Impairment of property, plant, and equipment	10	-	209
Amortisation of Intangible assets	9	52	-
Loss/(profit) on disposal of property, plant, and equipment	10	135	(961)
(Profit)/loss on termination of leases		(50)	1,128
Amortisation of right-of-use assets	11	3,056	2,715
(Gains)/losses on derivatives		(1,098)	949
Share Based Payments		5,837	-
Finance expense		623	457
Increase in inventories		(6,671)	(4,686)
Increase in trade and other receivables		(372)	(855)
Increase in trade and other payables		3,822	1,621
Increase in provisions		59	95
Income taxes paid		(2,041)	(1,995)
Net cash flows from operating activities		**4,306**	**7,640**
Investing activities			
Purchase of property, plant, and equipment	10	(3,165)	(1,868)
Purchase of intangible assets	9	(348)	(67)
Proceeds from sale of fixed assets		-	5,096
Lease inception costs		(248)	(97)
Net cash (used in)/from investing activities		**(3,761)**	**3,064**
Financing activities			
Interest on borrowings		(156)	(99)
Interest paid on lease liabilities	11	(467)	(358)
Proceeds from borrowings		28,320	14,854
Repayment of borrowings		(25,583)	(18,647)
Principle movement on lease liabilities	11	(2,910)	(2,081)
Proceeds from the issue of shares		54	-
Dividends paid	7	(1,900)	(1,450)
Net cash used in financing activities		**(2,642)**	**(7,781)**
Net (decrease)/increase in cash and cash equivalents		(2,097)	2,923
Cash and cash equivalents at beginning of the period		5,879	2,956
Cash and cash equivalents at end of period		**3,782**	**5,879**

Consolidated statement of changes in equity
For the 52 weeks to 3 April 2022

£'000	Note	Share capital	Share premium	Share option reserve	Revaluation reserve	Retained earnings	Total equity
As at 30 March 2020		-	-	-	472	4,059	**4,531**
Total comprehensive income for the period		-	-	-	-	6,424	**6,424**
Transfer from revaluation reserve to retained earnings		-	-	-	(472)	472	**-**
Ordinary dividends paid	7	-	-	-	-	(1,450)	**(1,450)**
As at 4 April 2021		-	-	-	-	**9,505**	**9,505**
Total comprehensive loss for the period		-	-	-	-	(86)	**(86)**
Bonus issue[1]		117,300	-	-	-	(117,300)	**-**
Capital reduction[1]		(116,300)				116,300	**-**
Share options exercised		54	1	-	-	-	**55**
Issue of shares		36	-	(36)	-	-	**-**
Employee Share Based Payment Awards		-	-	5,837	-	-	**5,837**
Ordinary dividends paid	7	-	-	-	-	(1,900)	**(1,900)**
As at 3 April 2022		**1,090**	**1**	**5,801**	**-**	**6,519**	**13,411**

[1]The bonus issue and capital reduction resulted from the acquisition of ProCook Limited Group by the new Parent company, ProCook Group plc.

Accounting Policies
For the 52 weeks ending 3 April 2022

General Information

The financial information set out herein does not constitute the Company's statutory financial statements for the periods ended 3 April 2022 or 4 April 2021, but is derived from those financial statements. Statutory financial statements for 2022 will be delivered to the Registrar of Companies in due course. The financial statements were approved by the Board of directors on XX July 2022. The auditors have reported on those financial statements; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

ProCook Group plc (the Company) is a public limited company incorporated and domiciled in England and Wales under the Companies Act 2006 (Registration number: 13679248). The registered office is ProCook, Davy Way, Waterwells, Gloucester, GL2 2BY.

The principal activity of the Company together with its subsidiary undertakings throughout the period is the sale of kitchenware and related products in stores and via ecommerce platforms

Group Reorganisation

On 26 October 2021, ProCook Group Limited acquired the entire shareholding of ProCook Limited via a share-for-share exchange, with the existing owners of ProCook Limited at that time becoming the owners of ProCook Group Limited. 100 ordinary shares of £1.00 each in ProCook Limited were exchanged by the owners for 10,000 ordinary shares of £0.01 each in ProCook Group Limited.

During the year a capital reorganisation was undertaken in the Parent Company following the acquisition of ProCook Limited. This increased the number of ordinary shares in issue to 100,000,000 shares of £0.01 each.

On the 10 November 2021, the entire issued share capital of the Company was admitted for provisional trading on to the premium listing segment of the Official List of the London Stock Exchange's Main Market for listed securities, becoming ProCook Group plc, with full admission taking place on the 12 November 2021.

The insertion of the Company on top of the existing ProCook Limited Group does not constitute a business combination under IFRS 3 Business Combinations and as such the consolidated accounts for the Group are treated as a continuation of the consolidated accounts of the ProCook Limited Group, under the principles of Merger accounting.

Under the principles of merger accounting the consolidated financial statements of the newly formed Group must reflect:

- The comparative Consolidated statement of financial position and income statement show the assets and liabilities and results of the former ProCook Limited group, transitioned to IFRS, as detailed in note 12.
- The retained earnings and other equity balances of the ProCook Limited Group at pre-combination carrying amounts.
- The share capital of the Company.
- The Consolidated Income Statement reflects the consolidated results of the ProCook Limited Group for the full financial year ending 3 April 2022, inclusive of the results of the newly incorporated parent entity, ProCook Group plc, from 26 October 2021 onwards.
- As at 3 April 2022, a merger reserve is not recognised on preparing these consolidated results as the nominal value of the shares issued by ProCook Group Limited equal the nominal value of the shares received from ProCook Limited.

These consolidated financial statements of the Group are the first set of financial statements for the newly formed Group. The prior period has been presented as a continuation of the former ProCook Limited Group on a consistent basis as if the group reorganisation had taken place at the start of the earliest period presented, being 30 March 2020. The prior period comparatives are those of the former ProCook Limited Group since no substantive economic changes have occurred.

The Group and its subsidiaries results reported in these financial statements have been prepared on a consistent basis with uniform accounting policies.

Basis of preparation

These Group's consolidated financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, UK-adopted IFRS as issued by the International Accounting Standards Board. ProCook is a first-time adopter of IFRS and these financial statements have been properly prepared in accordance with IFRS 1. The consolidated Group financial statements are presented in Pounds Sterling, being the Group's functional currency, and generally rounded to the nearest thousand. They are prepared on the historical cost basis, unless otherwise stated.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Notes to the consolidated financial statements
For the 52 weeks ending 3 April 2022

1. Revenue

Group revenue is not reliant on any single major customer or group of customers. Management considers revenue is derived from one business stream being the retail of kitchenware and related products and services.

Customers interact and shop with the Group across multiple touchpoints and their journey often involves more than one channel. The Chief Operating Decision-maker is the Board of Directors of ProCook Group plc. The Board reviews internal management reports on a frequent basis, and in line with internal reporting, the channel reporting below indicates where customers complete their final purchase transaction.

The majority of the Group's operations are carried out in the UK, with a smaller proportion of the Group's revenue being generated in the European Union. All revenue is from external customers.

£'000	52 weeks ended 3 April 2022	53 weeks ended 4 April 2021
United Kingdom	66,124	50,087
European Union	3,030	3,306
Total revenue	**69,154**	**53,393**

2. Operating expenses

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

£'000	52 weeks ended 3 April 2022	53 weeks ended 4 April 2021
Exchange losses	32	519
Depreciation of tangible fixed assets	860	673
Amortisation of Intangible assets	52	-
Amortisation of right-of-use-assets	3,056	2,715
Impairment of tangible fixed assets	-	209
Variable lease payments	985	267
Loss/(profit) on disposal of property, plant, and equipment	174	(961)

3. Non-underlying items

Due to the non-recurring nature of the Initial Public Offering on the London Stock Exchange by the Group in the period ended 3 April 2022, the business has incurred costs which relate to non-recurring events, and are material in nature, and so have been separately disclosed on the face of the Consolidated Income Statement as non-underlying items. These included non-recurring costs in relation to the IPO of £2.7m (2021: £nil) and costs in respect of employee share-based IPO awards of £6.7m (2021: £nil). Expenses in relation to these IPO awards are expected to continue through relevant vesting periods to FY25, albeit these costs reduce over time.

£'000	52 weeks ended 3 April 2022	53 weeks ended 4 April 2021
IPO costs	2,742	-
IPO Share based compensation	6,658	-
Total	**9,400**	**-**

4. Segmental reporting

The Chief Operating Decision Maker (CODM) is the Board of Directors and segmental reporting analysis is presented based on the Group's internal reporting to the Board. At 3 April 2022, the Group had two operating segments, being Ecommerce and Retail. Central costs are reported separately to the Board. Whilst central costs are not considered to be an operating segment, it has been included below to aid reconciliation with Operating Profit as presented in the Consolidated Statement of Income.

£'000	52 weeks ended 3 April 2022	53 weeks ended 4 April 2021
Revenue		
Ecommerce	32,332	39,853
Retail	36,822	13,540
Total revenue	**69,154**	**53,393**
Operating profit		
Ecommerce	8,056	14,146
Retail	9,635	1,773
Central costs	(8,518)	(6,223)
Non-underlying costs	(9,400)	-
Operating (loss)/profit	**(227)**	**9,696**
Finance costs	(623)	(457)
Other gains/(losses)	944	(949)
Profit before tax	**94**	**8,290**

5. Other income

£'000	52 weeks ended 3 April 2022	53 weeks ended 4 April 2021
Other income	112	43
Government grants	295	2,805
Total other income	**407**	**2,848**

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

6. Tax expense

The tax expense for the periods presented differ from the standard rate of UK corporate income tax applicable in the financial year. The differences are explained below:

£'000	52 weeks ended 3 April 2022	53 weeks ended 4 April 2021
Current taxation		
Corporate income tax charge for the period	1,384	2,087
Adjustments in respect of previous years	-	-
	1,384	2,087
Deferred tax		
Origination and reversal of temporary differences	(920)	(221)
Impact of change in tax rate	(284)	-

Total tax expense	**180**	**1,866**

The tax charge reconciles with the standard rate of UK corporate income tax as follows:

£'000	52 weeks ended 3 April 2022	53 weeks ended 4 April 2021
Profit on ordinary activities before tax	94	8,290
UK Corporate income tax at standard rate of 19% (2021: 19%)	18	1,575
Factors effecting the charge in the period:		
Tax effect of expenses that are not deductible for tax purposes	446	(123)
Adjustments in respect of prior years	-	105
Impact of change in tax rate	(284)	-
Chargeable gains	-	309
Total taxation expense	**180**	**1,866**

The underlying taxation expense for the period as a percentage of profit before tax (the effective tax rate) is 20.0% (2021: 22.5%)

The standard rate of UK corporate income tax was 19% for all periods presented. During the year, the UK Government substantively enacted an increase in the UK corporate income tax rate to 25% effective from 1 April 2023. Deferred tax balances have been adjusted to reflect the expected increase in Corporation tax rates.

The deferred tax asset has arisen due to accelerated capital allowances on items of property, plant and equipment and the timing of future vesting dates in respect of share based payments. The amounts have been presented on a net basis to follow the way in which they will be recouped by the Group.

7. Dividends

£'000	52 weeks ended 3 April 2022 (£'000)	Dividend per share (pence)	53 weeks ended 4 April 2021 (£'000)	Dividend per share (pence)
Final dividend for the period 29 March 2020	-	-	1,450	1.5
Final dividend for the period 4 April 2021	1,000	1.0	-	-
Interim dividend for the period ended 3 April 2022	900	1.0	-	-

In the table above, the 10,000 ordinary shares of £1 each in issue as at 4 April 2021 have been converted to the equivalent post share for share exchange quantity (100,000,000 ordinary shares of 1 pence) for comparative purposes.

The FY22 interim dividend of £1.0m was declared and paid representing 1.0 pence per shares, however £0.1m of this dividend was waived by certain shareholders. The interim dividend was paid to the shareholders on the register at close of business on 8 November 2021.

The Directors have recommended a final dividend of 0.9 pence per ordinary share, which equates to £1.0m, for the period ended 3 April 2022. Subject to shareholder approval at the AGM, this will be paid on 30 September 2022 to shareholders on the register at close of business on 2 September 2022.

8. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Group by the weighted average number of ordinary shares in issue.

Diluted earnings per share is calculated by dividing the profit for the period 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.

	52 weeks ended 3 April 2022	53 weeks ended 4 April 2021
Weighted average number of shares	103,509,034	100,000,000
Impact of share options	8,774,159	8,580,000
Number of shares for diluted earnings per share	112,283,193	108,580,000

In the table above, the 10,000 ordinary shares of £1 each in issue as at 4 April 2021 have been converted to the equivalent post share for share exchange quantity (100,000,000 ordinary shares of 1 pence) for comparative purposes.

£'000	52 weeks ended 3 April 2022 Underlying	52 weeks ended 3 April 2022 Reported	53 weeks ended 4 April 2021 Reported
Profit/(loss) for the period	7,594	(86)	6,424
Earnings per ordinary share - basic	7.34p	(0.01)p	6.42p
Earnings per ordinary share - diluted	6.76p	(0.01)p	5.92p

9. Intangible assets

£'000	Software	Assets under construction	**Total**
Cost			
At 30 March 2020	-	-	-
Additions	-	67	67
At 4 April 2021	-	67	67
Transfers out of Assets under construction	67	(67)	-
Additions	190	158	348
At 3 April 2022	**257**	**158**	**415**
Accumulated Amortisation			
At 30 March 2020	-	-	-
Charge for the period	-	-	-
At 4 April 2021	-	-	-
Charge for the period	52	-	52
At 3 April 2022	**52**	**-**	**52**
Net book value			
At 29 March 2020	-	-	-
At 4 April 2021	-	-	67
At 3 April 2022	**205**	**158**	**363**

Amortisation was recognised in the Consolidated Statement of Income within operating expenses throughout the period.

10. Property, plant and equipment

£'000	Land and Buildings	Plant and machinery	Fixtures and Fittings	Motor Vehicles	Assets under construction	**Total**
Cost						
At 30 March 2020	4,236	211	4,700	4	-	9,151
Additions	2	206	1,660	-	-	1,868
Disposals	(4,204)	(97)	(316)	-	-	(4,617)
At 4 April 2021	34	320	6,044	4	-	6,402
Additions	34	167	2,514	25	425	3,165
Disposals	(56)	-	(96)	-	-	(152)
At 3 April 2022	**12**	**487**	**8,462**	**29**	**425**	**9,415**
Accumulated depreciation						
At 30 March 2020	328	38	2,002	3	-	2,371
Charge for the period	35	15	622	1	-	673
Impairment	-	-	209	-	-	209
Disposals	(354)	(21)	(107)	-	-	(482)
At 4 April 2021	9	32	2726	4	-	2771
Charge for the period	3	31	818	8	-	860
Disposals	(9)	-	(3)	(5)	-	(17)
At 5 April 2022	**3**	**63**	**3,541**	**7**	**-**	**3,614**
Net book value						
At 29 March 2020	3,908	173	2,698	1	-	6,780
At 4 April 2021	25	288	3,318	-	-	3,631
At 3 April 2022	**9**	**424**	**4,921**	**22**	**425**	**5,801**

Impairment tests have been carried out where appropriate and no impairment charge has been recognised as a result in the 52 weeks to 3 April 2022. In the year ended 4 April 2021, an impairment loss of £209k was recognised in the Consolidated Statement of Income within operating expenses which related to a Group wide review of fixtures and fittings, where certain assets were identified not to be in working order or in use in retail stores. The impairment was recognised within the Retail reporting segment.

Depreciation was recognised in the Consolidated Statement of Income within operating expenses throughout the period.

11. Leased assets

Right-of-use assets included in the Consolidated Statement of Financial Position were as follows:

£'000	Leasehold Property	Motor Vehicles	Plant and Equipment	Total
Cost				
At 30 March 2020	10,239	78	29	10,346
Additions	8,511	117	-	8,628
Re-measurement	2,491	-	-	2,491
Disposals	(804)	(16)	-	(820)
At 4 April 2021	20,437	179	29	20,645
Additions	7,843	57	39	7,939
Re-measurement	241	-	-	241
Disposals	(2,296)	-	-	(2,296)
At 3 April 2022	**26,225**	**236**	**68**	**26,529**
Accumulated amortisation				
At 30 March 2020	214	-	-	214
Charge for the period	2,667	35	13	2,715
Disposals	(102)	(16)	-	(118)
At 4 April 2021	2,779	19	13	2,811
Charge for the period	2,974	68	14	3,056
Disposals	(323)	-	-	(323)
At 3 April 2022	**5,430**	**87**	**27**	**5,544**
Net book value				
At 29 March 2020	10,025	78	29	10,132
At 4 April 2021	17,658	160	16	17,834
At 3 April 2022	**20,795**	**149**	**41**	**20,985**

Lease liabilities included in the Consolidated Statement of Financial Position were as follows:

£'000	Leasehold Property	Motor Vehicles	Plant and Equipment	Total
At 30 March 2020	9,978	78	29	10,085
Additions	9,385	117	-	9,502
Re-measurement[1]	2,491	-	-	2,491
Interest expense	354	3	1	358
Lease payments	(2,381)	(43)	(15)	(2,439)
Disposals	(546)	-	-	(546)
At 4 April 2021	19,281	155	15	19,451
Additions	7,615	57	39	7,711
Re-measurement[1]	241	-	-	241
Interest expense	462	4	1	467
Lease payments	(3,286)	(75)	(16)	(3,377)
Disposals	(2,044)	-	-	(2,044)
At 3 April 2022	**22,269**	**141**	**39**	**22,449**

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

12. Transition to IFRS and other adjustments

These are the first consolidated financial statements prepared for ProCook Group plc and the first audited financial statements prepared in accordance with IFRS for the newly formed Group. For all periods up to and including 4 April 2021, the previous group headed by ProCook Limited prepared its statutory financial statements in accordance with UK GAAP under FRS 102. As these consolidated financial statements apply merger accounting and present the comparative as a continuation of the former ProCook Limited Group, these consolidated financial statements are prepared on the basis that the newly formed Group's date of transition to IFRS is 30 March 2020, being the beginning of the comparative period to 4 April 2021.

The effects of transition to IFRS on the Consolidated Statement of Financial Position at 4 April 2021 and 30 March 2020 and the Consolidated 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 from 30 March 2020. The group has elected not to apply IFRS 3 retrospectively to business combinations that occurred prior to the IFRS transition date, as permitted by IFRS 1. The principles and requirements for first time adoption of IFRS are set out in IFRS 1.

Under IFRS the IFRS 16 standard became effective from 1 January 2019, with early adoption possible. The Group has 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.

Additionally, the Group has undertaken a comprehensive review of its historical reporting under FRS to consider the accuracy and integrity of the historical financial statements. As a result, a number of prior year errors have been identified which require restatement. The adjustments and restatements for transition to IFRS and correction of FRS prior year errors are set out below. The impact on the opening balance sheet (30 March 2020) has been stated first, followed by the impact to the balance sheet as at 4 April 2021; the impact on the 4 April 2021 balance sheet being the sum of the 2020 and 2021 impacts.

1. IFRS Transition:
   - i. Right of use assets of £9,912k were recognised in the period ended 30 March 2020. An increase of £7,664k was recognised in the period ended 4 April 2021.
   - ii. Lease liabilities of £10,085k were recognised in the period ended 30 March 2020. An increase of £9,366k was recognised in the period ended 4 April 2021.
   - iii. Trade and other payables decreased by £(420k) in the period ended 30 March 2020. A decrease of £(434k) was recognised in the period ended 4 April 2021.
   - iv. Non-current other payables decreased by £(296k) in the period ended 30 March 2020. An increase of £133k was recognised in the period ended 4 April 2021.
   - v. Trade and other receivables decreased by £(182k) in the period ended 30 March 2020. A decrease of £(251k) was recognised in the period ended 4 April 2021.
   - vi. PPE decreased by of £(386k) in the period ended 30 March 2020. An increase of £116k was recognised in the period ended 4 April 2021.
   - vii. Decrease deferred tax by £(69k) in the period ended 30 March 2020. A decrease of £(303k) was recognised in the period ended 4 April 2021.
   - viii. Increased operating expenses by £1,206k in the period ended 4 April 2021.
   - ix. Increased finance expenses by £327k in the period ended 4 April 2021.
   - x. Decreased the tax expense by £(303k) in the period ended 4 April 2021.
   - xi. Retained earnings increased by £44k in the period ended 30 March 2020. Retained earnings decreased by £(1,233k) in the period ended 4 April 2021.
2. FRS 102 restatement - correction of prior year errors:

   2.1 Historically the Group did not defer revenue for the impact of timing differences between completion of order and actual delivery of the order to a customer, which was a requirement under FRS 102. The adjustments to reflect this are:

   - i. Deferred income increased by £133k in the period ended 30 March 2020. Deferred income increased by £49k in the period 4 April 2021.
   - ii. Inventory increased by £38k in the period ended 30 March 2020. Inventory increased by £15k in the period 4 April 2021.
   - iii. Tax expense reduced by £(7k) in the period ended 4 April 2021.
   - iv. Reduced cost of sales by £15k in the period 4 April 2021.
   - v. Revenue decreased by £49k in the period 4 April 2021.
   - vi. Retained earnings reduced by £(77k) in the period ended 30 March 2020. Retained earnings decreased by £(25k) in the period ended 4 April 2021.

   2.2 Upon adoption of IFRS 15 for the first time, the Group considered the customer's right to return products for refunds as this is not explicitly set out under UK GAAP. The adjustment to previous periods for the right to return is made consistently. The adjustments to reflect this are:

   - i. Trade and other payables increased by £21k in the period ended 30 March 2020. Trade and other payables increased by £23k in the period to 4 April 2021.
   - ii. Inventory increased by £7k in the period ended 30 March 2020. Inventory increased by £8k in the period 4 April 2021
   - iii. Reduce revenue by £23k in the period 4 April 2021.

iv. Reduce cost of sales by £8k in the period 4 April 2021.
v. Retained earnings reduced by £(14k) in the period ended 30 March 2020. Retained earnings reduced by £(15k) in the period ended 4 April 2021.

2.3 FRS 102 requires the recognition of software within intangible assets, having previously been recognised under PPE due to their historical low value. The adjustments to reflect this are:

i. Reduce Property, plant and equipment by £67k in the period ended 4 April 2021.
ii. Increase Intangible assets by £67k in the period ended 4 April 2021.
iii. Retained earnings were not affected by this adjustment.

2.4 Under IAS 8 a restatement of prior periods is required to appropriately recognise provisions for dilapidations in the prior period where they were previously omitted. The adjustments to reflect this are:

i. Provisions of £303k were recognised in the period ended 30 March 2020. An increase of £95k, from £303k to £398k was recognised in the period ended 4 April 2021.
ii. ROU asset of £220k was recognised in the period ended 30 March 2020. An increase of £38k in ROU asset was recognised in the period ended 4 April 2021.
iii. Increased operating expenses by £49k in the period ended 4 April 2021.
iv. Increased finance expenses by £8k in the period ended 4 April 2021.
v. Retained earnings reduced by £(83k) in the period ended 30 March 2020. Retained earnings reduced by £(57k) in the period ended 4 April 2021.

2.5 A further restatement in respect of inventory is required as the Group did not historically include directly attributable transport and labour costs in relation to bringing inventory into its present location. Such labour and transport costs were also previously recognised within operating expenses – this adjustment correctly allocates them to cost of sales. The adjustments to reflect this are:

i. Inventory increased by £91k in the period ended 30 March 2020. Inventory increased by £37k in the period ended 4 April 2021.
ii. Increase cost of sales by £799k in the period ended 4 April 2021.
iii. A corresponding decrease in operating expenses of £799k in the period ended 4 April 2021.
iv. Decrease in cost of sales by £37k in the period ended 4 April 2021.
v. Retained earnings increased by £91k in the period ended 30 March 2020. Retained earnings increased by £37k in the period ended 4 April 2021.

2.6 A reclassification was required to recognise the warranty provision as current as opposed to non-current. The adjustments to reflect this are:

i. Increase current provisions by £160k in the period ended 30 March 2020. Increase current provisions by £160k in the period ended 4 April 2021.
ii. Decrease non-current provisions by £160k in the period ended 30 March 2020. Decrease non-current provisions by £160k in the period ended 4 April 2021.

2.7 During the period ended 4 April 2021, the group did not appropriately recognise an accrual relating to employee holiday entitlement for employees on furlough. The adjustments to reflect this are:

i. Increase accruals by £136k in the period ended 4 April 2021.
ii. Increase operating expenses by £136k in the period ended 4 April 2021.
iii. Reduce tax expense and corporation tax payable by £(26k) in the period ended 4 April 2021.
iv. Retained earnings reduced by £(110k) in the period ended 4 April 2021.

The transition to IFRS and correction of prior year errors has impacted the presentation of items within the consolidated cash flow statement. The implementation of IFRS 16 has resulted in £2,081k of payments being recognised within cash flows from financing activities, which were previously presented under cash flows from operating activities, during the period ended 4 April 2021.

Consolidated statement of financial position
As at 30 March 2020

£'000	UK GAAP	IFRS Transition 1	FRS 102 Restatement 2	**IFRS**
Assets				
Non-current assets				
Intangible assets	-	-	-	**-**
Property, plant, and equipment	7,166	(386)	-	**6,780**
Right-of-use assets	-	9,912	220	**10,132**
Total non-current assets	7,166	9,526	220	**16,912**
Current assets				
Inventories	5,266	-	136	**5,402**
Trade and other receivables	782	(182)	-	**600**
Cash and cash equivalents	2,956	-	-	**2,956**
Total current assets	9,004	(182)	136	**8,958**
Total assets	16,170	9,344	356	**25,870**
Liabilities				
Current liabilities				
Trade and other payables	3,917	(420)	154	**3,651**
Lease liabilities	-	1,751	-	**1,751**
Other Provisions	-	-	160	**160**
Borrowings	4,239	-	-	**4,239**
Current tax liability	294	-	-	**294**
Total current liabilities	8,450	1,331	314	**10,095**
Non-current liabilities				
Trade and other payables	296	(296)	-	**-**
Lease liabilities	-	8,334	-	**8,334**
Other provisions	160		143	**303**
Borrowings	2,357	-	-	**2,357**
Deferred tax liability	337	(69)	(18)	**250**
Total non-current liabilities	3,150	7,969	125	**11,244**
Total liabilities	11,600	9,300	439	**21,339**
Net assets	4,570	44	(83)	**4,531**
Equity and reserves attributable to Shareholders of ProCook Group plc				
Share capital	-	-	-	**-**
Revaluation reserve	472	-	-	**472**
Retained earnings	4,098	44	(83)	**4,059**
Total equity and reserves	4,570	44	(83)	**4,531**

Consolidated Income statement for the period ended 4 April 2021

	UK GAAP	IFRS Transition 1	FRS 102 Restatement 2	**IFRS**
Revenue	53,465	-	(72)	**53,393**
Cost of sales	(16,775)	-	(738)	**(17,513)**
Gross profit	**36,690**	**-**	**(810)**	**35,880**
Operating expensed	(28,469)	(1,176)	613	**(29,032)**
Other income	2,848	-	-	**2,848**
Operating profit	**11,069**	**(1,176)**	**(197)**	**9,696**
Finance expenses	(89)	(360)	(8)	**(457)**
Other gains/(losses)	(949)	-	-	**(949)**
Profit before tax	**10,031**	**(1,536)**	**(205)**	**8,290**
Tax expense	(2,202)	303	33	**(1,866)**
Profit for the period	**7,829**	**(1,233)**	**(172)**	**6,424**
Total other comprehensive income	**7,829**	**(1,233)**	**(172)**	**6,424**

Consolidated statement of financial position
As at 4 April 2021

£'000	UK GAAP	B/fwd Adj	IFRS Transition 1	FRS 102 Restatement 2	IFRS
Assets					
Non-current assets					
Intangible assets	-	-	-	67	**67**
Property, plant, and equipment	3,968	(386)	116	(67)	**3,631**
Right-of-use assets	-	10,132	7,664	38	**17,834**
Total non-current assets	3,968	9,746	7,780	38	**21,532**
Current assets					
Inventories	9,892	136	-	60	**10,088**
Trade and other receivables	1,888	-182	-251	-	**1,455**
Cash and cash equivalents	5,879	-	-	-	**5,879**
Total current assets	17,659	-46	-251	60	**17,422**
Total assets	21,627	9,700	7,529	98	**38,954**
Liabilities					
Current liabilities					
Trade and other payables	6,713	(266)	(434)	208	**6,221**
Lease liabilities	-	1,751	1,030	-	**2,781**
Provisions	-	160	-	-	**160**
Borrowings	2,803	-	-	-	**2,803**
Current tax liability	413	-	-	(26)	**387**
Total current liabilities	9,929	1,645	596	182	**12,352**
Non-current liabilities					
Trade and other payables	163	(296)	133	-	**-**
Lease liabilities	-	8,334	8,336	-	**16,670**
Provisions	160	143	-	95	**398**
Deferred tax liability	426	(87)	(303)	(7)	**29**
Total non-current liabilities	749	8,094	8,166	88	**17,097**
Total liabilities	10,678	9,739	8,762	270	**29,449**
Net assets	10,949	(39)	(1,233)	(172)	**9,505**
Equity and reserves attributable to Shareholders of ProCook Group plc					
Share capital	-	-	-	-	**-**
Retained earnings	10,949	(39)	(1,233)	(172)	**9,505**
Total equity and reserves	10,949	(39)	(1,233)	(172)	**9,505**

13. Subsequent events

On 20 April 2022 ProCook Group plc entered into a revolving credit facility agreement for £10.0m with an accordion agreement for a further £5.0m at the Group's request, subject to approval by the lender. The facility is subject to normal commercial terms and conditions associated with such a facility. The term of the agreement is to April 2025, with two one-year extension options available to the Group.