



ProCook Group plc

Interim results for the 28 weeks ended 13 October 2024

Strong first half trading momentum as we deliver on our plan to accelerate profitable growth

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 FY25 (the 28 weeks ended 13 October 2024).

£m	H1 FY25	H1 FY24	YoY
Revenue	28.3	26.3	+7.5%
<i>LFL Revenue</i>	<i>26.7</i>	<i>25.7</i>	<i>+4.2%</i>
Gross Profit	18.4	17.6	+5.1%
<i>Gross margin %</i>	<i>65.1%</i>	<i>66.7%</i>	<i>(160bps)</i>
Underlying operating loss¹	(1.8)	(1.5)	
Underlying loss before tax ¹	(2.8)	(1.7)	
Reported loss before tax	(3.2)	(3.2)	
Underlying EBITDA¹	1.2	1.2	
Net debt	(4.2)	(3.2)	

Financial and strategic highlights

- Total revenue increased by +7.5% to £28.3m and like for like revenue increased by +4.2%, outperforming the market by +5%² and reflecting an improving trend within the period (Q2 revenue growth +8.8%, LFL: +4.7%)
 - Retail revenue increased by +6.5% benefitting from like for like growth of +1.9% having now delivered five consecutive quarters of positive like for like growth, with the impact of new store openings contributing a further +4.6% points
 - Ecommerce revenue increased by +9.4%, with like for like growth of +8.5%, driven by increased conversion following migration to the new website in the comparative period, alongside marketing improvements and the planned relaunch of sales on the Amazon UK marketplace to broaden our customer reach which contributed +0.9% points
- Attracting new customers by broadening brand reach and product ranges, and providing excellent service and value
 - 315,000 new customers (+9.8%) shopped with ProCook for the first time
 - Record high L12M active customers of 1.1m (+11.7%)
- Gross margin and operating expenses in line with expectations for H1, annualising investment in pricing from H2 last year and reflecting typical seasonal H1 operational leverage
- Net debt at the end of the first half was £4.2m (H1 FY24: £3.2m), reflecting an increased inventory position as a result of prudent intake planning in response to global supply chain disruption, with available liquidity of £11.8m
- Good strategic progress to support second half weighting to the Group's revenues and profit, and improved profitability over the medium term:
 - Opened 4 new stores in H1, with committed pipeline to exceed our ambition of 10 new stores in the full year, in locations providing new access to >150m centre visitors (combined) per year
 - Launched phase three of small electricals, with our fourth phase (coffee machines) ready to launch in Q4
 - Driven greater brand awareness and marketing efficiency including through shifting digital channel mix and lifestyle-centred marketing campaigns
 - Enhanced store customer service and online experience, improving NPS score and achieving higher conversion rates

Current trading

In the first eight weeks (ending 8 December 2024) of Q3, including Black Friday and the early part of Christmas trading:

- Total revenue increased by +7.5%, and like for like revenue grew by +0.9% reflecting continued trading momentum and market outperformance
- Retail performance was hampered by weak footfall during the early weeks of the second half, coinciding with the Budget event, but has improved since. As a result, Retail like for like revenue was -4.0%. New stores contributed a further +10.3% points to deliver total Retail revenue growth of +6.3% over the eight weeks
- Ecommerce performance continued to increase year on year with like for like growth of +7.7% and total growth of +9.3% when including revenue generated from the recently re-launched Amazon UK marketplace channel
- During the eight weeks we opened five new stores as planned, taking the year to date total up to nine new stores, with two smaller garden centre stores closed during the eight weeks.

Lee Tappenden, Chief Executive Officer, commented:

"We delivered a strong performance in the first half, outperforming a subdued market, and growing our customer base whilst maintaining cost discipline. We have made good progress against our strategic priorities and continue to invest carefully in the areas that will support profitable growth in the medium term.

"We now expect to open a further three new stores in the remainder of the financial year, taking the total up to 12 new stores and, by closing two smaller garden centre stores, adding a net 10 new stores to our Retail network across the year.

"We are pleased with trading results in the first half of the year. Whilst the important Q3 trading period had a subdued start in the early weeks coinciding with the Budget event, and a later Black Friday year on year, we are well positioned to take advantage of the improved momentum we are now experiencing, supported by our Christmas campaign, new product launches and strong inventory levels.

"Notwithstanding recent continued challenging trading conditions, our expectations for the Group's full year performance are unchanged, as we anticipate our typical second half weighting of revenue and profitability, supplemented by the actions we have taken to expand our retail network, combined with continued margin and cost discipline.

"We remain confident in delivering continued strategic progress and sustainable growth over the medium term, as we work towards our ambitions of 100 stores, £100m revenue and 10% operating profit margin."

Analyst Presentation:

An interim results presentation for analysts and investors will be made available on the Group's corporate website at <https://www.procookgroup.co.uk/investors/reports-and-presentations/> this morning from 9.00am.

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Next scheduled event:

ProCook expects to release its third quarter trading update in early-mid January 2025.

Notes to editors:

ProCook is the UK's leading direct-to-consumer specialist kitchenware brand. ProCook designs, develops, and retails a high-quality range of direct-sourced and own-brand kitchenware which provides customers with significant value for money.

The brand sells directly through its website, www.procook.co.uk, and through 64 own-brand retail stores, located across the UK.

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 600 colleagues, and operating from its Store Support Centre in Gloucester.

As a B Corp, a Real Living Wage employer and a certified Great Place to Work™, ProCook is committed to being a socially responsible and environmentally conscious business for the benefit of all stakeholders.

ProCook has been listed on the London Stock Exchange since November 2021 (PROC.L).

Further information about the ProCook Group can be found at www.procookgroup.co.uk.

Quarterly revenue performance:

	FY25 (52 weeks ending 30 March 2025)						
	Q1	Q2	H1	Q3	Q4	H2	FY
Revenue (£'m)	11.3	17.0	28.3				
Revenue growth %	5.6%	8.8%	7.5%				
LFL revenue (£'m)^{3 & 5}	10.8	16.0	26.7				
LFL growth %	3.5%	4.7%	4.2%				

	FY24 (52 weeks ending 31 March 2024)						
	Q1	Q2	H1	Q3	Q4	H2	FY
Revenue (£'m)	10.7	15.7	26.3	23.1	13.2	36.2	62.6
Revenue growth %	(6.7%)	(1.8%)	(3.8%)	3.0%	5.0%	3.7%	0.4%
LFL revenue (£'m)⁴	10.2	15.0	25.3	21.4	12.2	33.6	58.5
LFL growth %	(7.9%)	(1.8%)	(4.4%)	(0.6%)	1.5%	0.2%	(2.0%)

Notes

¹ Underlying operating loss, underlying loss before tax and underlying EBITDA are presented before non-underlying items of £0.3m in H1 FY25 (H1 FY24: £1.5m) in relation to IPO-related share-based awards and, in FY24, transition and dual running costs in respect of the Group's new Store Support Centre

² UK Kitchenware market growth (excluding ProCook) calculated using weekly GfK data and management estimates.

³ FY25 LFL (Like For Like) revenue reflects:

- Ecommerce LFL – ProCook direct website channel only.
- Retail LFL – Continuing Retail stores which were trading for at least one full financial year prior to 31 March 2024, inclusive of any stores which may have moved location or increased/ decreased footprint within a given retail centre.

⁴ FY24 LFL (Like For Like) revenue reflects:

- Ecommerce LFL – ProCook direct website channel only.
- Retail LFL – Continuing Retail stores which were trading for at least one full financial year prior to 2 April 2023, inclusive of any stores which may have moved location or increased/ decreased footprint within a given retail centre.

⁵ The LFL revenue growth % by quarter for Q1 and Q2 FY25 has been adjusted to exclude the closures of two garden centre stores which were closed during Q3 FY25 and were previously included within LFL revenue.

FY25 store opening programme:

Location	Retail Centre	Anticipated opening
Bracknell	Lexicon	Opened April 2024
Birmingham, Solihull	Touchwood	Opened August 2024
Newcastle	Metrocentre	Opened September 2024
Oxford	Westgate	Opened September 2024
Epsom	Ashley Centre	Opened October 2024
Norwich	Chantry Place	Opened November 2024
Exeter	Princesshay	Opened November 2024
Guildford	High Street	Opened November 2024
Birmingham, Dudley	Merry Hill	Opened November 2024
Bournemouth	Castlepoint	February 2025
Bristol	Cabot Circus	February 2025
Milton Keynes	Centre:MK	March 2025

CEO's Review

Our first half trading performance has been encouraging, with continued momentum in revenue growth and positive like for like momentum in both Retail and Ecommerce channels. We have attracted more new customers to shop with us year on year, and our L12M active customer base is at a record high of 1.1m customers, having increased by +11.7% year on year.

We are well positioned for the remainder of the important peak trading period, having expanded our store footprint and ranges, with strong inventory levels secured. Trading in the first eight weeks of the second half, including Black Friday, has shown improving momentum after a subdued start to the period which coincided with the Budget event, and our Christmas campaign will provide customers with our award-winning quality at great value prices.

Continued trading momentum in challenging conditions

The consumer backdrop remains difficult, with improving trends in consumer confidence stalling more recently, fuelled by uncertainty around the recent UK Budget, and wider macroeconomic and geopolitical factors. The kitchenware market remains subdued, with limited growth, with the lack of consumer confidence impacting discretionary spending.

Against this backdrop, I am pleased that we grew market share during the first half with revenue growth of +7.5% year on year and like for like revenue growth of +4.2%.

We have now delivered five consecutive quarters of like for like growth in Retail stores, and by expanding our store network, with the addition of four new stores in H1, our total Retail revenue growth was +6.5%.

Ecommerce revenue grew by +9.4% year on year, with like for like growth of +8.5%, recuperating much of the disruption from the previous year's website migration. Additionally, our re-launch of sales through Amazon UK contributed the balance of +0.9% points of growth.

We have continued to invest in offering outstanding value for customers during the first half, retaining the lower prices we implemented in H2 last year for the majority of the first half. Therefore, our revenue growth has been driven by volume and transaction growth, with a 160bps reduction in gross margin, in line with our expectations for the first half.

We have maintained strong cost discipline throughout the first half, with operating costs as a percentage of revenue slightly lower year on year, despite inflationary headwinds. This resulted in a £1.1m increase in underlying operating costs as we have grown; we continue to focus on improving operating efficiency for the medium term to offset the impacts of inflation on our business, especially in pay costs. As a result, our underlying operating loss in H1 increased by £0.3m to £1.8m compared to FY24 H1.

H2 is the Group's critical trading period, as it typically represents approximately 60% of revenue each year and this seasonal weighting provides improved operating leverage over our fixed cost base. We have improved our Black Friday and Christmas offers for customers, and with the right inventory on hand we are well prepared.

Delivering on our strategic plan

In June we set out our plan to achieve our medium-term ambition of operating 100 retail stores in the UK, growing revenue to £100m and delivering 10% operating profit margins, and we are making good progress with the actions we set out.

We opened four new stores in the first half, followed by five new stores during the first seven weeks of the second half (nine new stores in the year to date). After closing two smaller and less profitable garden centre stores, we now operate from 64 stores. We now plan to open a further three new stores in the balance of this financial year taking our new store tally for FY25 to 12. Our new property pipeline for FY26 is taking shape already and we are encouraged by both the performance in the new stores thus far, and the opportunity these new stores present to deliver profitable growth, better leverage our fixed cost base, and build brand awareness.

High quality and great value products are critical to our continued success, and I am pleased with the progress we have made in this regard, as highlighted by Good Housekeeping, Which? and Ideal Home. We have expanded our promotional Black Friday and seasonal Christmas offers, and increased the range of small kitchen electricals we now offer following phase 3 launch in Summer. Phase 4 of small kitchen electricals (coffee) is on track to launch during Q4. We continue with efforts to consolidate our supplier base which will improve quality, service and cost price.

We have continued our relentless drive to ensure our customer service and experience is the very best it can be. We now monitor NPS in retail stores and online transactions, using learnings and customer feedback to enhance service levels and experience. Our focus on User Experience online has enhanced conversion rates year on year and we have developed and deployed a series of enhancements during the year thus far.

Building brand awareness remains one of our largest opportunities. Opening the 12 new stores planned for FY25 will give us access to new centre visitors in excess of 150m per year that we previously did not serve. Additionally, we have made substantial headway in developing our social marketing activities, and our mix of spend between digital channels has already shifted and is delivering improved marketing efficiency. Concurrently, we have made good progress in developing more inspirational and lifestyle-centred marketing campaigns, including for Autumn and Christmas, and we have begun developing our online recipe bank for customers. We are confident these actions will support greater engagement and connectivity with our brand. We also took the decision to launch a curated range on Amazon UK, enabling more customers to discover us for the first time, whilst also providing a convenient next day service for those who choose to shop this way.

Our supply chain transformation programme is a multi-year initiative, but early progress has been strong. Our team have shifted thinking to end-to-end cost effectiveness. Key initiatives launched in the first half include warehouse operations pick and pack efficiencies, trialling a new delivery partner with caged deliveries for the South-East region, and increasing delivery frequency to improve on shelf availability whilst reducing store inventory levels. These initiatives will, over time, enable us to run a more efficient business.

Current trading and outlook

In the first eight weeks (ending 8 December 2024) of the second half, including Black Friday and the early part of Christmas trading, total revenue was +7.5% year on year, and like for like revenue was +0.9% reflecting continued trading momentum and market outperformance.

Retail performance was hampered by weak footfall during the early weeks of the second half which coincided with the Budget event, and a later Black Friday year on year, but has improved since. As a result, Retail like for like revenue was -4.0% year on year, however new store openings added +10.3% points to deliver total Retail revenue growth of +6.3%. Ecommerce performance continued to increase year on year with like for like growth of +7.7% and total growth of +9.3% including revenue generated from the recently re-launched Amazon UK marketplace channel.

Whilst the important Q3 trading period had a subdued start in the early weeks, we are well positioned to take advantage of the improved momentum we are now experiencing, supported by our Christmas campaign, new product launches and strong inventory levels.

Notwithstanding recent continued challenging trading conditions, our expectations for the Group's full year performance are unchanged, as we anticipate our typical second half weighting of revenue and profitability, supplemented by the actions we have taken to expand our retail network, alongside continued margin and cost discipline.

Accelerating profitable growth

Having returned to profitability last year, we are now committed to building on this and achieving our medium-term ambition to grow our store network to 100 UK stores, delivering revenue of £100m and improving operating profit margins to 10%.

The trading momentum of the first half and the eight weeks since, combined with the strategic progress we have made, provides encouragement that we are taking the right steps, and that despite the macro headwinds, we are building improved resilience and a performance culture that can deliver.

The fundamentals of our business model are strong and becoming stronger, and the Leadership Team, Board and I are eager to progress the many opportunities we have to build a stronger customer-focused business. As market conditions improve, the actions we are taking, and investments we are making now will help us accelerate and deliver profitable and sustainable growth for our stakeholders.

I am excited by the journey we are on, and I would like to take the opportunity to thank all our colleagues for their effort, commitment and customer focus over the first part of this financial year.

Lee Tappenden

Chief Executive Officer

CFO's Review

The market remains challenging and volatile as consumer confidence is impacted by cost-of-living pressures, economic and geopolitical uncertainty. Against this backdrop, we have delivered a strong performance in the first half, outperforming a subdued market and growing our customer base.

We maintain a tight grip on gross margins and operating costs, balancing the need to offer the best possible value to customers in a competitive market, whilst driving improved profitability. We have worked to mitigate, where possible, the effects of inflation, through operating efficiencies and improved business processes.

As a result of the global supply chain disruption, we prudently ordered inventory earlier than normal, to ensure that we were well positioned for the peak trading period.

We have made good progress against our strategic priorities, and we continue to invest in the areas which will support our performance and deliver profitable growth for the long term, including in particular this year our new store opening programme which is a key part of our strategy.

The first half of the financial year typically generates around 40% of full year sales. The larger and far more profitable second half of the year typically delivers around 60% of sales, and with strong inventory levels and a robust trading plan in place we are well placed for the remainder of the second half.

Revenue

£m	H1 FY25	YoY %
Revenue	28.3	7.5%
Ecommerce	10.0	9.4%
Retail	18.3	6.5%
LFL Revenue	26.7	4.2%
LFL Ecommerce	9.9	8.5%
LFL Retail	16.8	1.9%

First half revenue of £28.3m was +7.5% year on year, and +4.2% on a like for like basis, reflecting continued trading momentum and +5% market outperformance.

Ecommerce revenue increased by +9.4% reflecting a significantly improved performance on last year (which was impacted by the new website migration in Q2) driven by conversion and marketing improvements. The planned relaunch of sales on the Amazon UK marketplace to broaden our customer reach contributed +0.9% points of non-like for like growth in the second quarter.

Retail revenue increased by +6.5% benefitting from the fifth consecutive quarter of positive like for like growth (+1.9% for the first half) and the impact of new store openings which added a further 4.6% points.

Gross profit

Gross profit increased +5.1% year on year to £18.4m, driven by revenue growth. This represented a gross profit margin decrease of 160bps which was primarily due to investment in improved pricing for customers (-210bps), increased freight costs (-30bps) and mix effect (-60bps), partly offset by favourable foreign exchange impacts (+130bps) and lower promotional discounts (+20bps).

Operating expenses and other income

Underlying operating expenses net of other income

Total underlying operating expenses net of other income increased by £1.1m (+6.3%) year on year, although despite inflationary headwinds, were 120bps lower year on year as a percentage of revenue, driven by:

- Volume growth: +£0.5m
- Payroll inflation: +£0.6m
- Digital marketing: +£0.2m
- New stores: +£0.2m
- Cost efficiencies: -£0.3m

Non-underlying operating expenses

It is the Group's policy to disclose separately such items that relate to non-recurring events and are material in nature, and incurred outside of the normal business operations, in order to provide a consistent and comparable view of the underlying performance of the Group. Non-underlying operating expenses in H1 FY25 were £0.3m (H1 FY24: £1.4m).

Consistent with prior periods, expenses in respect of employee share-based awards which relate to the IPO in FY22, which itself is non-recurring, have been presented as non-underlying costs. These expenses amounted to £0.3m in H1 FY25 (H1 FY24: £0.7m). These expenses are expected to continue through relevant vesting periods to the third anniversary of the IPO in November 2024.

During the first half of FY24, we completed the final elements of transition into our new SSC. Operating expenses associated with the costs of transitioning into the new site and the dual occupancy of the new and previous sites were £0.9m in H1 FY24.

Operating profit / (loss)

Total underlying operating loss for the period increased year on year to £1.8m (H1 FY24: £1.5m) primarily driven by the lower gross margins in the first half. Ecommerce operating margins decreased to 18.8% (H1 FY24: 20.5%) and Retail operating margins decreased to 11.9% (H1 FY24: 13.6%).

£m	H1 FY25	H1 FY24
Underlying operating profit / (loss)		
Ecommerce	1.9	1.9
Retail	2.2	2.3
Central costs	(5.9)	(5.7)
Total	(1.8)	(1.5)
As a % of revenue		
Ecommerce	18.8%	20.5%
Retail	11.9%	13.6%
Central costs	(20.6%)	(21.8%)
Total	(6.2%)	(5.8%)

Total reported operating loss in the first half of FY25 of £2.1m, after £0.3m of non-underlying operating expense items, improved by £0.9m from £3.0m H1 FY24.

Profit and earnings per share

Underlying losses before tax increased by 64.7% year on year to £2.9m in the first half of FY25 (H1 FY24: £1.7m).

During the first half there was a net expense of £1.1m (H1 FY24: £0.2m net expense) in respect of financial items. Financial items included interest expenses on lease liabilities and borrowings of £0.7m (H1 FY24: £0.7m), and unrealised losses of £0.4m in respect of foreign exchange (H1 FY24: £0.5m unrealised gains).

After non-underlying items, the loss before tax was £3.2m (H1 FY24: £3.2m). Reported loss after tax was £2.5m (H1 FY24: £2.4m).

The effective tax rate based on underlying loss before tax was 25.0% (H1 FY24: 25%).

Earnings per Share

Underlying basic earnings per share for the first half decreased to -1.98 pence (H1 FY24: -1.18 pence) and underlying diluted earnings per share decreased to -1.98 pence (H1 FY24: -1.18 pence).

Reported basic earnings per share for the first half were -2.30 pence (H1 FY24: -2.22 pence) and reported diluted earnings per share were -2.30 pence (H1 FY24: -2.22 pence).

Cash generation and net debt

We have carefully managed our cash position during the first half, with net debt increasing by £3.4m since the FY24 year end reflecting investment in new stores, the typical seasonal impacts of lower cash generation during the first half and the requirement to build inventory ahead of peak trading in Q3.

Free cash outflow for the first half was £3.4m (H1 FY24: outflow of £0.3m, including +£2.6m benefit of Net Working Capital as inventory was reduced) with net debt at the period end of £4.2m (FY24 year end: £0.7m; H1 FY24: £3.2m) and available liquidity of £11.8m.

£m	H1 FY25	H1 FY24
Reported loss before tax	(3.2)	(3.2)
Depreciation, amortisation, impairment and profit/ loss on disposal	2.8	2.6
Share based payments	0.4	0.7
Finance expense	0.7	0.8
Unrealised FX losses/ (gains)	0.4	(0.5)
Net working capital	(0.3)	2.6
Net operating cash flow	0.9	2.9
Net capital expenditure	(1.3)	(1.0)
Interest	(0.7)	(0.8)
Payment of lease liabilities	(2.2)	(1.4)
Free Cash Flow	(3.4)	(0.3)
Movement in borrowings	4.5	(0.2)
Dividends paid	-	-
Movement in cash and cash equivalents	1.1	(0.5)
Cash and Cash equivalents	3.1	1.4
Borrowings	(7.3)	(4.6)
Net debt	(4.2)	(3.2)

The reported loss before tax in the first half includes £0.3m of non-underlying items which did not result in cash outflows during the period (H1 FY24: £1.5m of non-underlying items of which £0.7m were cash outflows).

An increase in net working capital resulted in a cash outflow of £0.3m in the first half (H1 FY24: £2.6m inflow) driven by increased inventory intake prior to the peak trading period, as a result of prudent planning in response to global supply chain disruption. Inventory on hand at the half year was therefore £12.9m, £4.4m higher year on year, and up from £8.3m at the FY24 year end. Total inventory at the half year was £16.9m (H1 FY24: £11.9m).

Net capital expenditure of £1.3m in the first half related to the planned investment in new retail stores.

Full year guidance

Our expectations for the full year remain unchanged. The second half reflects the seasonal impact of higher trading volumes over Black Friday and Christmas, and the effect this has to improve leverage of our fixed cost base.

Additionally, we anticipate H2 gross profit margins to improve modestly compared to H1 driven by FX benefits and targeted price improvements. The new stores opened in H1 will provide a benefit to profitability in H2, and we expect to continue to drive operating efficiencies throughout the second half.

The recent Budget announcements around National Insurance Contributions will not impact this financial year, but will add approximately £0.5m of additional tax burden next financial year, which we will endeavour to offset through continual process improvements. As a Real Living Wage employer, the announcements around the increased National Living Wage were already factored into our plans and we continue to pay all colleagues, no matter their age, in excess of the adult National Living Wage.

Banking arrangements

The Group has access to a committed £10m Revolving Credit Facility ("RCF") to provide additional cash headroom to support operational and investment activities. This facility expires in April 2026 and provides an accordion option, subject to the lender's approval, to extend the facility by a further £5m.

The RCF facility has covenant terms in respect of fixed charge cover whereby the test requires EBITDAR to be no less than 1.30x fixed charges for the FY25 Q1 and Q2 test dates, and 1.40x thereafter, and also leverage whereby net debt should be no greater than 2.0x EBITDA. Both covenants are tested quarterly and are calculated on a last twelve month rolling, pre-IFRS 16 basis.

The Group's ability to meet these covenants has been stress tested as part of going concern considerations, which is described in more detail below.

The Group has retained its access to an existing uncommitted £6.0m trade finance facility, which is due to expire in February 2025, although is expected to be renewed at that date. There is a performance KPI (inventory to payables ratio), which is monitored on a quarterly basis, however, there are no covenants or guarantees or other collateral associated with this facility.

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 full capital and dividend policy is available on the Group's website at www.procookgroup.co.uk.

Dividends

Due to the ongoing challenging consumer environment and the uncertainty that it creates around trading performance, and therefore taking a cautious and responsible decision to preserve cash within the business during these times, the Board have not recommended any interim dividend in respect of FY25.

Principal risks and uncertainties

The Board regularly 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
Strategy and business change	Failure to identify and successfully execute appropriate strategies to develop and grow the brand over the medium to long term could be affected by a range of factors including changes in competition or products, consumer behaviours and trends, inadequate change management or leadership. This could slow or limit the growth of the business, distract from and / or damage the overall customer proposition, incur additional cost or serve to demotivate colleagues if not led effectively.
Competition, market and macroeconomic	Failure to adapt to changing consumer needs given external macro factors, 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 or create additional cost pressures could impact revenue growth and profit generation.
Brand and customer	Reputational damage leading to loss of consumer confidence in ProCook products or services, which could be caused by a variety of factors including customer data loss, product quality, health and safety, level of direct marketing activity, ethical or sustainability concerns, poor customer service or, regulatory non-compliance.
Climate change	Any failure to implement our ESG ambitions within acceptable timescales and deliver on stakeholder expectations to reduce the environmental impact of our business and progress towards our net zero targets. These include actions linked to our ESG strategy and managing the potential consequences of climate change on our business. Failure to meet the expectations of our customers, colleagues, investors and other stakeholders, may impact our brand reputation and future trading performance.
Supply chain	Failure to source products effectively and efficiently, potentially relating to geopolitics surrounding Far East manufacturing reliance, or to ensure inventory is maintained in the right volumes at the right locations could adversely impact our short and medium term operational and financial performance.
Technology platforms, data loss and cyber security	Failure to develop and maintain appropriate technology to support operations, or the loss of key platforms or data due to cyber-attacks or other failures without an adequate response, could lead to reputational damage, fines or higher costs, or a loss of stakeholder and customer confidence in our Brand.
Marketing effectiveness	Any failure to attract new customers and retain existing customers in a cost-effective and engaging way could impact short term performance and medium strategic growth ambitions.
People and culture	Any failure to attract, retain and develop the right talent, skills and capabilities or to successfully protect and develop our culture could impact operational activities including customer service and our longer-term strategic objectives.
Finance and treasury	Any failure to effectively manage our financial affairs and ensure an appropriate financial position and sufficient liquidity for future growth, or any failure in financial planning, financial reporting, compliance with tax legislation, or the maintenance of a robust financial control environment, could impact our ability to deliver our strategic objectives, as well as have an adverse impact on business viability.
Regulatory and compliance	Any failure to comply with legal and regulatory obligations, or our wider corporate responsibility could result in financial or legal exposures or damage our reputation with our Stakeholders as a responsible brand.

Dan Walden

Chief Financial Officer

Statement of Directors' responsibilities

The Directors confirm that these condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first half of the year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remainder of the financial year; and
- Material related-party transactions in the first half of the year and any material changes in the related-party transactions described in the last annual report.

The Directors of the Company are listed in the Company's Annual Report and Accounts for the year ended 31 March 2024. A list of current Directors is maintained on the Company's corporate website: www.procookgroup.co.uk.

By order of the Board

Dan Walden

Chief Financial Officer

Consolidated Income Statement (Unaudited)

For the 28 weeks to 13 October 2024

£'000s	Note	28 weeks ended 13 October 2024			28 weeks ended 15 October 2023		
		Underlying	Non-underlying ¹	Reported	Underlying	Non-underlying ¹	Reported
Revenue	1	28,312	-	28,312	26,330	-	26,330
Cost of sales		(9,870)	-	(9,870)	(8,775)	-	(8,775)
Gross profit		18,442	-	18,442	17,555	-	17,555
Operating expenses		(20,252)	(342)	(20,594)	(19,098)	(1,435)	(20,533)
Other income		46	-	46	23	-	23
Operating Loss		(1,764)	(342)	(2,106)	(1,520)	(1,435)	(2,955)
Finance expense		(742)	-	(742)	(708)	(77)	(785)
Other gains/(losses)		(377)	-	(377)	513	-	513
Loss before tax		(2,883)	(342)	(3,225)	(1,715)	(1,512)	(3,227)
Tax credit	4	720	-	720	428	378	806
Loss for the period		(2,163)	(342)	(2,505)	(1,287)	(1,134)	(2,421)
Total comprehensive loss		(2,163)	(342)	(2,505)	(1,287)	(1,134)	(2,421)
Earnings per ordinary share – basic		(1.98)p		(2.30)p	(1.18)p		(2.22)p
Earnings per ordinary share – diluted		(1.98)p		(2.30)p	(1.18)p		(2.22)p

52 weeks ended 31 March 2024					
£'000s	Note	Underlying	Non-underlying ¹	Reported	
Revenue	1	62,585	-	62,585	
Cost of sales		(21,486)	-	(21,486)	
Gross profit		41,099	-	41,099	
Operating expenses		(39,025)	(145)	(39,025)	
Other income		49	-	49	
Operating profit		2,123	(145)	1,978	
Finance expense		(1,230)	(132)	(1,362)	
Other gains		114	-	114	
Profit before tax		1,007	(277)	730	
Tax expense	4	(165)	45	(120)	
Profit for the period		842	(232)	610	
Total comprehensive loss		842	(232)	610	
Earnings per ordinary share – basic		0.77p		0.56p	
Earnings per ordinary share – diluted		0.73p		0.53p	

¹ See note 2 for further information

Consolidated Statement of Financial Position (Unaudited)

As at 13 October 2024

£'000s	Note	As at 13 October 2024	As at 15 October 2023 (restated) ¹	As at 31 March 2024
Assets				
Non-current assets				
Intangible assets		52	164	104
Property, plant, and equipment		8,894	8,169	8,232
Right-of-use assets	7	20,520	25,493	20,522
Deferred tax asset		655	894	655
Total non-current assets		30,121	34,720	29,513
Current assets				
Inventories	8	16,941	11,885	9,716
Trade and other receivables		2,206	3,409	3,742
Current tax asset		865	797	145
Cash and cash equivalents	9	3,091	1,446	2,005
Total current assets		23,103	17,537	15,608
Total assets		53,224	52,257	45,121
Liabilities				
Current liabilities				
Trade and other payables		16,223	10,722	10,431
Lease liabilities	7	3,251	3,772	3,347
Provisions		210	206	253
Borrowings	10	7,273	4,624	2,754
Total current liabilities		26,957	19,324	16,785
Non-current liabilities				
Trade and other payables		48	357	48
Lease liabilities	7	19,279	26,267	19,295
Provisions		591	552	565
Total non-current liabilities		19,918	27,176	19,908
Total liabilities		46,875	46,500	36,693
Net Assets		6,349	5,757	8,428
Equity and reserves attributable to Shareholders of ProCook Group plc				
Share capital		1,090	1,090	1,090
Ordinary Shares to be issued		4,525	7,405	4,099
Share Premium		1	1	1
Retained earnings		733	(2,739)	3,238
Total equity and reserves		6,349	5,757	8,428

¹ The deferred tax and current tax assets in the financial year ending 2 April 2023 has been restated in relation to deferred tax on share-based payments. Further information relating to this restatement is set out in the Group's FY24 Annual Report and Accounts.

Consolidated Statement of cash flows (Unaudited)

For the 28 weeks to 13 October 2024

£'000s	Note	28 weeks ended 13 October 2024	28 weeks ended 15 October 2023	52 weeks ended 31 March 2024
Cash flows from operating activities				
(Loss)/profit before tax		(3,225)	(3,227)	730
<i>Adjustments for:</i>				
Depreciation of property, plant, and equipment		566	489	936
Amortisation of intangible assets		51	70	131
(Gain)/Loss on disposal of property, plant, and equipment		(21)	-	457
Gain on disposal of leases		-	-	(2,301)
Profit on termination of leases		-	(5)	-
Amortisation of right-of-use assets	7	2,226	2,053	3,945
Unrealised FX losses/(gains)		383	(549)	(411)
Cash outlay on exercise of share options		-	-	(360)
Share Based Payments		426	653	514
Finance expense		742	785	1,362
Operating cash flows before movements in working capital		1,148	269	5,003
(Increase)/decrease in inventories	8	(7,225)	(370)	1,799
Decrease/(Increase) in trade and other receivables		1,494	(664)	(1,459)
Increase in trade and other payables		5,454	3,700	3,255
(Decrease)/increase in provisions		(17)	(54)	5
Income taxes (paid)	4	-	-	(9)
Net cash flows from operating activities		854	2,881	8,594
Investing activities				
Purchase of property, plant, and equipment		(1,312)	(1,060)	(1,844)
Lease inception costs		(19)	(11)	(71)
Lease incentives received		-	10	60
Net cash (used in) investing activities		(1,331)	(1,061)	(1,855)
Financing activities				
Interest paid on borrowings		(238)	(246)	(367)
Interest paid on lease liabilities	7	(494)	(539)	(982)
Proceeds from borrowings	10	14,142	15,785	23,974
Repayment of borrowings	10	(9,623)	(15,965)	(25,923)
Lease principle payments	7	(2,224)	(1,371)	(3,398)
Net cash (used in) financing activities		1,563	(2,374)	(6,696)
Net movement in cash and cash equivalents		1,086	(516)	43
Cash and cash equivalents at beginning of the period		2,005	1,962	1,962
Cash and cash equivalents at end of period	9	3,091	1,446	2,005

Consolidated statement of changes in equity (Unaudited)

For the 28 weeks to 13 October 2024

£'000	Note	Share capital	Share Premium	Share Option Reserve	Retained earnings	Total equity
As at 2 April 2023 (restated)¹		1,090	1	6,891	(318)	7,664
Total comprehensive loss for the period		-	-	-	(2,421)	(2,421)
Employee Share Based Payment Awards		-	-	653	-	653
As at 15 October 2023 (restated)¹		1,090	1	7,544	(2,739)	5,896
Total comprehensive loss for the period		-	-		3,031	3,031
Employee Share Based Payment Awards		-	-	(139)	-	(139)
Exercise of share options	5	-	-	(3,306)	2,946	(360)
As at 31 March 2024		1,090	1	4,099	3,238	8,428
Total comprehensive loss for the period		-	-	-	(2,505)	(2,505)
Employee Share Based Payment Awards		-	-	426	-	426
As at 13 October 2024		1,090	1	4,525	733	6,349

¹ The deferred tax asset in the financial year ending 2 April 2023 has been restated in relation to deferred tax on share-based payments, with resulting decreases to retained earnings. Further information relating to this restatement is set out in the Group's FY24 Annual Report and Accounts.

Consolidated Financial Statements Accounting Policies (Unaudited)

For the 28 weeks to 13 October 2024

General Information

The Group interim financial statements consolidate those of ProCook Group plc (the 'Company') and its subsidiaries, together referred to as the 'Group'.

ProCook Group plc 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, 10 Indurent Park, Gloucester, GL10 3EZ.

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.

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

Basis of preparation

These condensed interim financial statements for the 28 weeks ended 13 October 2024 have been prepared in accordance with IAS 34 "Interim financial information". These condensed interim financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006 and are not audited.

The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2024, which were 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.

Statutory financial statements for the period ended 31 March 2024 were approved by the Board of Directors on 25 June 2024 and delivered to the Registrar of Companies. The auditors have reported on those financial statements; their reports were (i) unqualified, (ii) contained a reference to the material uncertainty in respect of going concern to which the auditor drew attention by way of emphasis without modifying their report, (iii) did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The presentation of the condensed financial statements requires Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has 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.

Basis of consolidation

Group companies included in these consolidated interim financial statements include ProCook Group plc and all subsidiary undertakings, which are those entities it controls. ProCook Group plc controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can 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 Group plc until the date that control ceases. The Company assesses whether it controls an investee if facts and circumstances indicate that there are changes in the control indicators listed above.

Transactions eliminated on consolidation

Intra-group balances, and any unrealised 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.

Going concern

The interim financial statements have been prepared on a going concern basis. The Group had net debt (cash and cash equivalents less borrowings) of £4.2m at 13 October 2024 (15 October 2023: £3.2m) with available liquidity headroom of £11.8m.

In their assessment of going concern the Board has considered a period of at least 12 months from the date of signing these financial statements. In considering whether it is appropriate to adopt the going concern basis in the preparation of the financial statements, the Directors have considered the Group's principal risks and uncertainties and have assessed the impact of a range of downside scenarios, including a severe but plausible downside scenario, on the Group's expected financial performance, position, and cash generation. The scenarios have been informed by a comprehensive review of the macroeconomic environment, including consideration of the current weakened consumer confidence driven by economic uncertainty, alongside geo-political tensions including the impacts on our supply chain.

Consideration has been given to the availability of facility headroom and covenant compliance within the Group's financing facilities, the recently extended RCF agreement and amended fixed charge covenant terms, details of which are as follows:

- ProCook's bank facility agreements include a committed £10m Revolving Credit Facility "RCF" (expiring in April 2026, although expected by management to be renewed at that date), with a £5m accordion option to the RCF, subject to lender approval, and an uncommitted £6m trade finance facility.
- The RCF facility has covenant terms in respect of fixed charge cover whereby the test requires EBITDAR to be no less than 1.30x fixed charges for the FY25 Q1 and Q2 test dates, and 1.40x thereafter, and also leverage whereby net debt should be no greater than 2.0x EBITDA. Both covenants are tested quarterly and are calculated on a last twelve month rolling, pre-IFRS 16 basis.

The base case for the scenario modelling reflects the Group's most recent quarterly forecast that was presented to the Board in November 2024. Forecasts for FY26 are based on the Group's strategic objectives and its latest five year financial plan, which projects forwards from the latest FY25 quarterly forecast.

Key assumptions include Ecommerce and Retail like for like revenue growth, gross margin performance, the financial impacts of opening of new stores (including capital investments and time to maturity), operational efficiencies being delivered, investment in marketing activity, and the appropriate level of inventory required to maintain strong product availability for customers.

In their consideration of the Group's principal risks and uncertainties the Board believes that the most likely and most impactful risks that the Group faces are those surrounding customer and macro-economic factors, and supply chain disruption risk, and finance and treasury risks (foreign exchange on account of the US presidential elections) all of which are heightened as a result of the current macro-environment.

The Board has reviewed the potential downside impact of these risks unfolding, modelled under a number of scenarios including a severe but plausible downside scenario which reflected the following assumptions:

- A significant reduction in customer demand and shopping frequency, caused by continued disposable income pressures and consumer caution in light of political uncertainty, additional cost impacts driven by continued supply chain disruption associated with the Suez Canal diversions, and FX impacts on gross profit margins from a stronger US dollar.
- The impacts of these factors have been reflected in an 6% lower revenue performance in the balance of the FY25 year compared to base case, increasing to a 10% decrease in FY26, combining to reflect a 38% reduction in Group revenue growth over the assessment period compared to the base case.
- A reduction in gross margins in the balance of FY25 compared to the base case of 100bps and by 200bps in FY26 to reflect heightened supply chain costs and a weaker GBP compared to the US dollar for product purchasing.

Under this severe but plausible downside scenario, and before mitigating actions, the Group would remain comfortably within its available borrowing facilities throughout the assessment period and remain compliant with the fixed charge covenant test. However, it would breach the leverage covenant at the Q2 FY26 test date given the level of planned and committed inventory intake and new store openings during the remainder of FY25 and first half of FY26.

The other downside scenario linked to the key principal risks and uncertainties, which was considered by the Board, had a less severe cumulative impact than the severe but plausible downside scenario outlined above and in this scenario neither of the covenants would be breached, and the Group would remain comfortably within its available borrowing facilities throughout the assessment period.

The Board has also considered the potential impacts of climate change risks. These are not considered to have a material effect on the Group's financial projections over the assessment period.

If any of the downside scenarios were to arise, including the severe but plausible downside scenario, there are a series of mitigating actions that the Group could seek to implement to protect or enhance financial performance and position including to:

- Increase selling prices for products which have lower price elasticity to help offset additional sourcing costs
- Increase promotional activity to accelerate trading performance and reduce stock levels, or alternatively, reduce promotional activity to better protect gross margins
- Reduce paid media marketing spend and postpone or reduce other planned marketing activities
- Reduce variable costs in operational functions to reflect the lower sales volumes
- Reduce central overhead costs (including headcount investment) over the short or medium term
- Delay new store openings or capital expenditure in technology and logistics
- Renegotiate or seek extended payment terms with suppliers on a permanent or temporary basis
- Seek alternative forms of financing or new banking terms to support working capital and investment requirements

Conclusion

The Board has undertaken a comprehensive review and assessment of going concern including the Group's financial projections, debt servicing requirements, available facility headroom and liquidity, and its principal risks and uncertainties. In the base case and downside scenarios which the Directors have reviewed, the Group remains comfortably within its available facility headroom, and no facility covenants would be breached. However, the Directors recognise that under the severe but plausible downside scenario, the Group could breach its leverage covenant unless mitigating actions were to be successfully applied sufficiently in advance to prevent such a breach, or were it to agree a covenant waiver, new banking terms, or alternative funding arrangements, none of which can be

guaranteed. The Directors therefore acknowledge that this potential breach represents a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern.

The Board considers the likelihood of such a severe downside scenario materialising to be low and recognises the range of mitigating actions available to the Group to prevent such a breach occurring, and the positive and long-standing relationship which the Group has with its banking partner HSBC. The Directors therefore have a reasonable expectation that the Group has adequate resources to continue in operational existence and meet its liabilities as they fall due over the period of at least 12 months from the date of approving these financial statements. Accordingly, the financial statements have been prepared under the going concern basis of accounting.

Accounting Policies

The condensed interim financial statements have been prepared under the historical cost convention, except for derivative financial instruments and share based payments which are stated at their fair value. The accounting policies adopted, as well as significant judgements and key estimates applied, are consistent with those in the annual financial statements for the year ended 31 March 2024, as described in those financial statements.

Notes to the Consolidated Financial Statements

For the 28 weeks to 13 October 2024

1. Revenue

Group revenue is not reliant on any single major customer or group of customers. Management considers revenue to be 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.

All of the Group's operations are carried out in the UK during H1 FY25. All revenue is from external customers.

£'000	28 weeks ended 13 October 2024	28 weeks ended 15 October 2023	52 weeks ended 31 March 2024
United Kingdom	28,312	26,330	62,585
Total revenue	28,312	26,330	62,585

2. Non-underlying items

Consistent with prior periods, expenses in respect of employee share-based awards which relate to the IPO event in FY22, which itself is non-recurring, have been presented as non-underlying costs. These expenses are expected to continue through relevant vesting periods to the third anniversary of the IPO in November 2024.

During the first half of the prior year, the Group completed the final elements of consolidation of its head office and warehouse operations into its new Store Support Centre ("SSC"). Operating and finance expenses associated with the costs of transitioning into the new site and the dual occupancy of the new or previous sites were £0.9m, and were presented as non-underlying costs as these items are non-recurring, dual-running and transition-related.

£'000	28 weeks ended 13 October 2024	28 weeks ended 15 October 2023	52 weeks ended 31 March 2024
SSC transition-related costs	-	774	1,213
Share based payments	342	661	81
Net profit on reassignment of leases	-	-	(1,867)
Senior management restructuring costs	-	-	718
Non-underlying operating expenses	342	1,435	145
Non-underlying finance expense	-	77	132
Non-underlying loss before tax	342	1,512	277

3. 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 13 October 2024, 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 Income Statement.

£'000	28 weeks ended 13 October 2024	28 weeks ended 15 October 2023	52 weeks ended 31 March 2024
Revenue			
Ecommerce	9,979	9,124	22,695
Retail	18,333	17,206	39,890
Total revenue	28,312	26,330	62,585
Operating (loss)/profit			
Ecommerce	1,875	1,870	5,325
Retail	2,186	2,347	8,220
Central costs	(5,825)	(5,737)	(11,422)
Non-underlying costs	(342)	(1,435)	(145)
Operating loss	(2,106)	(2,955)	1,978
Finance costs	(742)	(708)	(1,230)
Other (losses)/gains	(377)	513	114
Non-underlying finance costs ¹	-	(77)	(132)
(Loss)/profit before tax	(3,225)	(3,227)	730

¹Non-underlying finance costs are the interest costs on the lease liabilities for the disused warehouses in FY24.

Substantially all of the assets of the Group are located in the UK.

4. Tax expense

The underlying effective tax rate for the 28 weeks ending 13 October 2024 is 25.0% (28 weeks ended 15 October 2023: 25%; year ended 31 March 2024: 16.4%). Tax expense has been provided for in H1 FY25 at the prevailing tax rate of 25%.

The standard rate of UK corporate income tax was 25% for all periods presented.

5. Dividends

No final dividend was declared in respect of the period ended 31 March 2024 and the Group has not declared an interim dividend in respect of the current half year period.

6. Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Parent 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 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.

	28 weeks ended 13 October 2024	28 weeks ended 15 October 2023	52 weeks ended 31 March 2024
Weighted average number of shares	108,956,624	108,956,624	108,956,624
Impact of share options	8,452,918	11,897,040	7,072,398
Number of shares for diluted earnings per share	117,409,542	120,853,664	116,029,022

£'000	28 weeks ended 13 October 2024		28 weeks ended 15 October 2023		52 weeks ended 31 March 2024	
	Underlying ¹	Reported	Underlying ¹	Reported	Underlying ¹	Reported
(Loss)/profit for the period	(2,163)	(2,505)	(1,287)	(2,421)	842	610
Earnings per ordinary share – basic	(1.98)p	(2.30)p	(1.18)p	(2.22)p	0.77p	0.56p
Earnings per ordinary share – diluted ²	(1.98)p	(2.30)p	(1.18)p	(2.22)p	0.73p	0.53p

¹Underlying earnings per ordinary share is a non-IFRS measure.

²In the 28 weeks ended 13 October 2024 and 15 October 2023 the impact of share options was anti-dilutive.

7. Leased assets

The Group leases a number of assets, with all lease payments fixed over the lease term. Where there are leasehold properties which hold a variable element to lease payments made these are not capitalised as part of the right of use asset. All expected future non-variable cash out flows are reflected within the measurement of the lease liabilities at each period end.

	As at 13 October 2024	As at 15 October 2023	As at 31 March 2024
Number of active leases	74	72	70

Right of use assets

£'000	Leasehold Property	Motor Vehicles	Plant and Equipment	Total
Cost				
At 31 March 2024	31,341	125	92	31,558
Additions	2,053	78	-	2,131
Remeasurement ¹	131	-	-	131
Disposals	(1,105)	(16)	-	(1,121)
At 13 October 2024	32,420	187	92	32,699
Accumulated amortisation and impairments				
At 31 March 2024	10,916	94	26	11,036
Charge for the period	2,188	28	10	2,226
Disposals	(1,067)	(16)	-	(1,083)
At 13 October 2024	12,037	106	36	12,179
Net Book Value				
At 31 March 2024	20,425	31	66	20,522
At 13 October 2024	20,383	81	56	20,520

Lease liabilities

£'000	Leasehold Property	Motor Vehicles	Plant and Equipment	Total
At 31 March 2024	22,549	29	64	22,642
Additions	1,959	78	-	2,037
Remeasurement ¹	135	-	-	135
Interest expense	491	2	1	494
Lease payments	(2,671)	(35)	(12)	(2,718)
Disposals	(60)	-	-	(60)
At 13 October 2024	22,403	74	53	22,530

¹ Remeasurements have arisen where store lease rental terms and/ or lease expiry dates have been amended.

8. Inventories

£'000	As at 13 October 2024	As at 15 October 2023	As at 31 March 2024
Finished goods and goods for resale	16,941	11,885	9,716
Total	16,941	11,885	9,716

The cost of inventories recognised as an expense in the 28 weeks ending 13 October 2024 amounted to £9.9m (28 weeks ending 15 October 2023: £8.8m).

9. 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 13 October 2024	As at 15 October 2023	As at 31 March 2024
Cash at bank available on demand	1,860	472	854
Cash in transit	1,231	974	1,151
Total	3,091	1,446	2,005

10. Borrowings

£'000	As at 13 October 2024	As at 15 October 2023	As at 31 March 2024
Current			
Bank loans	7,273	4,624	2,754
Total borrowings	7,273	4,624	2,754

11. Derivatives

The Group's local currency is pounds sterling however but due to purchases of goods and services in foreign currencies the Group seeks to reduce foreign exchange risk by entering into forward contracts and other derivatives. At 13 October 2024, the outstanding contracts all mature within 28 months of the period end, with committed purchases of \$33.7m (31 March 2024: \$20.8m).

The contracts are measured at their 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. There were no designated hedges in place during the current or preceding financial year.

The fair value of derivative financial assets, included within Trade and other receivables, are as follows:

£'000	As at 13 October 2024	As at 15 October 2023	As at 31 March 2024
Derivatives	-	505	42
Total	-	505	42

The fair value of derivative financial liabilities, included within Trade and other payables, are as follows:

£'000	As at 13 October 2024	As at 15 October 2023	As at 31 March 2024
Derivatives	341	-	-
Total	341	-	-

12. Financial Risk Management

Financial risk management

The Group is exposed through its operation to the following financial risks: credit risk, interest rate risk, foreign exchange 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.

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

Interest rate risk

As at 13 October 2024 the Group's drawn borrowings are through its trade finance facility with a floating interest rate linked to the United States Federal funds rate and its revolving credit facility with a floating interest rate linked to the Bank of England base rate. Both are variable on the amount drawn down and there is no fixed settlement date, therefore the 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. The Group does not currently use any form of derivatives to manage interest rate volatility or future rate increases, however it does seek to minimise interest costs through careful management of its use of facilities.

Foreign exchange risk

Foreign exchange risk arises when the Group enters 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 makes purchases of goods and services from overseas in foreign currencies and uses additional means to cover its exposure to the foreign exchange movement. The Group uses various financial derivatives such as forward exchange contracts, to help mitigate movements 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 to support its working capital and investment requirements. Management reviews cash flow forecasts on a regular basis to determine whether the Group has sufficient cash available to support its operational and investment activities.

13. Related Parties

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Transactions with Life's a Beach, a related party by virtue of one of the Group's Directors during the period (Daniel O'Neill) being a trustee, relate to charitable donations made on ProCook sales and other associated transactions. During the period, ProCook sales generated £19k of donations payable to Life's a Beach (28 weeks ending 15 October 2023: £17k). During the period ending 13 October 2024, ProCook made payments totalling £55k to Life's a Beach (28 weeks ending 15 October 2023: nil). The amount payable at 13 October 2024 was £13k (15 October 2023: £23k).

Transactions with Conway House Limited, a related party by virtue of one of the Group's Directors (Daniel O'Neill) being a Director of the company, relate to the provision of advisory services to the Group. During the period, Conway House Limited provided services totalling £69k (28 weeks ending 15 October 2023: nil). Payments to Conway House totalled £47k during the period (28 weeks ending 15 October 2023: nil). The amount payable at 13 October 2024 was £22k (28 weeks ending 15 October 2023: nil).

Transactions with Quella Bicycle Limited, a related party by virtue of one of the Group's Directors during the period (Daniel O'Neill) holding a financial interest, have previously related to the renting of warehouse space from ProCook Limited. Quella vacated the

premises in March 2023, therefore no charges were made in the period H1 FY25 (H1 FY24: nil). The amount receivable at 13 October 2024 was nil (16 October 2023: £9k).

14. Subsequent events

The Group has monitored trading performance, internal activities, as well as other relevant external factors throughout the period from the balance sheet date to the date of approving these interim financial statements. No material changes in key estimates and judgements have been identified as adjusting post balance sheet events and there have been no material non-adjusting events since 13 October 2024.