ProCook®

Bringing joy to everyday cooking

Annual Report and Accounts 2024

Introduction

Equipping everyone with the tools to bring joy to everyday cooking

ProCook is the UK's leading direct-to-consumer specialist kitchenware brand, providing customers a distinctive multichannel shopping experience with our high-quality range of direct-sourced kitchenware at unbeatable value. We're a responsible retailer committed to being a force for good for all stakeholders.

Our mission

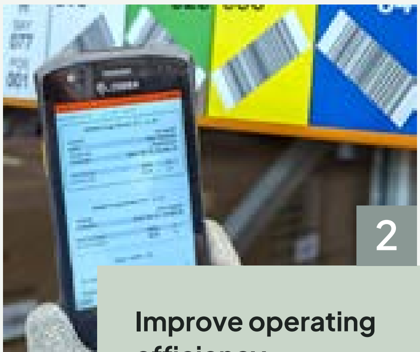
To be the customers' first choice for kitchenware

Read more about our 4 strategic priorities:

1

Accelerate profitable sales growth

Read more on pages 12 to 16



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Improve operating efficiency

Read more on page 17

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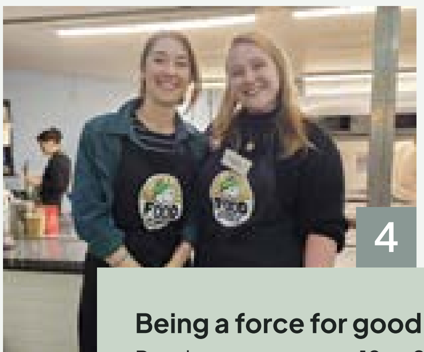
Create an even better place to work

Read more on page 18



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Being a force for good

Read more on pages 19 to 21

Group overview

Revenue

£62.6m FY24

£62.3m FY23

Gross profit margin % APM

65.7% FY24

61.5% FY23

Underlying PBT APM

£1.0m FY24

(£0.2m) FY23

Free cash flow APM

£2.0m FY24

(£0.5m) FY23

LFL Revenue % APM

(2.0%) FY24

(10.7%) FY23

Number of new customers (‘000)

687 FY24

692 FY23

Number of active customers in the last 12 months (‘000)

1,047 FY24

991 FY23

Trustpilot score

4.8 FY24

4.7 FY23

Number of retail stores

57 FY24

58 FY23

Colleagues employed at reporting date

578 FY24

624 FY23

APM This report contains Alternative Performance Measures, which may not be defined in accordance with Statutory measures

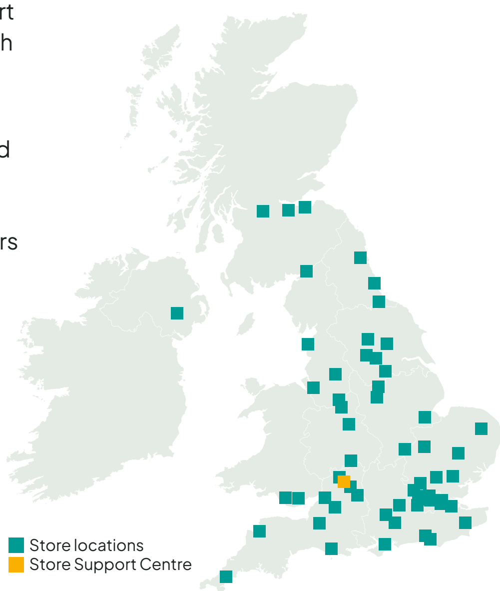
Read more on pages 166 to 169.

Operational overview

We operate from our Store Support Centre located in Gloucester which is home to our logistics, customer services and all central functions.

We currently have 58 stores spread geographically throughout the UK located in leisure-based retail centres. Our stores offer customers outstanding service providing convenience, the opportunity to test products, and helpful service from knowledgeable colleagues.

Customers can also shop online for home delivery at **www.procook.co.uk**



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Certified B Corporation

Visit our website at: **www.procookgroup.co.uk**

Chair's introduction

> "Our refreshed strategy is focused on accelerating profitable growth, the pace of change and urgency of delivery has been renewed, and we have greater clarity around strategic priorities and direction."
>
> **Greg Hodder**
> Chair

Since I joined ProCook shortly before the IPO in November 2021, we have been through a period of significant change as the Group became a larger and a publicly-listed business. We have navigated extremely challenging trading conditions which have affected consumers disposable income and inflated our cost base, whilst making the right investment decisions for continued long term growth. The journey has not been easy, but we are beginning to see momentum build in the Group's trading performance, returning ProCook to growth, profitability and positive cash generation.

In September last year our new CEO Lee Tappenden succeeded Daniel O'Neill, the Group's founder who has now transitioned to a Non-Executive role. Lee has brought energy, vision and different perspectives. In the months since Lee's arrival, the pace of change and urgency of delivery has been renewed, and we have greater clarity around strategic priorities and direction. The open and ambitious culture built by Daniel over the years, has been a galvanising force with our colleagues working together to build a better business and to better serve our customers.

Lee has established his new Leadership Team for the next chapter, and we now have a majority of women around the Leadership Team table having welcomed Marta Navas as Ecommerce Director, Claire Tait as Marketing Director and Laurie Haughton as Commercial Director. The right senior team is now in place to accelerate profitable growth over the medium term.

ProCook is a business which has a unique position in its sector, with our own-brand and direct-sourced specialist offer. Our customer proposition is excellent, providing customers high quality products at unbeatable value always with outstanding service both in-store and online. Once discovered, customers are great advocates, but our market share and brand awareness remain low providing significant opportunity for growth, while our strong business foundations provide a solid platform from which we can build on.

Our refreshed strategy is rightly focused on capturing this growth opportunity. Our store network today serves less than 40% of the UK population and by expanding our physical footprint we will not only drive profitable sales growth, but our increased physical presence will act as a beacon for the brand helping to raise awareness.

The launch of tableware in 2019 and electricals in 2023 give us confidence that we can continue to develop the product range, extending and adding new categories and adding more seasonal relevance and inspiration which we know our customers want. Whilst ProCook's customer service is already excellent-rated, this will be elevated to a new level by an even deeper focus on our customer which, accompanied by our brand building activities particularly through digital channels, will allow us to increase awareness, advocacy and loyalty.

Cost pressures remain high, and a relentless focus on cost-discipline and operational efficiency is critical. By improving supply chain effectiveness and use of technology, the Group will reduce costs to serve and become more nimble.

Dividend

In light of the continued macro uncertainty, and the Group's plans to continue to invest in areas which will support future performance and growth, the Board is not recommending a dividend payment for this financial year in order to preserve cash within the business during this period. The Board will continue to review dividend payments in future periods in line with the Group's Capital Allocation Policy.

Our Board

I am committed to ensuring that the Board remains focused on strategy development and execution whilst we continue to take our governance commitments very seriously.

These two parallel tracks are key to generating a sustainable business that delivers for all our stakeholders. The Non-Executive Directors continue to work very well with the Executives and wider Leadership Team, providing relevant sector experience and skills with pragmatic knowledge-sharing and insight, combined with appropriate challenge on strategic, operational and governance matters.

In June, we welcomed Meg Lustman to our Board as Non-Executive Director and Chair of the Remuneration Committee to replace Luke Kingsnorth. Meg brings over 35 years of retail experience to the Board which will be invaluable as we continue to build on the growing momentum in our performance.

Luke, who has been with us since IPO and added tremendous value over the last three years, has now stood down from the Board to focus on other professional commitments and I would like to thank him for the consistent high quality of his contributions during his time with us.

Being a force for good

ProCook is a responsible retailer, an ethos which is embedded in our proposition and cultural values. We remain focused on listening to our colleagues and creating an even better place to work. Our continued membership of the Real Living Wage Foundation reflects our commitment to support our people as best we can through the pressures of the cost-of-living crisis, providing fair pay for all.

We are taking the right steps to progress our ambition to achieve net zero by 2040 and, as a B Corp, we believe that we can be a force for good, encouraging customers and other organisations to make positive choices which help protect our planet and better serve the communities we operate in.

The support from all our people and suppliers to our mission has been outstanding and on behalf of the Board, I would like to express our sincere thanks.

Greg Hodder
Chair

25 June 2024

CEO's review

“Our refreshed strategy and strengthened customer focus is beginning to deliver improved performance and we have both the opportunity and a clear plan to accelerate this further.”

Lee Tappenden
Chief Executive Officer

Read more: Further information about our strategic priorities is set out in the following sections:

Accelerate profitable sales growth - **page 12**

Improve operating efficiency - **page 17**

Create an even better place to work - **page 18**

Being a force for good - **page 19**

Bringing joy to everyday cooking

1 **Accelerate profitable sales growth**

2 **Improve operating efficiency**

3 **Create an even better place to work**

4 **Being a force for good**

I am pleased to provide my first report as CEO of ProCook and I would like to take the opportunity to thank all ProCook colleagues for the very warm welcome and their continued commitment, passion and customer-focus during what has been an extremely challenging trading environment over the last two years.

In the months since I joined, my initial impressions of the business have been reinforced. The Group has real strength in its own-brand, direct sourced model, providing a specialist retail offer with a high quality product range. The service delivered by our passionate colleagues in our retail stores is outstanding, and this helps build strong loyalty once customers find us.

I am pleased that the team under Daniel O'Neill's leadership have invested wisely in capability and infrastructure, building solid foundations to support future growth.

These strong foundations and our unique specialist proposition, combined with low brand awareness and a fragmented marketplace, provide a significant opportunity for us to accelerate profitable growth.

Building momentum and improving performance

Trading momentum has improved throughout the last financial year and ProCook has returned to profit and generated positive cash flows in FY24.

Market conditions have remained challenging with the macro backdrop impacting customers' disposable incomes and spending decisions. Total revenue of £62.6m was up 0.4% year on year, and when excluding the impact of discontinued Amazon EU channels that were exited last year, revenue increased by 1.7% reflecting modest market share gains.

Gross margins recovered to 65.7% (FY23: 61.5%) following the impact of heightened shipping costs in last year's results, and with continued cost discipline the Group has delivered an improved underlying profit before tax of £1.0m (FY23: loss of £0.2m). Statutory reported profit before tax increased to £0.7m (FY23: loss of £6.5m, including £4.4m of impairment expenses).

Retail performance has remained resilient with revenue increasing by 8.7% including like for like growth of 2.8% and the impact of two new and one upsized stores. We took the opportunity to close three smaller, less profitable, garden centre stores in quarter four as lease break points became available. Like for like growth was driven by product innovation including the launch of new Electricals ranges, pricing improvements for customers, and continued focus on delivering outstanding customer service.

Ecommerce revenue declined by 11.5% including a 2.8% point impact of the discontinued Amazon channels, and lower sales on our own website which reduced by 8.7% year on year. Performance was impacted by disruption from the transition to a new platform which began in early Summer and had lasting effects through to Black Friday, and has since improved, delivering stronger conversion rates and reduced time to develop new customer features.

The Group ended the financial year with net debt of £0.7m (FY23: £2.8m) reflecting free cash flow generation of £2.0m (FY23: outflow of £0.5m) and available liquidity of £15.3m.

Read more: CFO's review – pages 46 to 49

Our strategy for growth

Over the last 28 years ProCook has developed its business model to offer customers high quality products at unbeatable value, delivered with outstanding multichannel service. During the year the Group further improved its excellent-rating from Trustpilot with over 110,000 5-star reviews received and was again recognised by Which? as a Recommended Provider ranking joint second in the UK by customer review score.

Following a period of significant growth before and during Covid-19, the Group has gone through a period of significant change in the last two years, consolidating operations, investing for future growth, and we have now established our new Leadership Team for the next chapter after welcoming our new Ecommerce, Marketing and Commercial Directors to the team.

During the months since I joined the Group, I have worked with the Board and Leadership Team to develop a refreshed strategy to drive forward our specialist proposition and unique business model with the focus, energy and pace needed to accelerate our mission to become the customers' first choice for kitchenware. Our plan will deliver sustainable and profitable growth for all of our stakeholders and we are targetting 100 retail stores, £100m, revenue and 10% operating profit margin over the medium term. This Annual Report sets out the strategic progress we've made in the last year and the activities which we will be pursuing in the years ahead, namely:

1 Accelerate profitable sales growth

Expand our store network: Enabling more customers to shop in our stores by increasing physical retail coverage towards 100 profitable stores across the UK.

Strengthen our product offer: Creating more reasons to shop with us by adding extended ranges and improving our seasonal and promotional campaigns, adding more inspiration and broadening our appeal.

Deliver best in class omnichannel customer service: Putting the customer first to deliver even better service and a seamless experience across in-store and online, however our customers want to shop with us.

Grow brand awareness and customer engagement: Helping more customers discover ProCook for the first time, and encouraging more existing customers to shop with us again by adding more personality and personalisation.

2 Improve operating efficiency

Supply Chain Transformation: Transforming our supply chain to better serve our retail stores and customers, by increasing delivery frequency, reducing out of stocks and improving availability whilst operating at a lower cost.

Resilient and scalable Technology solutions: Developing and evolving our technology solutions and capabilities to support greater operational efficiency while improving ease of use for our customers and colleagues.

3 Create an even better place to work

Developing our teams and our leadership capabilities: Enhancing our service and product training for all customer-facing colleagues to further improve customer experience and focusing on our leadership development to ensure we deliver on our accelerated growth ambition.

Building a high performance culture: Adding greater pace and urgency into our ways of working to ensure our people are focused on the right priorities and deliver effectively together as one team.

4 Being a force for good

Reducing our environmental footprint: Continuing the great work that has already been achieved to help protect our planet, by progressing our action-plan to deliver on our commitment of Net Zero by 2040.

Caring for our communities: Increasing our support for the local communities in which we operate, acting as a force for good for society as a whole.

Outlook for the year ahead

The Group has had a strong start to the new financial year with trading momentum continuing to build on the trend established during the last financial year. During the first quarter of FY25, we delivered like for like sales growth of 3.5% with positive year on year performance in both Retail (+2.4% LFL) and Ecommerce (+5.5% LFL). Including the effect of new stores (net of store closures last year) our total revenue increased by 5.6%.

Whilst mindful of the uncertain macro backdrop, we are confident in our unique specialist proposition and encouraged by the improving momentum we have been delivering over the last year.

In FY25 we expect to deliver modest revenue growth, primarily driven by a recovery in Ecommerce sales, following the website transition disruption last financial year, and the planned opening of ten new stores in the current year. We anticipate maintaining gross margins, whilst delivering products at unbeatable value. Our continued focus on cost discipline across our business is expected to deliver further operating efficiencies which will allow us to re-invest carefully to accelerate future profitable growth.

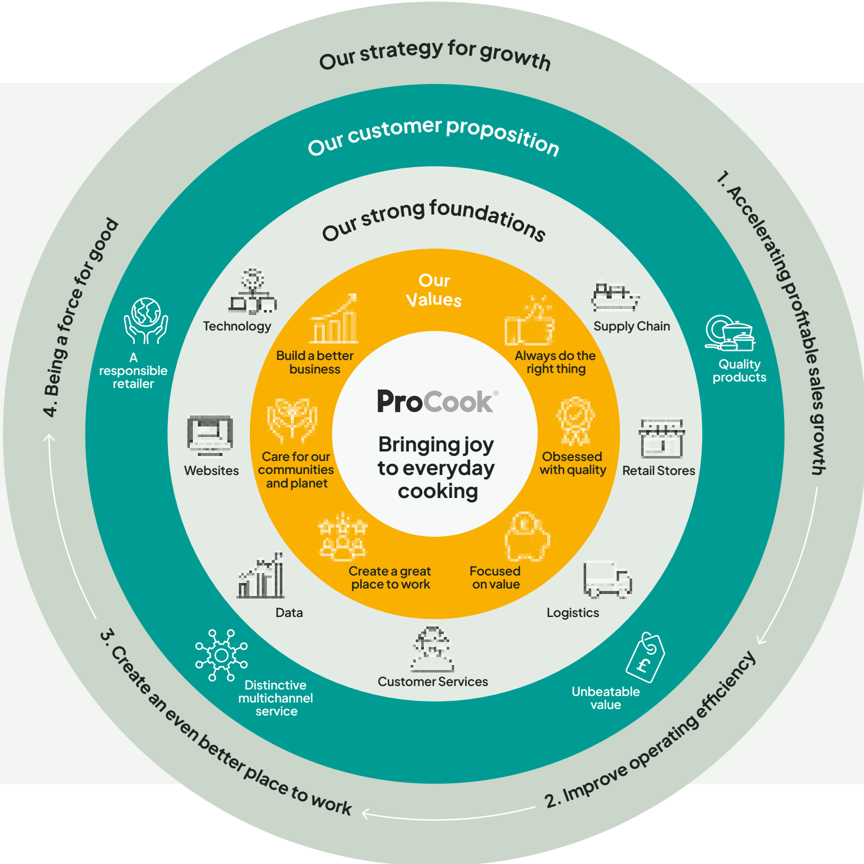
Despite the continued macro-economic and geo-political challenges, our refreshed strategy and strengthened customer focus is beginning to deliver improved performance and we have both the opportunity and a clear plan to accelerate this further.

Lee Tappenden
Chief Executive Officer

25 June 2024

Business model

Our direct-sourced and direct to consumer business models allows us to offer quality products at unbeatable value to our customers, which we deliver with outstanding multichannel service. We're a responsible retailer who believes in being a force for good, creating greater value for all our stakeholders.



How we bring joy to everyday cooking

Quality products

At every price point, we offer high quality, thoughtfully designed products, that are built to last

Our products are designed, sourced, and refined by our in-house design and buying teams, who focus on quality, functionality, durability, sustainability, and style to ensure our customers enjoy using them in everyday cooking for many years. We are obsessed with quality and committed to working in a transparent and fair way with our suppliers to improve manufacturing standards and promote responsible sourcing.

Unbeatable value

Our own-brand products and direct sourced model enables us to offer lower prices for our customers

Our business model allows us to offer unbeatable value for our customers as we design and source products direct from the manufacturers. We target savings for our customers of at least 30% against comparable products from competitor brands. Additionally, we serve up great offers and promotional ranges through the year to provide value to our loyal customer base.

Distinctive multichannel customer service

We delight our customers with outstanding service, both in-store and online, making it easy to shop with us

Our 58 retail stores are spread throughout the UK and provide customers a convenient and inspirational shopping experience. Our knowledgeable and friendly colleagues offer best-in-class customer service levels and help customers to trial products in store and select the right products for their needs.

Our proprietary website is designed to be easy to use and inspirational, with convenient home delivery and payment options for customers. We merchandise products using high-quality imagery and video content produced in our own studio to inspire our customers.

A responsible retailer

We're a B-Corp. We pay all colleagues the Real Living Wage, while protecting our planet and serving our communities

As a certified Great Place to Work™ company, we are committed to treating our people well. We employ over 600 colleagues across our stores, logistics, customer service and central support functions. Our culture reflects our family heritage, and our teams are agile, collaborative, and passionate in delivering for our customers.

We care for our communities too, raising funds for Life's a Beach and our colleague-nominated charity of the year as well as supporting Young Gloucestershire. With substantial progress already made in reducing our impact on the environment we have a clear target of achieving Net Zero by 2040.

Our new Store Support Centre, which is home to central support teams including our logistics operations, is BREEAM "Excellent" rated with strong sustainability credentials.

How we create value for all our stakeholders

As a B Corp we are committed to being a force for good for the benefit of all of our stakeholders and to have a material positive impact on society and the environment.

Certified B Corporation

Customers

Our mission is to become the customers' first choice for kitchenware. In order to achieve our strategic ambitions, it's essential we attract new customers to shop with us and grow engagement and loyalty with our existing customer base. We constantly strive to improve our proposition for our customers to offer even greater value, broader choice and an exceptional service experience every time they shop with us.

Which? Recommended Provider December 2023 with a Customer score of 82%

Colleagues

We're committed to creating an even better place to work for our people who are key to the long-term development of our brand. Colleague engagement and motivation is vital to us fulfilling our purpose, protecting our culture, and delivering on our strategy so we pay all colleagues at least the Real Living Wage, and are committed to supporting their personal development and well-being.

We're a Great Place to Work™, three years running

Real Living Wage Foundation member since 2021

Suppliers

We believe in treating everyone fairly, including our suppliers. This has allowed us to build enduring supplier relationships, some for over 20 years, which ensures that we are always working towards a common goal. We work together with our suppliers to bring new products to market, driving up their production volume, while encouraging and supporting their sustainability programmes.

Working with Sedex and our suppliers to promote more sustainable manufacturing practices

Communities

We are committed to caring for our communities and planet and being a force for good in our communities. The positive impact we create reinforces ProCook as a great place to work, and a great place to shop.

Partnering with Life's a Beach since 2019

New colleague-nominated charity of the year for FY25

Shareholders

We recognise that the trust of our shareholders, through their ongoing engagement, ensures continued support and investment, in turn supporting ProCook's continued growth and development. We've begun a programme to improve direct communication and engagement with retail investors to ensure that everyone has the chance to learn about our Group.

Adopting IMC for expanded reach to all investor groups commencing with FY24

Engaging with stakeholders

Section 172(1) Statement

Our decisions and actions have significant impacts on our stakeholders, and in delivering our strategy and fulfilling our purpose we are guided by our values to **always do the right thing**. We are committed to regular, open, and effective engagement with our stakeholders and recognise that this is essential to ensure that the impacts of important decisions we make are appropriately considered.

The Directors confirm that they have, during the year, acted in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members and stakeholders as a whole, and in doing so have had regard to the matters set out in s172(1) (a) to (f) of the Companies Act 2006.

Further information on how the Directors have fulfilled their s172(1) duties, as well as examples of decision-making is set out in the Governance Report.

Read more: Board activities – **pages 74 to 77**

Read more: S. 172 statement – **pages 78 to 79**

Customers

What matters most

- Product quality, design, choice, and value for money
- Ease of shopping experience across all touchpoints
- Inspiration and advice
- Sustainability

How we engaged

- This year we ran a series of customer listening groups at our Store Support Centre listening to their experiences of shopping with ProCook and learning how to improve. We also completed 1,200 non-purchasing customer exit surveys at our stores helping us to understand our strengths and points of friction
- During the year, we launched Net Promoter Score surveys on our website and at the end of the year this was implemented for customers in our stores. We have begun collecting and reviewing data at our Customer Focus Group
- We have scaled our activity on organic social media channels over the last 12 months, introducing our resident food expert to showcase "how-to guides" and recipe hints and tips for customers, which is building engagement

Priorities for the year ahead

- Embed NPS as a key performance indicator for internal reporting, adding surveys to more touchpoints including Customer Service and post-delivery. Ensure action, based on customer feedback, is taken promptly through the Customer Focus Group
- Undertake more customer listening groups to ensure we hear and learn from our customers experiences. Embed customer feedback and focus into our commercial, marketing and operational activities
- Continue to develop organic social media capability, developing a loyal and engaged customer community
- Improve our CRM programme to build customer loyalty and engagement

Read more: Strategy for growth – pages **10 to 11**

Colleagues

What matters most

- Our culture and values
- Wellbeing
- Community and the environment
- Regular communication on objectives, performance, and strategy
- Personal development and fair reward

How we engaged

- Every four weeks we hold a live online Company-wide Town Hall led by the Executive and Leadership Team, allowing us to improve communication and alignment, celebrate success, and share important messages. Each week we hold separate Retail and Store Support Centre "huddles" which bring our colleagues together, to share news and hear feedback
- Each year we run 2 managers conferences where we share strategy updates, deliver training and provide colleagues the opportunities to share experiences with each other
- We are committed to listening to our colleagues' feedback through engagement surveys. This year we were recognised as a Great Place to Work ™ for the third year running. We heard that cost-of-living pressures were a significant concern and we acted to support colleagues through this difficult period
- Our Colleague Advisory Panel meets quarterly to discuss themes which are important to colleagues, with reps from across the business. Suggestions are presented to the Leadership Team who take responsibility for implementation

Priorities for the year ahead

- Extend our managers conferences to include all colleagues in the Store Support Centre to improve inclusivity in strategy communications and objective setting
- Progress with fundraising activities for our colleague-nominated charity of the year

Read more: Our People – pages **23 to 27**

Suppliers

What matters most
- Long-term partnerships
- Fair terms and conditions
- Transparency in interactions
- Growth opportunity

How we engaged
- During the year, we engaged with our top product suppliers on the topic of sustainability, gathering important knowledge of current manufacturing processes and planned environmental initiatives. Engaging with suppliers on this is allowing us to strengthen partnerships and tackle the issues of climate change and sustainability
- Our design and buying teams interact with suppliers through the year, working on new design concepts and range development, through to intake management and planning. We are open, honest, and fair in our approach, and work together to solve challenges that arise
- Our membership of Sedex allows us to work with suppliers to promote and improve ethical and environmental standards. As a B Corp certified business, we continue to set rigorous expectations with our suppliers and work with them to develop plans where needed to ensure we act together as responsible partners
- During the year, we have attended the leading product trade fairs and undertaken factory visits to strengthen relationships with existing suppliers and to meet potential new suppliers

Priorities for the year ahead
- Having reorganised our Commercial team to support our growth ambitions and appointed our new Commercial Director, our focus for the year ahead will be forging deeper relationships with suppliers and partnering to deliver growth through product innovation and supply chain improvements

Read more: Our strategic priorities – pages 12 to 21

Read more: Sustainability: Our Product – pages 32 to 33

Communities

What matters most
- Employment opportunities
- Giving back to the community
- Reducing our environmental footprint

How we engaged
- We have supported Life's a Beach, a charity which is funded primarily via the sales of the Life's a Beach product range in ProCook stores. It continues to develop its programme of charitable activities and projects and in the last year ran 26 clean-up events, with 705 volunteers providing 39,480 hours of support. ProCook colleagues participated in 7 clean-up events, removing 80 bags of waste weighing at 233 kg, and contributing 280 volunteer hours
- Our partnership with the Woodland Trust provided opportunities for our colleagues to participate in generating woodland spaces for their communities, while also mitigating unavoidable Scope 1 and 2 emissions.
- We have increased our charitable fundraising activities launching a colleague-nominated charity of the year
- In the last year we have increased our community support for early years careers, providing more work experience, placements, and graduate opportunities in conjunction with Young Gloucestershire. We have also offered T-Level placements, and work experience to college students

Priorities for the year ahead
- Progress with fundraising activities for our colleague-nominated charity of the year
- Raise the profile of our Good Causes Day amongst colleagues to encourage greater participation and support for charities

Read more: Sustainability: Our People – pages **23 to 27**

Read more: Life's a Beach case study – page **31**

Shareholders

What matters most
- Strategy development and execution
- Value creation and return on investment (short or long term)
- Strong governance and sustainability

How we engaged
- The Annual General Meeting ("AGM") provides the Board's primary opportunity to interact with shareholders. At the AGM last year, approximately 75% of shareholder votes were received for the resolutions tabled and were represented at the meeting
- The Executive Directors meet with shareholders at least twice per year when releasing the Interim and Annual Results. The Board has gathered and discussed investor feedback following the roadshow meetings, identifying opportunities for development. Our investors have told us that they are interested to learn more about our growth strategy and how this will ensure delivery of long-term value creation
- Our website www.procookgroup.co.uk provides information and latest news updates for our investor community, including video recordings of our results presentations

Priorities for the year ahead
- Improve awareness of ProCook amongst the retail investor community through greater direct engagement
- An acceleration of our strategic progress and trading performance to deliver profitable and sustainable growth for shareholders
- Transition to physical/ virtual Annual Results and AGM formats allowing more shareholders and potential shareholders to attend the events and to improve two-way dialogue

Read more: Board activities – pages **74 to 77**

Read more: S.172 statement – pages **78 to 79**

Strategy for growth

The Leadership Team have developed a refreshed strategy to drive forward the Group's specialist proposition and unique business model with focus, energy and pace to accelerate our mission of becoming the customers' first choice for kitchenware, and to deliver sustainable and profitable growth for all of our stakeholders.

1

Becoming the customers' first choice for kitchenware

We bring joy to everyday cooking by providing customers high quality products at unbeatable value, delivered with our consistently excellent service

Accelerate profitable sales growth

Leverage our existing business model to capture market share and drive profitable growth

Expand our store network

Enabling more customers to shop in our stores throughout the UK, with disciplined payback criteria as we accelerate towards 100 profitable stores

Strengthen our product offer

Create more reasons to shop with us with extended ranges and improved seasonal and promotional product, adding more inspiration and broadening our appeal to more customers

Deliver best-in-class omnichannel customer service

Putting the customer first to drive improved service and a seamless experience across in-store and online

Grow brand awareness and customer engagement

Help more new customers discover ProCook and encourage more existing customers to shop with us again

2

Improve operating efficiency

Building on our strong foundations to ensure we stay lean and agile, with strong cost discipline as we grow sales volumes

Supply chain transformation

Making our operations more efficient to deliver better service and availability for customers at lower cost

Resilient and scalable technology solutions

Trusted technology, which is easier for customers and colleagues to use

3

Create an even better place to work

Developing our people and culture for our future together

Developing our teams and our leadership capabilities

Tailored customer service and leadership training to deliver our growth ambition

Building a high-performance culture

Adapting our culture to move with more pace and urgency, delivering together as one team

4

Being a force for good

Doing business the right way, as a responsible retailer we are committed to always doing the right thing

Reducing our environmental footprint

Delivering on our commitment of Net Zero by 2040 to help protect our planet

Caring for our communities

Supporting the local communities in which we operate for the good of society as a whole

1 Accelerate profitable sales growth

Our primary strategic objective is to drive profitable sales growth through our existing business model, growing our customer base and UK market share, and enabling us to better leverage our fixed cost base and improve operating profit margins.

Expand our store network

Enabling more customers to shop in our stores

We have set a medium-term target of 100 retail stores in the UK, following a comprehensive data-driven study supported by Newmark (retail commercial real estate experts) to understand our store network of the future, and the opportunities we have to grow our footprint.

At the time of the study, the existing 57 ProCook stores served just 36.5% of UK population catchments and had limited presence in key shopping centres throughout the UK including many large cities with high retail densities. Additionally, our retail sales mix remains lower than the UK market average at 62% (UK Kitchenware market[1]: 72%).

As our brand prompted awareness remains low, opening new stores presents a significant opportunity to grow our market share and deliver profitable sales growth from the stores themselves, combined with the online halo effect benefit, which we observe as we open new retail locations, while also building brand awareness across the country.

Following the work done by Newmark, we have enlisted their support to help us identify and negotiate terms for new store opportunities in our priority target locations. We will seek to open an average of five to ten new stores each year as we expand our network.

Alongside this expansion work, we will incrementally improve our store design concept over time, adding more inspiration, and enhancing self-service information and merchandising for our customers.

Disciplined investment criteria to enhance value creation

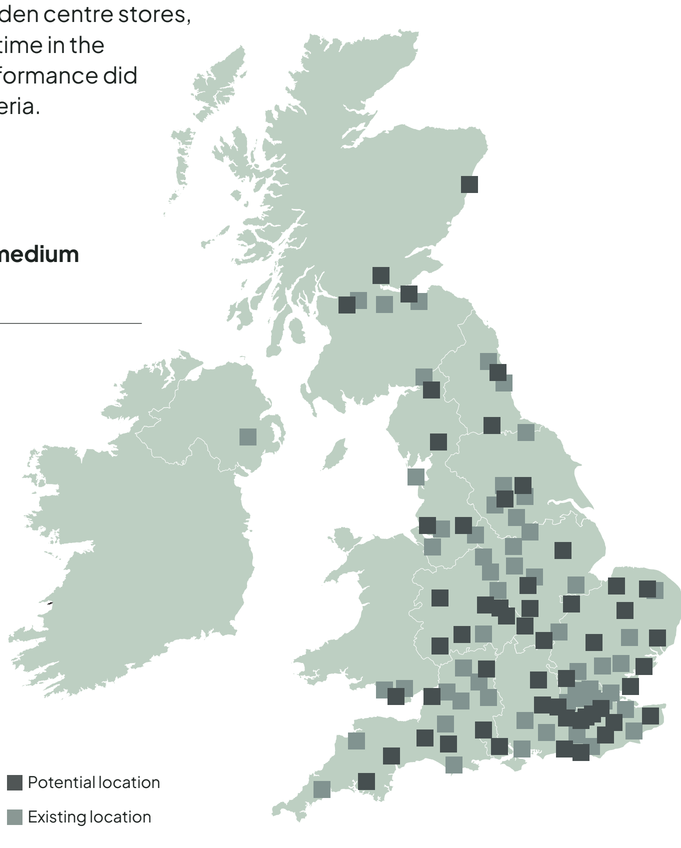
Our new store development operations are efficient and cost-effective, enabling us to open a new store typically with four weeks of access with an average capital investment of £300k per new store.

We have reviewed and refreshed our investment criteria and established clear hurdle rates (Contribution and operating margins, Payback and Net Present Value) for each new store opening, which are being carefully monitored pre and post opening.

We will continue to apply discipline to reviewing the existing retail stores, and where performance does not meet our criteria, we will take appropriate action to make improvements or where necessary to close an existing store. At the end of the financial year, we closed three smaller garden centre stores, at an opportune time in the lease, where performance did not meet our criteria.

100

UK retail stores medium term target



1 GfK Kitchenware market data

Strengthen our product offer

Growing market share through category expansion

The UK kitchenware market is worth approximately £4bn each year, with our share remaining below 2%, and adding small kitchen electrical items increases the total market size to just over £5bn. The largest category segment of the market is tableware, which we began expanding into during 2018, with a positive effect on sales growth and repeat rates from the new category alongside the benefit of new customers for tableware also shopping the heritage categories of Cookware, Knives and Kitchen Accessories.

In the last 12 months, we have launched the first two phases of small kitchen electricals and both sales performance and media coverage of this new category has been very encouraging. In the year ahead we will continue the expansion of this category with phase three (including bread makers, pizza ovens and ice cream machines), and prepare for phase four (coffee machines).

We have also identified significant opportunity to grow market share in existing categories in which we under-index compared to the market. We will continue to refresh and improve our product offer, and where appropriate, offer online extended ranges for categories such as tableware, baking and textiles, creating more reasons for customers to shop with us.

Adding more seasonal relevance and promotional inspiration

Our Everyday Low Price direct-sourced product range offers unbeatable value to customers. Following successful delivery of an enhanced Black Friday campaign in November 2023, we are confident in the opportunity to further develop our special buy promotional programme, providing limited edition ranges and great value deals for customers to shop outside of the core range during key trading periods in the year.

Additionally, we will add more seasonal products and designs to our product offer at different points in the year (for example spring, summer and Christmas), adding inspiration and freshness to our offer for customers, creating more marketing opportunities and reasons to browse our ranges.

Building stronger relationships with suppliers

We currently work with over 140 suppliers who manufacture products to our design specifications, a number of which we've worked with for many years. We will focus on developing these trusted relationships, leveraging established manufacturing and design capabilities to buy better, improving our terms and increasing product innovation.

1.3%

Estimated share of UK kitchenware and small kitchen electricals combined market

Case Study

New Trafford Centre Store

The Trafford Centre is one of the UK's leading retail shopping destinations with approximately 30 million visitors annually, a 9.3 million catchment population and 10% of the UK total population living within a 45 minute drive.

Opening stores in locations such as this provide a significant opportunity to raise brand awareness, attract new customers and deliver profitable sales growth.

We opened our new 2,500 sq.ft store in the centre in October 2023, located in a prominent ground floor position to benefit from the high levels of passing footfall, which will raise awareness of our brand and proposition and the store is meeting our performance expectations and currently well on track to deliver a cash payback within two years.

1 Accelerate profitable sales growth
Continued

Deliver best-in-class omnichannel customer service

Retail service excellence

In the last year we have re-gained our 4.8 star excellent-rated Trustpilot score as we have continued to focus on delivering consistently outstanding service to our customers.

We have focused on colleague scheduling throughout the week to optimise service levels and improved product availability in our stores. We have also step-changed the quality of our colleague training content, providing more features and benefits and investing more colleague hours in training.

In the year ahead, we plan to make further significant progress in our service levels in stores. We recently implemented customer surveys at checkout to collect Net Promoter Score ("NPS") feedback, and the early results are very encouraging with an average Retail result of 90 in the first eight weeks since launch in March.

This is helping us identify and focus on areas where we can improve. We have incorporated the survey results in our in-day and end of day store management information, providing timely insights for our store managers and the results are reviewed and discussed in our new Customer Focus Group, which meets each week.

In the year ahead, we will further improve our colleague training, introducing regional training coaches to ensure that all store colleagues receive sales training and become experts in all of our products, accompanied by additional store manager training.

Enhancing user experience online

With the vast majority of adults now likely to research kitchenware online before making a purchase, either in store or online, our online experience must match our stores for service as well as ease, and we must continue our work to create a more seamless omnichannel experience.

The new website platform that we launched in late summer 2023 provides a solid foundation for continued improvements, and we are already benefitting from improved conversion rates compared to the previous site. With NPS measured on checkout, we are collecting data about customers experience online and using this to inform our development priorities.

There is much we can still do to enhance the user experience for customers through technical developments, inspiration and visual merchandising, and removing points of friction in the purchase and delivery journey. We have established a clear roadmap of improvements and innovations, which will be delivered throughout the year ahead, and we will continue to listen to and act upon customer feedback.

4.8

Trustpilot excellent-rated score with over 110,000 5-star reviews

Case Study

New Electricals range

In October 2023, we launched the first phase of our new own-brand small kitchen electricals range which we have been developing over the last three years, followed by phase two in March 2024 as part of our category expansion strategy, creating more reasons to shop with ProCook.

Kettles and Toasters were first to launch, and together make up over 30% of the small kitchen electricals market in the UK. These high quality products have been designed by our team in conjunction with our manufacturing partners who also supply some of the world's most prominent electrical brands, however, through our direct-sourced model we're able to price the products for customers at least 30% cheaper. We were pleased to be awarded the top spot in Good Housekeeping UK awards for 2024 for best kettle and best 2 slice toaster. Phase two included a broader mix of products, such as our new award winning Stand Mixer (priced at £249) and Air Fryer Health Grill (priced at £179).

Electricals sales have already met our initial expectations and continue to grow as awareness builds amongst customers, and we will continue to expand the range in the year ahead.

Grow brand awareness and customer engagement

Putting our customers first

Our current customer mix is more heavily weighted to higher affluency groups in the UK compared to the national average, they are most likely to be professional couples or retired, who own their own homes. 55% of adults shop kitchenware once every six months, with 8% shopping frequently at least once every three months. Maintaining front of mind awareness within the higher frequency groups is key, even when they are not actively in market[1].

In the last year, we have begun a transition to becoming a more customer-focused business. We ran a series of customer listening groups at our Store Support Centre, and completed 1,200 non-purchasing customer exit surveys at our stores helping us to understand our strengths and points of friction. We have also launched NPS surveys on our website and in our stores. We have begun collecting and reviewing data at our new Customer Focus Group.

As we continue to listen and learn from our customers, we will continue to adapt our business to better serve their needs including how we communicate and engage with customers, the products we source and the offers we promote.

Growing our brand awareness

During the last year, we have made gains in customer awareness through the opening of new stores and our marketing activities including our national campaign with Matt Tebbutt during the autumn. Prompted awareness has increased year on year to 36%[1] (from 33% last year), and our active customer base in the last 12 months has increased to over one million, however, there remains a significant opportunity for us to continue to grow in the years ahead.

We have also launched a referral capability allowing customers to recommend ProCook to their friends and family helping improve loyalty and advocacy to our brand. We have begun developing more relevant and inspirational social media and recipe content, which has helped us significantly expand our brand reach by +61% year on year on Instagram and Facebook channels and we've recently expanded activity on TikTok too.

Over the next 12 months we will continue to build our content creation capabilities, expanding our team in this area, to provide more inspirational content and deliver more brand personality to more existing and potential customers, including younger customer groups where we currently under-index but who form a meaningful part of the market. We will compliment this in store with more inspiration and seasonal relevance.

Our customers

81%
Female[2]

74%
Own their own home[2]

1,047k
L12M active customers

21.3%
12 month repeat rate

£74
average spend online

£35
average spend in store

61%
Increase in brand reach on organic social media channels in FY24

Sonoma dinnerware

Category Type[3]	ProCook	UK	Variance
Affluent achievers	40.9%	22.5%	18.4%
Rising prosperity	11.6%	9.5%	2.1%
Comfortable communities	29.4%	27.2%	2.2%
Financially stretched	11.7%	23.2%	-11.5%
Urban adversity	5.3%	16.4%	-11.1%
Other	1.1%	1.2%	-0.1%

1 YouGov Survey, 4,321 participants (January 2024)
2 Greenstone data report (August 2022)
3 Acorn affluency profiling (August 2022)

Case Study

Consumer trends

Cost of living
Continued economic uncertainty and cost of living pressures have impacted consumer spending, and luxury spending has given way to a more value-focused approach. Customers are taking a more cautious approach, with more careful research, both online and in-store, and consideration before committing to purchasing.

Customers who may have planned to upgrade their kitchens may delay such aspirations as a result of the current squeeze on household finances. Whilst this is often a trigger for customers to revisit their kitchenware, the opposite also holds true as customers can treat themselves to smaller kitchenware items in their existing kitchen set-up to improve their cooking experience.

Sustainability
Consumer awareness and focus on sustainability continues to increase and as consumers seek to reduce their carbon footprint, sustainable homewares are likely to be preferred by some customer segments. Those who are more eco-conscious, may prioritise quality over quantity, seeking durable items that are built to last. Responsible sourcing and production is likely to become a bigger factor influencing purchasing decisions. More affluent consumers who have the financial capability to make more sustainable choices, are more likely to opt for sustainable products that blend style, functionality, longevity and environmental responsibility.

Shopping as a social activity
Post-pandemic, the shift back to retail stores has been pronounced, with Ecommerce volumes returning to pre-Covid trend lines. Consumers have noticeably returned to in-person shopping experiences, especially for homewares stores. One driver of this change is the social aspect of shopping for homewares, which provides customers the ability to touch and feel, and seek advice on their purchases. The quality of the in-store experience and inspiration this provides is therefore becoming increasingly important.

Trend-driven products
As consumers increasingly place more value on experiences, they are also choosing high-quality, durable and easy-to-use cookware to elevate their cooking experience both for day to day cooking and special events. Consumers are increasingly drawn to trend-led products that reflect their style choices and kitchenware, especially dinnerware is being increasing fashion and design-led.

Given the space constraints in many UK homes, customers are increasingly interested in space saving kitchenware items, that can be stacked or nested within each other to save space in the kitchen cupboards, without compromising on quality. Stackable pan sets, storage solutions and kitchen electricals with multi-functionality are being increasing popular.

Soho ceramic cookware

2 Improve operating efficiency

Over the last two years we have worked hard to rationalise our cost-base, eliminating £3m of overhead cost on an annualised basis. As we look ahead, there are more benefits to be realised from transforming our supply chain to be future-fit for more retail stores, and through technology improvements that will support our operating efficiency.

Supply chain transformation

Making our operations more efficient to deliver better service and availability for customers at lower cost while enhancing capacity for growth

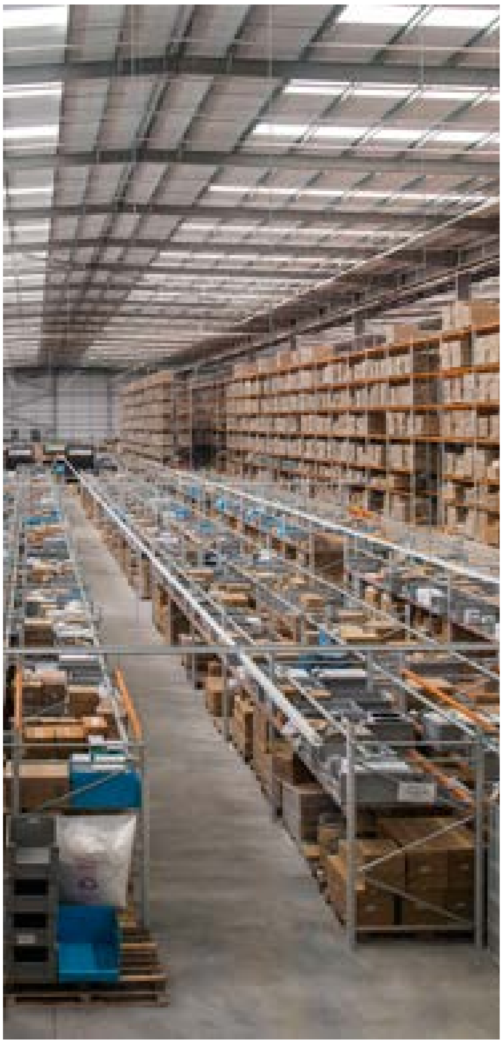
During the last year, we completed the transition to our new Distribution Centre in Gloucester which has added capacity for growth and improved our logistics efficiency by 15% as we have eliminated stock transfers between sites and better-utilised a combined warehouse team. We have also worked upstream with suppliers to improve container fill and reduce haulage and shipping costs, and we have managed clearance and overstock positions down through the year.

With a growing store network, we are focused on improving service to our retail stores, enabling the elimination of tasks which prevent service in stores, improving on shelf availability for customers and optimising our store stock files (and cover) in order to create space for new extended assortments, and seasonal and promotional products.

In order to deliver this, we have begun to carefully reconfigure our logistics operations, starting with trials, which once successfully complete will be rolled out to more stores.

The transformation scope is broad and includes:

- More frequent store deliveries, reducing the need to hold so much stock cover in store
- Improving delivery equipment to prevent damages and reduce stock loss, and make put-away in store easier
- Consideration of delivery 3PL partners combined with own capability to implement reverse logistics capability
- Introduction of hand-held terminals for inventory management in store to help improve stock file accuracy
- Review all on-shelf display quantities to optimise availability and support self-service for customers
- Consideration of pack-sizes, weights and dimensions to optimise container and pallet fill and warehouse pick operations, while reducing unnecessary packaging



15%

Reduction in logistics costs in FY24

Resilient and scalable tech solutions

Trusted technology, which is easier for customers and colleagues to use

Our Technology team have delivered another year of substantial progress during FY24, building stronger foundations and improving customer and colleague functionality. Key programmes of work have included the new website launch, transitioning to Adyen as our new omnichannel payment provider, implementation of a new Digital Asset Management solution, gift card capability and NPS survey functionality, supporting the transition to a new warehouse with WMS updates and improved stock management functionality.

Focus has remained on security and resilience also, with a significant number of improvements delivered during the year.

Our technology roadmap sets out the journey we will take towards more microservice-based architecture, carving out functionality to use across our channels and operations, and continually improving resilience and flexibility.

In the next 12 months, our development effort will largely focus on website user experience initiatives and the technical developments needed to support the transformation of our supply chain.

>99.9%

Total system availability for colleagues and customers

3 Create an even better place to work

We are committed to taking continual steps to make ProCook an even better place to work, raising colleague engagement levels, and improving customer experience as a result. We are transitioning to a more performance-focused culture, which will ensure that we can operate with pace and agility, to deliver our strategic objectives for all stakeholders.

- Always do the right thing
- Obsessed with quality
- Focused on value
- Create a great place to work
- Care for our community and planet
- Build a better business

Developing our teams and our leadership capabilities

In addition to the progress we have made over recent months in improving our training and development for retail colleagues and managers, we have also launched the first cohort of our leadership training development programme. This programme spans six months and provides the toolkit and headspace necessary for our business leaders to develop their own leadership journey, connect and form stronger relationships with peers, and reflect on how they can better support their own teams.

We plan to extend this to additional cohorts in future, providing more opportunities for our leaders of the future to develop and progress their careers.

Concurrently, we have been expanding our succession planning in retail alongside developing our training programmes and regional coach roles, to help ensure that we can provide meaningful career development opportunities for colleagues who have the aspirations to progress in their roles as our business grows.

Building a high-performance culture

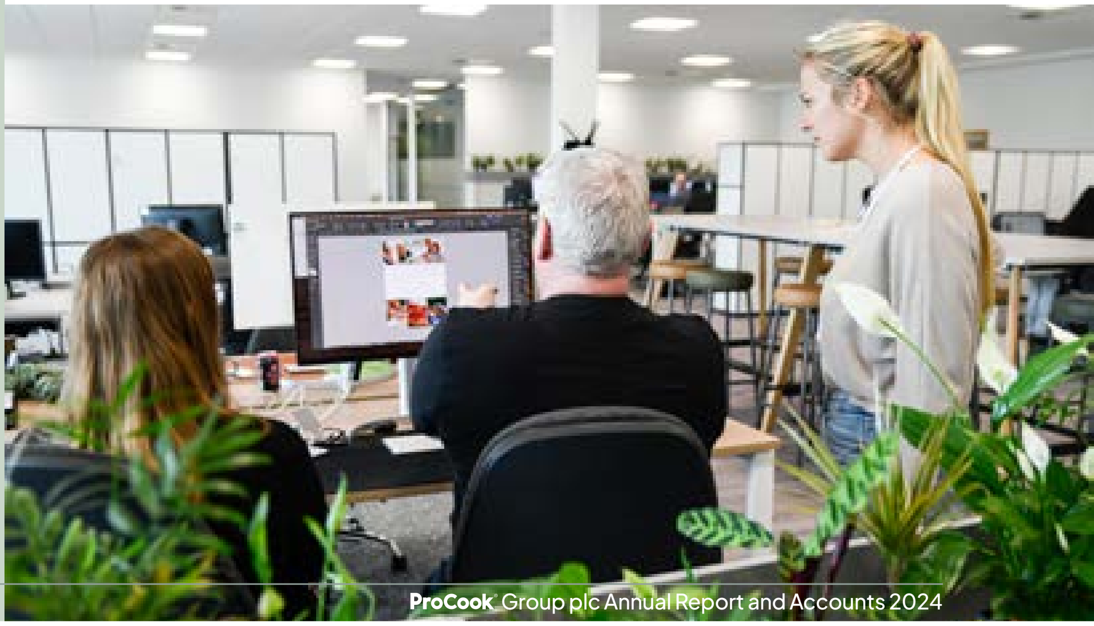
Following the introduction of more robust annual personal objective setting and appraisal review process last year, including the linking of personal reward to performance, we plan to take this further in the year ahead to build the high-performance culture we need to accelerate our growth.

We have introduced weekly huddles at our Store Support Centre ("SSC") and for retail stores, launched a daily performance meeting, and raised awareness of our strategic priorities at our first combined SSC and Retail managers conference. We have established strategic Objectives and Key Results ("OKRs") for the new financial year and will be reporting on progress on these each month with all colleagues through our monthly town halls.

These OKRs have been flowed through the organisation, with each function developing their own OKRs, and down to individual level for personal objective setting. We will use these to track and monitor performance each month alongside our Group KPIs and other management information, to ensure we are collectively working together to execute our strategy.

16

Colleagues in our first ever leadership development programme cohort



4 Being a force for good

As a responsible retailer and a B Corp, we are committed to always doing the right thing, being a force for good in our sector and community and reducing our impact on the environment for the benefit of all stakeholders.

378 hours

volunteered to good causes by our colleagues in the last year

Reducing our environmental footprint

Delivering on our commitment of Net Zero by 2040 to help protect our planet

In recent years, we have made substantial progress in reducing Scope 1 and 2 emissions and mitigating the remainder through our partnerships with the Woodland Trust and Ecologi. Our CO_2 emissions have reduced by 57% since FY19, while our revenue grew by 125% during the same period. We continue to focus on reducing these further through initiatives like closed door policies in adverse weather and introduction of green energy across our business.

Tackling emissions in Scope 3 areas which are not directly in our control, is more challenging, however, we have set in motion the initial eight priority actions that we will continue to progress in the year ahead to deliver on our commitment of Net Zero by 2040 to help protect our planet.

81%

Reduction in Scope 1 and 2 emissions Intensity (tCO_2 per £1m revenue) between FY19 to FY24

Policies

Strengthen and update environmental and ESG policies (e.g. purchasing, energy, waste management, human rights)

Data quality

Identify operational data gaps and improve collection and management (e.g. business travel)

Environmental management system ("EMS")

Improve and fully align EMS documents to ISO4001

Engage suppliers

Identify key suppliers for initial engagement and understand their environmental targets

More efficient property

Improve store efficiencies. Understand differences in energy usage of similar size ProCook stores to make improvements and reduce overall energy consumption

Engagement and education

Develop a communication plan informed by a stakeholder analysis to engage colleagues and achieve business-wide commitment

Reduce and recycle packaging

Continue to improve our product packaging recyclability and remove single-use plastics

Travel

Improve WFH and employee commuting data and distribute sustainable travel plans for our new headquarters

Caring for our communities

In addition to our commitments to create meaningful employment opportunities in the communities we operate in, we have extended our commitment to the Real Living Wage and continued to enhance our total reward package introducing Salary Sacrifice pension and electric vehicle schemes, and a new scheme to "buy-back" additional holiday time for colleagues in the last year.

We have continued to support Life's a Beach and Young Gloucestershire with their charitable work, and recently committed to support FoodCycle as our colleague-nominated charity of the year. In the last year we raised £40k funds for charity partners, and contributed 378 hours of colleague volunteering time through our Good Causes Day, which we offer all colleagues the opportunity to participate in.

In the year ahead, we will begin to work with FoodCycle (who aim to make food poverty, loneliness and food waste a thing of the past for every community) by raising funds and supporting their community dining events with our colleague volunteering.

We will also extend our provision of work experience opportunities and launch CV and interview preparation workshops led by our colleagues, for those in our communities with barriers to employment, and for students seeking to develop their employability skills, and we aim to advance our level on the Disability Confident Scheme from Level 2, to obtain Disability Confident Leader (Level 3) status.

B Corp: One year on

We have always been passionate about doing the right thing, and in September 2022, we achieved B Corp certification. B Corp certification helps consumers easily identify businesses with a purpose to benefit people, communities, and the planet. The B Corp network is growing fast and we're proud that we were one of the first 1,000 certified B Corps in the UK and the first FTSE listed retailer to achieve the certification.

Since certifying, we have been working on improving our score, which at the time of certifying was 80 points. We have continued to measure and assess our performance across all five areas of the B Impact Assessment: Governance, Workers, Community, Environment and Customers, using the scorecard as a toolkit for continual improvement and have increased our score to 84 so far.

This year we produced our first Impact Report, which honours our stakeholder commitment to transparency and accountability around our current and planned social and environmental impact.

We strive to continuously become a better business, and ensure we offer a safe and welcoming workplace. In 2023 we were recognised as a Gloucestershire Healthy Workplace following a thorough assessment process of our strengthened health and wellbeing policies and colleague proposition. We also introduced our first colleague-led, and Leadership Team sponsored colleague support group (LGBTQ+ and Allies) providing a safe and open space to raise awareness, feedback concerns and celebrate diversity. We have improved communications and transparency with colleagues through introducing weekly huddles at our Store Support Centre and the Leadership Team answering anonymous colleague questions at monthly Town Hall events as well as actioning feedback from our Colleague Advisory Panel.

"As part of the global B Corp community, we form a growing movement of businesses working towards a healthier planet, reducing inequality, and building stronger communities, both locally and globally."

We have been certified by Great Place to Work™ for the third year running, continued our commitment to offer all colleagues at least the Real Living Wage as members of the Living Wage Foundation, and have improved our discretionary bonus programme for colleagues to recognise and reward outstanding personal performance.

Further to this, we have strengthened community links through fundraising for our colleagues' chosen charities, hosting a 'Day in the Life' event at our Store Support Centre for Young Gloucestershire, taking part in national charity days to raise funds and boosting engagement by teaming up with our charity partner Life's a Beach on beach cleans and litter picking events throughout the year that colleagues have supported.

In the years ahead, we aim to continually improve our operational practices and our B Corp score. We are dedicated to ensuring all of our colleagues are engaged in our B Corp journey. We will continually focus on improving our environmental performance both internally and throughout our supply chain.

Using our strong supplier relationships, we will work closely with manufacturers to improve the quality of environmental data recording, reduce our environmental footprint, and help eliminate or mitigate Scope 3 emissions wherever we can.

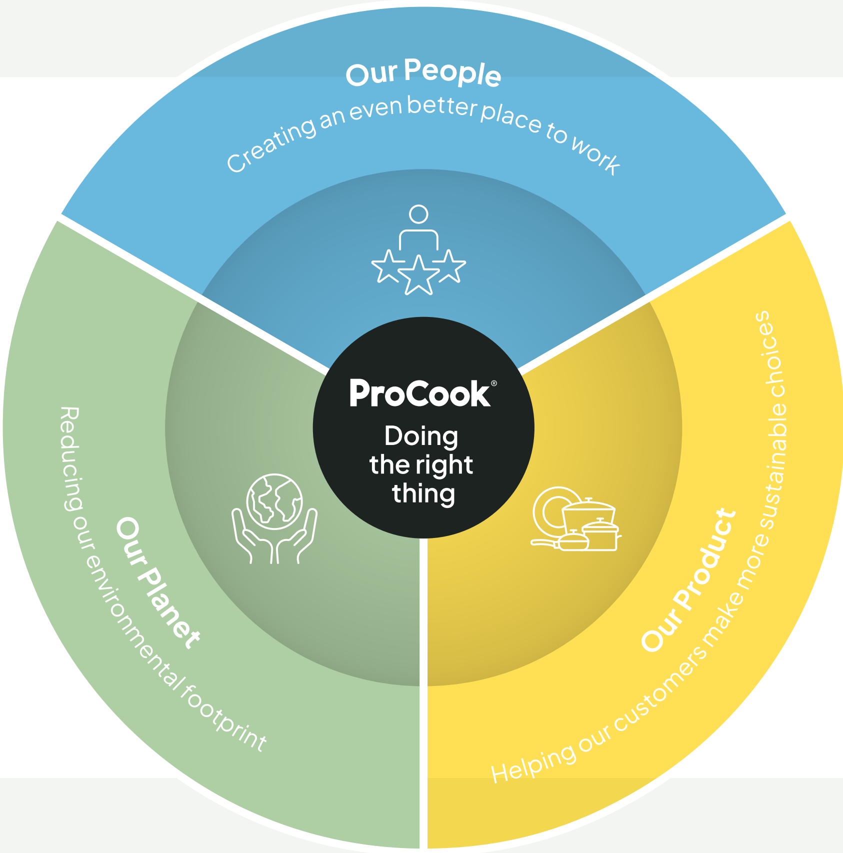
Becoming a B Corp is much more than just a one-off certification, it's a movement for change, which we are committed to making continual progress with and encouraging others to do the same.

Read more: Our B Corp Impact Report 2023 is available at: **www.procookgroup.co.uk**

Certified B Corporation

Sustainability

As a B Corp, we are committed to being a force for good, helping to protect our planet, serve our communities and do the right thing for our people. Having established a detailed understanding of our baseline emissions, we have set out an ambition to reach net zero by 2040 and are taking the steps necessary to achieve this.



We remain determined to be the best business we can be for all our stakeholders, both socially and environmentally, acting responsibly and sustainably to preserve the environment for future generations. Doing the right thing is one of our values and part of our modus operandi. We aim to work with pace and we are pleased with our achievements in FY24. We have made strong progress, having achieved the Great Place to Work™ certification for the third year running, and published our first B Corp impact report.

By making the right choices we have continued to reduce our emissions and have made further progress towards our goal of achieving Net Zero which we aim to achieve by 2040. We understand that we must stay focused on reducing our impacts on the planet, further developing our operational processes and strategies, while we learn and understand more about being a sustainable business.

Playing a positive role in our communities is important to us and we have made concerted efforts this year to strengthen community relationships facilitating fundraising and projects that are meaningful to colleagues. We have built stronger links with Young Gloucestershire, holding several career development events in our Store Support Centre for local students and job-seekers.

As we continue to grow, we will refine our approach, ensuring we have the right tools and technology to be the best business we can be, whilst empowering colleagues to better serve our customers.

People, product, and planet

As a certified B Corp we are committed to continually improving our sustainability across all aspects of our business, in order to reduce our environmental footprint, and give confidence to our stakeholders that we are doing the right thing.

We continue to develop our experience and capabilities in environmental reporting, climate change science, and ethical sourcing, and we continue to prioritise the support we give to our colleagues to help make ProCook an even better place to work.

We encourage all ProCook colleagues to adopt our values, two of which are directly relevant to sustainability: always do the right thing and care for the community and planet. By working together, learning and adapting we are aware of our wider social and environmental impact we can have, creating long-term value for all stakeholders.

Our People – Creating an even better place to work

We are committed to creating a great place to work, where innovation, collaboration, and personal development drive positive results. Fostering a happy, and thriving team is important to us and reflects our commitment to the growth and wellbeing of our people. We continue to listen and learn from our colleagues, understanding the importance of open and transparent communication, encouraging colleagues to express their ideas, concerns, and feedback frequently and in a constructive manner. We value each of our colleagues and encourage a culture of recognition by celebrating individual and team achievements.

We draw inspiration from the foundations and principles that the family business was built upon, and our values support our continued drive to continually strive towards a more sustainable future. We are proud to be a real Living Wage employer and we support our colleagues to give back to communities through our Good Causes Day and our partnerships with Life's a Beach and FoodCycle.

On an annual basis we invite all colleagues to participate in the Great Place to Work ™ survey and we are pleased to have been certified as a Great Place to Work™ for the third year running. The survey results provide us with valuable insights about our culture and the issues that are important to our colleagues allowing us to develop action plans to address issues and make further improvements.

Responsibility	Executive responsibility: Lee Tappenden, CEO
Link to principal risks	Brand and customer People and culture
Link to strategy	3 Creating an even better place to work 4 Being a force for good
Key stakeholders	Customers, Colleagues, Communities
Link to the United Nations Sustainable Development Goals	3 Good health and well-being; 5 Gender equality; 8 Decent work and economic growth; 10 Reduced inequalities; 16 Peace, justice and strong institutions
Recent recognition, awards, and memberships	• Great Place to Work Certified™ (December 2023) • Real Living Wage Employer • Glassdoor ranking 3.9/5 (FY23: 4.3/5)

Our values

- Always do the right thing
- Obsessed with quality
- Focused on value
- Create a great place to work
- Care for our community and planet
- Build a better business

Diversity, equality and inclusion

We value each of our colleagues for their unique contributions, skills and experience, and we are committed to creating a safe and inclusive environment where all colleagues feel they can belong and thrive, and where different experiences, cultures and perspectives are embraced.

Raising awareness through learning and development is a key tool in helping us achieve this, and we use our training e-platform, to share, educate and inform our colleagues on diversity, equality, and inclusion ("DE&I").

We strive for an inclusive workplace reflective of our diverse society, supporting all colleagues to learn and grow regardless of age, gender, disability, sexual orientation, ethnicity, or background.

96%

People here are treated fairly regardless of their sexual orientation

93%

People here are treated fairly regardless of their gender

93%

People here are treated fairly regardless of their race

Source: GPTW survey December 2023

Read more: Our Diversity, Equality and Inclusion Policy is available at **www.procookgroup.co.uk**

Gender and ethnicity pay gap

We are committed to fair reward for all colleagues and achieving gender pay equality across all levels and pay grades in line with the legislation of the Equality Act 2010 requirement of "equal pay for equal work".

Colleagues split by gender, age, and ethnicity

Colleagues by gender	FY23	FY24
Female	67.6%	**65.9%**
Male	31.7%	**32.9%**
Non-binary	0.3%	**0.3%**
Other/Prefer not to say	0.4%	**0.9%**
Board Directors – Female[1]	0.0%	**16.7%**
Board Directors – Male[1]	100.0%	**83.3%**
Leadership Team – Female[1]	42.9%	**57.1%**
Leadership Team – Male[1]	57.1%	**42.9%**

1 FY24 presented as at 25 June 2024, the date of this report. At the year-end date, females represented 40% of the Leadership Team and 0% of the Board of Directors

Colleagues by ethnicity[2]	FY23	FY24
White	85%	**84%**
Asian	8%	**11%**
Black	2%	**1%**
Other	4%	**1%**
Mixed or multiple ethnic groups	1%	**3%**

Colleagues by age group	FY23	FY24
Under 18	8%	**4%**
18-24	28%	**28%**
25-34	22%	**23%**
35-44	14%	**15%**
45-54	15%	**16%**
55-64	12%	**12%**
65+	1%	**2%**

Colleagues by full time/ part time roles	FY23	FY24
Full-time	44%	**45%**
Part-Time	56%	**55%**

2 FY24 ethnicity information from voluntary colleague surveys with 75% of colleagues providing responses in the year to 31 March 2024, and 70% of colleagues providing responses for the survey completed in the prior year in the year to 2 April 2023

Read more: Our Gender Pay Gap Report is available at **www.procookgroup.co.uk**

Our commitments	How we deliver on our commitments	What we are focused on next
We are committed to creating a great place to work, listening to colleague feedback to make continual improvements	Spring and Autumn conferences to educate, inspire and engage colleagues on new product, business developments and performance updates Regular all-colleague engagement surveys, with clear action plans implemented Monthly "Green team" forum with colleagues identifying and implementing sustainable initiatives Encourage our new colleagues to test and trial our products with complimentary welcome boxes Quarterly Colleague Advisory Panels to capture feedback and opportunities for improvement Monthly Town Hall briefings to communicate key messages, celebrate successes, respond to questions, and recognise exceptional colleague contributions Certified as a Great Place to Work™ for the third year running **NEW in FY24** Awarded Gloucestershire Healthy Workplaces **NEW in FY24** Launched weekly business update huddles at our Store Support Centre **NEW in FY24** Embedded our new purpose and cultural values across the business through training and engagement activities **NEW in FY24** Leadership development programme launched for heads of departments **NEW in FY24** Annual colleague objective setting and appraisal processes relaunched, increasing our focus on personal development plans **NEW in FY24**	Continue to focus on improving colleague health and wellbeing through increased supported policies and resources Further raise colleagues' awareness of our mental health first aiders and our Employee Assistance Programme Launch our virtual "suggestions box" for colleagues to (confidentially) provide feedback and ideas to help make ProCook an even better place to work
We are committed to supporting the communities in which we operate	Annual Good Causes Day available for all colleagues each year to support a charity or community activity of their choice Raise funds and awareness for our charity partner Life's a Beach through designated product range and national beach cleans Contribute and donate products to local community groups, charities, and schools Our partnership with Young Gloucestershire and other local community groups supporting disadvantaged young people developing their skills for a future career Offer Employer Supported Policing scheme aligned to Armed Forces Covenant, strengthening our commitment to support our colleagues that give back to communities Increased our charitable fundraising activities with a colleague-nominated charity of the year and promoted colleague teambuilding through charitable activities across the business **NEW in FY24** Increased our early careers capacity providing more work experience, placements, and graduate opportunities. Offered T-Level placements, and work experience to college students **NEW in FY24**	Raise the profile of our Good Causes Day amongst colleagues to encourage greater participation and support for charities. Increase charity partnerships and community support Advance our level on the Disability Confident Scheme from Level 2, to obtain Disability Confident Leader (Level 3) status Colleague and customer fundraising activities for our newly selected charity of the year

Sustainability
Continued

Our commitments	How we deliver on our commitments	What we are focused on next
We will continue to be a Real Living Wage employer and champion equality, diversity, and inclusion	Committed to the Living Wage Foundation as a Real Living Wage employer Target equal pay across genders and comparable role levels Provision of Whistleblowing Policy and procedures ensuring colleagues feel safe to report issues in confidence if necessary Linked total reward opportunity to personal performance to incentivise personal development and progression Diversity, Equality, and Inclusion Policy established and recognised as an Inclusive Employer by Inclusivity Works, for our flexibility and inclusive recruitment practices for neurodiverse candidates Continual focus on total reward package. Launched new salary sacrifice pension and Electric Vehicle schemes, and holiday buy-back **NEW in FY24** Launched colleague-led LGBTQ+ and Allies network group sponsored by the Leadership Team to promote and raise awareness of DE&I **NEW in FY24** Improvements to new starter processes and collection/ monitoring of colleague ethnicity data through our new recruitment platform **NEW in FY24**	Work with the Real Living Wage to raise the profile of retailers supporting the foundation Extend our provision of work experience opportunities and launch CV and interview preparation workshops led by our colleagues, for those in our communities with barriers to employment, and for students seeking to develop their employability skills Complete overhaul of retail uniforms to ensure they meet all colleagues' needs (e.g. menopause, disability friendly) Launch Neurodiversity and Women in Business groups (sponsored by senior leadership)
We take the wellbeing and personal development of our colleagues seriously	Provide a comprehensive learning and development e-platform to support personal development Colleague gym on-site at our Store Support Centre Support colleagues to complete Mental Health First Aid courses Prioritise and monitor internal promotions across our business each year ensuring transparent selection criteria Continually develop our learning and development capability to support personal and business performance Deliver internal communications through sharing resources on our Sustainability and Wellbeing Portal Annual Mental Health and Wellbeing Calendar to raise awareness and provide resources to support colleagues Comprehensive Employee Assistance Programme for all ProCook colleagues and their families Refreshed policies and procedures to support workplace wellbeing **NEW in FY24** Developed Retail career progression and development matrix, with prescribed training for each role level to ensure all colleagues receive comprehensive and high quality training **NEW in FY24** Increased our succession planning capability to identify and develop talent for the future **NEW in FY24**	Review and relaunch our existing fertility and pregnancy loss policy. Ensure enhanced and specific support is available for colleagues who need it Focus on leadership development, completing our first cohort of training for Heads of departments

Our commitments	How we deliver on our commitments	What we are focused on next
We provide a safe and collaborative working environment	Comprehensive Health and Safety policy and procedures with compliance monitoring to ensure a safe environment for everyone Custom designed Store Support Centre with room for growth and ample meeting and collaboration spaces Improved colleague welfare facilities in our retail stores **NEW in FY24** Refreshed colleague and wellbeing policies **NEW in FY24**	Continue to monitor H&S procedures across the Group, making further improvements where identified and considered necessary

Case Study

LGBTQ+ and Allies Employee Network Group

In Summer 2023 we launched our first Employee Networking Group, LGBTQ+ and Allies, led by colleagues.

The group aims to provide a safe space for LGBTQ+ colleagues to feel more included, authentically express themselves at work and encourage the support of allies to show their support. Through this group, colleagues can learn and listen, raise awareness of LGBTQ+ issues, celebrate diversity and work towards a more inclusive workplace in 3 main ways:

- Peer-to-peer support: Championing, boosting confidence, and raising issues to Leadership
- Raising awareness and visibility: Promoting a better understanding of LGBTQ+ inclusion amongst colleagues
- Accountability: Contribution to policies, feeding back concerns, making suggestions to improve LGBTQ+ inclusion

The aim is to build a stronger sense of cohesion and belonging at work, giving colleagues a voice and the opportunity to connect with teammates around issues that are important to them. We launched our LGBTQ+ and Allies group with a “Pride in Gloucestershire” Lunch and Learn, sharing the challenges that the community faces, and educating on how best to support colleagues and where further LGBTQ+ support is available.

The LGBTQ+ and Allies group has developed a Transitioning at Work Policy which was launched in January 2024 to ensure a safe and inclusive workplace for Transitioning and Trans people. Goals for the next year include expanding the group more widely across the business, while also reviewing and improving relevant Group policies.

“I genuinely feel ProCook is a great Company to work for and I’m so proud to get this group off the ground. These kind of support networks are vital for people who are struggling inside or outside of work and are a huge step in helping all colleagues feel safe and happy in their working environment.”

Amelia Reynolds
Store Manager

Sustainability
Continued

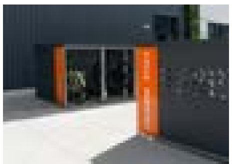
Our Planet – Reducing our environmental footprint

We are committed to reducing the environmental impacts of our business operations through developing and improving our operational practices. Our primary objective continues to be reducing carbon emissions, and we have set out an ambitious target of achieving Net Zero across our entire value chain by 2040. We recognise that there is a lot to do and some areas are outside of our direct control but we firmly believe that setting such a target will drive the right focus, engagement and decision-making across our business to do the right thing for our planet.

Having made substantial headway in recent years in minimising and mitigating our own Scope 1 and 2 emissions, we have begun working with our global supplier base to promote greater awareness of their own environmental impacts, and influence the changes that are required.

Responsibility	Executive responsibility: Dan Walden, CFO
Link to principal risks	Climate change Brand and customer Regulatory compliance
Link to strategy	1 Accelerate profitable sales growth 2 Improve operating efficiency 4 Being a force for good
Key stakeholders	Customers, Colleagues Communities, Suppliers
Link to the United Nations Sustainable Development Goals	13 Climate Action, 14 Life Below Water, 15 Life on Land
Recent recognition, awards, and memberships	• B Corp Certification (September 2022) • "Ethical Brand" winner, Marie Claire Sustainability Awards 2023 • BREEAM Excellent Certified new Distribution Centre and Store Support Centre • Gold Standard Carbon Offset with Ecologi • Certified Zero Waste to Landfill for our Distribution Centre and Store Support Centre ("SSC")

EV charging points at SSC



Read more: Reducing our environmental footprint on **page 19**

Read more: Progressing towards Net Zero on **pages 38 to 39**

Our commitments	How we deliver on our commitments	What we are focused on next
To reduce our carbon emissions to Net Zero, in line with the United Nations Science Based Targets[1] initiative	100% LED lighting in our Store Support Centre, and 95% LED lighting in stores Carbon-neutral home delivery service with DPD, and offset emissions with Ecologi for Evri deliveries Partnership with the Woodland Trust to mitigate Scope 1 and 2 carbon emissions A fully electric company car fleet BREEAM excellent-certified Store Support Centre and Distribution Centre in Gloucestershire Established long-term carbon reduction strategy in line with the UN Science Based Targets initiative[1] External verification of our Scope 1 and 2 carbon emissions complete with Scope 3 emissions now fully mapped and understood Transitioning to renewable energy sources with 97% of sites now utilising green energy **NEW in FY24** Workplace pension offering more sustainable investments, reducing Scope 3 carbon emissions **NEW in FY24** Electric Vehicle salary sacrifice scheme introduced for colleagues to promote the use of EVs **NEW in FY24** Discounted rate to use energy for Electrical Vehicle charging at the Store Support Centre car park for colleagues **NEW in FY24**	Continue engaging with suppliers to understand and positively influence their environmental impacts Engaging our colleagues with our net zero roadmap to deliver our priorities and reduce emissions Roll out enhanced purchasing T&Cs with suppliers to incorporate greater prioritisation to environmental requirements Further raising customer awareness of product choice impacts, educating on the benefits of buying high-quality, long-lasting products, which have lower impact due to their longevity Continue reducing energy consumption throughout our own business operations Focus on gradually reducing the number of our suppliers, focusing sourcing to work with suppliers willing to take environmental and net zero considerations seriously
Reduce waste and use sustainable materials throughout our operational activities	Adhering to the Waste Hierarchy of prevention, reuse, recycle, recover, disposal. Certified zero waste to landfill at our Distribution and Store Support Centre Reduced single-use plastic across the business; all colleagues are provided with reusable bottles in their starter welcome box Utilisation of bio-degradable carrier bags to eliminate plastic waste Provision of a recycling scheme for small home electrical items (WEEE waste) 100% FSC-certified cardboard packaging for home delivery parcels Reuse and repurpose our used store fixtures and equipment wherever operationally possible Minimised usage of plastic bubble wrap by introducing recycled paper-based box filler Introduced regular audits of product packaging to further eradicate single-use plastic. Now, only a small number of products have any single-use plastic content Introduced waste posters and signage to raise awareness and enhance recycling effort	Introduce environmental targets for retail stores and measure improvement Further eliminate single-use plastic in our packaging, while maintaining the highest health and safety standards, and avoiding damages that contribute to waste

Sustainability
Continued

Our commitments	How we deliver on our commitments	What we are focused on next
Develop our environmental framework to strengthen and manage our environmental procedures and policies	ESG roles and responsibilities assigned throughout the business Development of our Environmental Management System ("EMS") processes and policies, aligning with ISO14001 best practice Regular review and monitoring of our environmental risk register, including climate risks Executive-sponsored ESG Committee, reporting to the Board, to accelerate action across the business Colleague engagement with net zero through internal bitesize training programme **NEW in FY24**	Further develop our net zero roadmap, implementing initiatives with pace Introduce further policies and practices to streamline environmental reporting and target setting
Progress our B Corp Score and be a force for good	Continual development of processes, practices, and policies to improve sustainability and colleague wellbeing at ProCook Ongoing commitment to our relationships in the local community including our charity partner Life's a Beach Internal ESG activities, strategies and impacts aligned to the United Nations Sustainable Development Goals Raising awareness of B Corp and the importance of the initiative through logo placement in our marketing, on our website and in our retail stores Published and shared our first B Corp Impact Report with stakeholders showing our progress and commitment to being a socially and environmentally responsible business **NEW in FY24** Raised awareness of B Corp and ESG with our colleagues through new sections in our induction plan and quarterly ESG newsletters **NEW in FY24** Continue to share our experience with local businesses and the wider retail community and through our membership of the B Corp Companies Group **NEW in FY24**	Use our B Corp score as an internal metric to monitor our improvement in each measurable area, aiming to achieve >85 points when re-certifying in FY26 Promote our Cycle to Work scheme and car-sharing schemes to encourage colleagues to make more sustainable transport choices

1 The United Nations' Science Based Targets provide a clearly defined pathway for companies to reduce greenhouse gas ("GHG") emissions and improve sustainability, helping prevent the worst impacts of climate change

Greenhouse gas emissions[1]

tCO_2 emissions		tCO_2 /£1m revenue		Energy Megawatt hours	
FY19	996.9	FY19	35.9	FY19	4.1
FY20	1015.6	FY20	26.1	FY20	4.1
FY21	429.7	FY21	8.0	FY21	1.8
FY22	447.7	FY22	6.5	FY22	2.1
FY23	369.9	FY23	5.9	FY23	1.8
FY24	**430.8**	**FY24**	**6.9**	**FY24**	**2.1**

1 Greenhouse gas emissions are defined here as CO_2 emissions from all Scope 1 and 2 activities relating to the Group's operations

Case Study

Educating and inspiring action to reduce single-use plastics

Life's a Beach, our charity partner, focuses their mission on three key areas to Act, Educate, and Encourage:

1. Act: To take positive action to keep our oceans and beaches litter free through clean up events across the country.
2. Educate: To educate the public about the importance of recycling and the plastic pollution crisis. They achieve this through their social media, public talks, and visiting schools to hold workshops.
3. Encourage: They encourage the public to reduce, recycle, and most importantly to reuse, with their reusable product range, available at all ProCook stores.

Life's a Beach has expanded its outreach programme substantially over the last year, delivering nine talks to schools and youth groups. A total of 1,755 reusable water bottles have been donated to children in schools to encourage the messages of reduce, reuse, and recycle.

The charity is funded primarily via the sales of the Life's a Beach product range in ProCook stores, and through donations. Using these funds it continues to develop its programme of charitable activities and projects. In 2023 Life's a Beach ran 26 clean-up events, with 736 volunteers providing 42,432 hours of support.

ProCook colleagues have been involved in 7 clean-up events, removing 80 bags of waste weighing at 233 kg, and contributing 280 volunteer hours. Year on year, Life's a Beach saw a 290% increase in the amount of litter collected, and 121% increase in volunteers participating.

Feedback from ProCook colleagues participating in Life's a Beach clean-up events is extremely positive. From lunch time litter picks to canal cleans in canoes, our partnership with Life's a Beach has led to a variety of colleague volunteering events throughout the year, enabling our colleagues to positively contribute to our local communities and habitats while spending time outdoors, boosting their mental and physical wellbeing.

Supporting Life's a Beach with their outreach programme to raise awareness on the urgency of the plastic pollution crisis is a high priority. In the months ahead, we will continue to support Life's a Beach in their mission against single-use plastic and beach and water pollution. Together we will work to raise awareness of this issue, improving engagement and education, and ultimately working towards a plastic pollution-free future.

Our Product – Helping our customers make more sustainable choices

We design and source high quality products that are built to last, enabling our customers to make more sustainable choices for their kitchenware needs. We continually strive to improve our product ranges and reduce their environmental impact, and increasingly we are using recycled and sustainable components. Our products undergo extensive testing and sampling so that when they reach the customer, they can be enjoyed for years to come.

As a responsible retailer, we promote and seek to ensure responsible manufacturing practices throughout our supply chain. We use trusted suppliers and audit their operations in partnership with Sedex to ensure that our supplier partners adhere to, and respect, the highest ethical standards, free of bribery and corruption and modern slavery. We recognise the importance of moving towards circularity and understand essential elements to promoting circularity include the way we package our products and ensuring customers take great care of their purchases.

Responsibility	Executive responsibility: Lee Tappenden, CEO
Link to principal risks	Supply chain Climate change Brand and customer
Link to strategy	1 Accelerate profitable sales growth 2 Improve operating efficiency 4 Being a force for good
Key stakeholders	Customers Communities Suppliers
Link to the United Nations Sustainable Development Goals	8 Decent work and economic growth 12 Responsible consumption and production 14 Life below water
Recent recognition, awards, and memberships	• "Ethical Brand" winner, Marie Claire Sustainability Awards 2023 • Which? Recommended Provider – November 2023 • Sedex membership • B Corp Certification (September 2022)

Our commitments	How we deliver on our commitments	What we are focused on next
Promote responsible manufacturing processes across our supply chain with high levels of transparency and compliance in ethical and environmental standards	Membership of Sedex (ethical and environmental compliance monitoring) requiring our suppliers to register with Sedex or an equivalent body Achieved 100% supplier registration with Sedex or equivalent, with all suppliers undertaking annual SMETA or BSCI Amorfi audits Review and challenge supplier compliance results ensuring weaknesses or non-compliance issues are promptly actioned Independent product performance and chemical testing on all new ranges, and regular re-testing all existing core and high-risk product categories Working with top volume suppliers to improve their sustainability credentials through increased engagement and strong relationships **NEW in FY24** Promoting more sustainable manufacturing via our new supplier T&Cs **NEW in FY24**	Develop our circular economy capabilities by investigating opportunities to reuse or recycle end-of-life customer products Continue to focus on product risk assessments and technical files, ethical and technical audits, and advances in sustainable materials Rationalise the number of suppliers in our supply chain to increase our influence over sustainable manufacturing practices
Develop and bring to market products which are of high quality and have longevity offering our customers more sustainable choices	Offer products with product guarantees of up to 25 years Continual focus on Quality Assurance to enhance product quality, reduce fault rates and improve product longevity We have removed all single-use plastic products from ranges and are committed to not selling such products Expanded our range of products that include more sustainable materials, specifically acacia and bamboo Conduct life cycle assessments on product ranges to identify input materials with a lower carbon cost to support our future product development **NEW in FY24**	Further improve range structure to discontinue products with lower longevity Expand our lower impact ranges, bringing more sustainable alternatives to the market Further embed circular thinking into our product development processes

Our commitments	How we deliver on our commitments	What we are focused on next
Minimise waste from product packaging to reduce our environmental footprint	Eliminated less sustainable materials where operationally possible, using options like string, paper ties and tissue paper instead of elastic bands and single-use plastic bags Over 95% of our product packaging is plastic-free Improved product shipping packaging with suppliers to eliminate waste including moving to paper-based tapes instead of plastic Improved recycling instructions on product packaging to support customers in their recycling efforts Use of string instead of plastic kimble tags to attach barcodes/POS tickets to product **NEW in FY24** Launched a recycling guide for customers providing advice on how to responsibly dispose of ProCook packaging **NEW in FY24** Use of fibre-based bags and cardboard void fillers instead of polystyrene in new Electricals range **NEW in FY24**	Continue to innovate to reduce single-use plastics in product packaging Introduce retail information to better highlight to customers our commitment to reducing plastic packaging

Case Study

Responsible manufacturing

Supply chain transparency is crucial to ensure that quality, ethical and environmental standards can be monitored and continuously improved.

We pride ourselves on our close, long-term supplier relationships, and we only work with suppliers that share our values and meet our high quality and ethical standards.

We've been working with the majority of our suppliers for many years. We are committed to ethical trading and understand we have a shared duty to create positive social and environmental impacts throughout our supply chain. We only work with suppliers that are meeting our expectations. This year, we have concentrated on engaging more robustly on environmental matters with our top suppliers, using established relationships and detailed questionnaires to better understand their environmental credentials and future planned initiatives.

We are pleased to have received strong engagement from our supplier partners, and to observe an acceleration in advancements of more sustainable manufacturing practices with many now using recognised frameworks to ensure they are adhering to best practice as we've recently learned about for one of our top suppliers:

Supplier A Initiatives:

- Certified ISO14001; Environmental Management Systems
- Invested in sewage treatment equipment to recycle water for use in production
- Adoption of solar panels since 2016, now providing 650Kwh per month, and providing power back to the grid
- Waste material recycling; small stainless-steel pieces are collected and re-cast into product handles

- Educating colleagues; turning off lights and water, AC temperature controls implemented, incentive schemes adopted to reduce waste

"We are committed to driving improvements in ethical and responsible sourcing across a global network of suppliers and manufacturing partners."

Alison O'Farrell
Head of Quality Assurance

Task Force on Climate-Related Financial Disclosures

In line with the FCA Listing Rule LR 9.8.6R (8), ProCook has made disclosures against the Task Force on Climate-Related Financial Disclosures ("TCFD") recommendations on pages 34 to 37. The Executive Director responsible for climate change as a whole is Dan Walden (CFO), supported by the Group's ESG Director and team members. We acknowledge the severity and immediacy of climate change and corresponding financial risks.

We continue to evolve our strategy and make significant progress in how we monitor, measure, and manage climate change risks and opportunities. With time, our understanding of climate change impacts, and subsequently, our response, will evolve. Our assessment of climate-related risk will improve accordingly, and we will pursue further initiatives within our ongoing strategy.

Reducing our environmental footprint is deeply rooted in our cultural values and is key to our long-term success as a brand, which customers and colleagues alike, want to be associated with. We are aware of growing consumer demand for longer lasting, more sustainable products, which are free from single-use plastics and other pollutants, and the associated commercial risks and opportunities this creates.

Our peak trading period is during late autumn and early winter; extreme weather events during this time could disrupt our purchasing and flow of inventory, or prevent customers from visiting our stores which could impact trading performance. In a below 2°C scenario, the Group expects such impacts to be relatively short-lived. However under a greater than 2°C scenario, such climate-related disruption could become prolonged or more extreme, and therefore more harmful to the Group's performance and ability to successfully execute it's strategic objectives. As such, the Group continues to pursue opportunities to improve resilience towards such impacts through operational, sourcing and risk management improvements.

Strong governance with oversight by the Board

The Board is responsible for governance across the Group and takes an active role in the oversight of ESG matters including strategy development, culture, risk management and climate-related risks, opportunities and impacts

The ESG team is responsible for identifying and evaluating current new and emerging climate-related risks and associated mitigating actions. The potential likelihood and impact of climate-related impacts are assessed, with significant concerns and risks reported to the Board

Read more:

Governance Framework – pages 68 to 69

Board activities – pages 70 to 71

What we do already	What we will do next
Climate Change and sustainability topics are discussed regularly by the Board, with deep dive updates throughout the year on ESG progress presented by our ESG Director	Further embed climate-related considerations in our strategic and financial planning as climate change impacts become more critical to our business practices
The Board reviews ESG progress at least every six months as a standing agenda item with the most recent ESG Board discussion in January 2024	
The Audit and Risk Committee reviews the principal risks at least twice a year including those surrounding climate change	
ESG Committee, Chaired by the CFO meets quarterly to oversee the delivery of our strategic objectives and report to the Board on progress against targets	
Monthly "Green Team" meetings generate ideas and implement initiatives to reduce our environmental impact	
Engage and educate colleagues on B Corp, climate change and sustainability, through internal comms and our designated Sustainability and Wellbeing Portal	

Prioritising climate change in our strategy

During the past year, we considered in greater detail the possible impacts of climate change on our business strategy, financial planning and operations

The TCFD framework allows us to better understand and manage the climate-related risks and opportunities we face. Integrating climate change considerations into our day-to-day business activities and strategic objectives is crucial, and while we recognise that there will be costs associated with investing, implementing, and preventing negative impacts associated with climate change, we are committed to doing the right thing, subsequently creating a responsible and resilient business for our stakeholders

The TCFD framework helps us understand and manage the climate related risks and opportunities we face. The Board has considered the potential impacts to our strategy of climate change risks (as set out on pages 40 to 42). These are not considered to have a material effect on the Group's financial projections or strategic priorities over the short to medium term

Read more:

Climate-related risk register - pages 40 to 42

Reducing our environmental footprint – page 19

Sustainability: Our planet – pages 28 to 31

What we do already	What we will do next
Reducing our environmental footprint is a key element of our Group's strategy	Continue to invest in resource and expertise to support our transition towards net zero
Alignment of our ESG impacts with the United Nations Science Based Targets initiative to support internal strategic decision- making and focus	Continue to implement the eight priorities for our Scope 1, 2 and 3 carbon reduction strategy. Build on our foundations and demonstrate real progress
Developed our environmental management system and began development of our net zero strategic roadmap in partnership with carbon consultants to deliver carbon emissions reduction throughout our business operations and global supply chain	Utilise our relationships with key strategic suppliers to influence their environmental commitments, targets, and progress
Progressed our eight initial ESG strategic priority actions in FY24	Identify opportunities in our ESOS phase 3 data with regards to transport, packaging optimisation and improving data
Developed our strategic roadmap to achieve net zero by 2040, including understanding the pace at which we can transition and the tangible initiatives to pursue	Understand our associated emissions in the form of life cycle assessments of our best-selling products to support manufacturing and supplier choices of the future
Completed our resilience assessment, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Condense our number of suppliers, to support us having a greater influence over supplier environmental initiatives, including net zero ambitions, SBTi and joint ethical targets
	Understand supplier geographical initiatives and energy zoning data
	Adopt a carbon management platform to efficiently calculate emissions

Task Force on Climate-Related Financial Disclosures (TCFD)

Continued

A robust approach to risk management

Climate change is considered one of the Group’s principal risks and uncertainties and is integrated with other risks. The Board, Audit and Risk Committee, and Executive team, including the CFO are responsible for monitoring risks and overseeing the progress against goals and targets for climate change

We have set out our identified climate-related risks and opportunities over the short, medium and long term under three possible future climate scenarios (below 2°C, between 2-3°C and above 3°C). To determine appropriate climate scenarios, we have used the Intergovernmental Panel on Climate Change (“IPCC”) Representative Concentration Pathways, RCP 2.6, RCP 4.5, RCP 8.5

We have incorporated short, medium, and long-term climate-related risks, with an assessment of potential climate change risks and opportunities that could affect our business over the following time horizons short term (up to 2030), medium term (2030-2040) and long term (2040 onwards)

Read more:

Climate-related risk register - pages 40 to 42

Our approach to risk management - page 50

Principal risks and uncertainties: climate change – page 57

What we do already

Clearly defined ESG roles and responsibilities have been established with regards to environmental management

Climate risk register developed, which incorporates short, medium, and long-term climate-related risks, with an assessment of potential climate change risks and opportunities that could affect our business over the following time scales: short term (up to 2030), medium term (2030 to 2040) and long term (2040 onwards)

Oversight of risk management is delegated to the Audit and Risk Committee by the Board

What we will do next

Review and update climate change risk assessments and have these externally reviewed as risks evolve

Monitor and identify changes to climate related risk (increase, no change, decrease), and review this at least bi-annually with the Board

Complete a detailed environmental risk assessment for our global supply chain, with regards to water, biodiversity loss, physical climatic changes, under different climate change scenarios

Malmo dinnerware

Monitoring progress through detailed metrics and targets

Setting targets and monitoring progress against these are critical to ensure that sufficient headway is being made at the required pace. The Board monitors a range of performance indicators including those set out below and our Key Performance Indicators

Following strong progress already made in reducing and mitigating Scope 1 and 2 emissions, the Board, in recognition of the urgency of action required in the face of this global threat, has set an overarching target for the Group to achieve Net Zero by 2040. The Board recognises that achievement of this target requires significant progress to be made by third-parties which are not directly within our control

Read more:

Key Performance Indicators – pages 44 to 45

Alternative Performance Measures – pages 166 to 168

What we do already

Scope 1, 2 and 3 (over 80% of Scope 3) carbon emissions assessed and reported to the Board annually

Company car fleet: 100% electric

Waste reduction: Zero waste to landfill certification of our Store Support Centre site

Sustainable paper: 100% FSC certified paper used across the business

Sustainable home delivery packaging: 100% FSC certified home delivery boxes and paper packaging in use in operations

Greenhouse gas emissions: see further detail on page 110

Engaged with our top 10 product suppliers to understand their own environmental performance and action plans and how we can support their progress

Begun transition to renewable energy sources used across our own business operations reaching 97% of sites already

Trials of closed door policies in stores with the highest energy consumption

Transitioned to new pension provider offering more sustainable investment choices for colleagues to help reduce Scope 3 emissions

What we will do next

Work with our suppliers and carbon consultants to continue to improve the accuracy and completeness of our carbon emission data, particularly in respect of Scope 3 emissions

Develop our Net Zero roadmap and associated targets and timescales, assessing in further detail the cost/benefit, pace, and action plan to implement initiatives

ESOS Phase 3 recommendations to be integrated into net zero roadmap, identify energy efficiency improvements for stores

Investigate the ProCook stores with the highest kWh/ sq.ft. usage to see where improvements can be made in FY24, aiming to reduce energy consumption by >15% in our worst performing stores

Engage with all freight and logistics providers regarding the GLEC framework and verify their targets, which should be aligned to global target for the logistics sector of Net Zero by 2040

Report annually to the Board on carbon emissions to track and monitor progress towards Net Zero by 2040

Progressing towards net zero

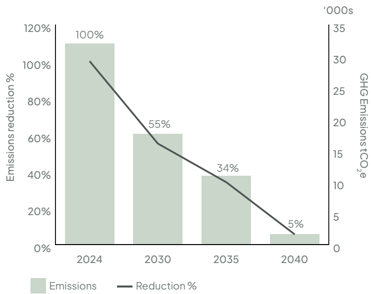
We acknowledge the need to decarbonise our operations and value chain to minimise climate risks, retain and grow our customer base and deliver positive outcomes for our planet and all stakeholders.

Having completed our full carbon footprint analysis including our Scope 1, 2 and 3 emissions, we have gained a full understanding of the extent of the emissions implicit in our indirect sourcing activities, as set out in the Baseline Value Chain Carbon Footprint analysis.

These are significant in comparison to the relatively modest emissions from our own operations, which the Group has worked hard to eliminate and reduce over recent years. Much of the emissions in our supply chain are not directly within our control, and being in sectors and countries where no clear de-carbonisation plans exist yet, we have now completed a detailed exercise to assess the anticipated timescales on which we can with a degree of confidence commit to achieving net zero emissions across our value chain as a whole.

The Board has agreed a target of achieving net zero emissions by 2040 through reducing our total emissions (all Scope 1, 2 and 3 carbon emissions associated with our activities) by at least 90% by 2040, with any remaining emissions needing to be mitigated or offset. We have set an intermediary target to deliver a 45% reduction in total tCO_2 / £1m revenue by 2030.

Net Zero emissions trajectory[1]



Baseline Value Chain Carbon Footprint (FY22)[1]

Sourcing products and services — 90.0%

	tCO_2e	%
Purchased goods and services	29,923	85.5%
Capital goods	1,047	3.0%
Fuel and energy	507	1.5%
Sourcing products and services	31,477	90.0%

Upstream logistics — 6.5%

	tCO_2e	%
Transportation and distribution	2,282	6.5%

ProCook operations — 2.9%

	tCO_2e	%
Company facilities	16	0.0%
Company vehicles	25	0.1%
Purchased electricity, heating and cooling	400	1.1%
Employee commuting	529	1.5%
Business travel	55	0.2%
Waste generated in operations	6	0.0%
ProCook operations	1,031	2.9%

Downstream logistics — 0.0%

	tCO_2e	%
Delivery transport	0	0.0%

Other — 0.6%

	tCO_2e	%
Investments	190	0.6%
Leased assets	3	0.0%
Other	193	0.6%

Scope 1 Scope 2 Scope 3

Mitigating Scope 1 and 2 emissions

Continue to improve energy efficiency

Focusing on stores, no/low cost capital expenditure projects

Electric company vehicle fleet

100% already achieved

Carbon mitigation and offsetting for hard-to-reduce emissions

Enhance this with Ecologi

Procurement of 100% renewable energy by year end FY25

Mitigating Scope 3 emissions

Continue to make improvements to product and packaging

Material selection, recyclability, working towards a circular economy

Supplier engagement

Develop relationships to understand supplier consumption and targets, establish greater supplier reporting

Strengthen environment policies

Internal and external policies, including our EMS

1 Given the inherent challenges in measuring emissions on indirect activities outside of ProCook's control, especially those in Scope 2 and 3, the Group has worked with expert carbon consultants making use of best industry practices using judgement and estimates where necessary based on company and country data. Therefore, these emissions lack absolute precision but are considered by the Group to be reasonably indicative, and will be refined as more precise data becomes available.

Our 8 immediate priority areas

Priority action	Progress so far	Actions for FY25
Policies Strengthen and update environmental and ESG policies (e.g. purchasing, energy, waste management, human rights)	Strengthened and introduced new policies including Human Rights, Energy, Waste Management, Environmental, Environmental Purchasing and Base Year Recalculation Policies	Continue to improve knowledge and build understanding of legal requirements such as CSRD and build out relevant policies
Data quality Identify operational data gaps and improve collection and management (e.g. business travel)	Improved our data quality including logistics, transport and shipping data by working with suppliers and couriers to understand specific emissions related to our business operations	Bridging remaining data gaps between ProCook teams for a unified approach to sustainability reporting
Environmental management system ("EMS") Improve and fully align EMS documents to ISO14001	Improved and strengthened our EMS documentation including ESG Roles and Responsibilities, Interested Parties, PESTLE and SWOT analysis and our Risk Register	Continue to align to ISO14001 standard and keep EMS documentation up to date
Engage suppliers Identify key suppliers for initial engagement and understand their environmental targets	Engaged with our top suppliers to gain better understanding of their environmental practices and commitments through tailored questionnaires and by utilising our Sedex membership	Continue to build a clear understanding of our suppliers' future sustainability initiatives and targets, including geographical/ political initiatives and energy zoning data
More efficient property Improve store efficiencies. Understand differences in energy usage of similar size ProCook stores to make improvements and reduce overall energy consumption	ESOS Phase 3 site visits completed, review of recommendations and opportunities underway to support our next steps Begun transition to renewable energy sources and trialling closed door policies during adverse weather to reduce energy usage	Action the agreed opportunities in the ESOS Phase 3 report and review impacts of moving to new Store Support Centre and opportunities to enhance sustainability of that site further
Engagement and education Develop a communication plan informed by a stakeholder analysis to engage colleagues and achieve cross-Company commitment	Continued to educate colleagues through our sustainability bitesize training with a focus on our net zero journey, utilising and sharing resources on our Sustainability and Wellbeing portal	Revisit further packaging reduction opportunities through different inner/ outer configuration and improved container fill engineering
Reduce and recycle packaging Continue to improve our product packaging recyclability and remove single use plastics	Continued to reduce single-use plastics from our product packaging, which are now at a minimal level Introduced string instead of plastic kimble tags to attach barcodes/POS tickets to product Use of fibre-based bags and cardboard void fillers instead of polystyrene in new Electricals range	Action the agreed opportunities in the ESOS Phase 3 report and review impacts of moving to new Store Support Centre and opportunities to enhance sustainability of that site further
Travel Improve WFH and employee commuting data and distribute sustainable travel plans for our new headquarters	Completed research on colleagues travel to work practices to establish current emissions baseline and agreed a 10% reduction in single car occupancy by 2027	Promote car sharing and cycle to work scheme further, creating a cycle club at our Store Support Centre for sharing routes and to encourage colleagues to participate. Investigate climate travel incentives

Climate-related risk register

Risk	Opportunity			Mitigating action
Transition risks (associated with moving towards a greener, less polluting economy)				
Regulatory risks				
Increased compliance costs and reporting obligations. Increasing extended producer responsibility, driving operational waste disposal costs up (for example packaging and product waste)	Although there may be initial costs, there are also potential operational savings from transitioning towards a more circular and lower emission operating model Reduction in single-use plastic packaging could reduce waste management costs, improve recycling rates, and improve brand perception	**Scenario** Variable across all scenarios **Time horizon** Short/ Medium term	**Link to principal risks** Regulatory compliance **Risk rating** Medium	Work with external advisors to ensure all compliance and reporting obligations met Budget for increasing costs
Risk of higher climate regulatory requirements, complicating business practices. Increased costs from introduction of carbon taxes, as well as increased taxes for plastics, energy, waste, and fuel as the UK Government aims to meet net zero by 2050	Higher initial costs with new legislation, possible long-term savings, and revenue growth from a more thorough sustainability strategy, improving the Group's environmental management system, reducing carbon/energy consumption and use of single-use plastics	**Scenario** Variable across all scenarios **Time horizon** Medium term	**Link to principal risks** Regulatory compliance **Risk rating** Medium	Work with external advisors to ensure all compliance and reporting obligations met Budget for increasing costs Develop internal carbon price methodology
Higher costs related to legislation and changes in building efficiency standards	Savings from more efficient building standards (lower heating costs), as well as opportunity to transition to predominately renewable energy	**Scenario** Variable across all scenarios **Time horizon** Medium/ Long term	**Link to principal risks** Regulatory compliance **Risk rating** Low	Understand and stay up to date with all compliance and reporting obligations Budget for increasing costs
Technology risk				
To achieve a low carbon future, and the targets set out in the Paris Agreement to limit warming to 1.5 °C, new technological advancements will be required Substitution and transition costs of shifting to lower emissions products, services, and technologies	Long-term cost savings from using more efficient, economical, and sustainable products, services, and technologies. Some of these technological changes could be driven by regulation and legislation	**Scenario** Below 2°C and between 2-3°C **Time horizon** Short/ Medium term	**Link to principal risks** Technology platforms, data loss and cybersecurity **Risk rating** Medium	Energy efficiency and adoption of technology advancements to reduce overall operating costs for the business
Internal systems becoming inefficient/ investments in new technologies becoming outdated	Accelerated technology capabilities could drive operational efficiencies	**Scenario** Variable across all scenarios **Time horizon** Medium/ Long term	**Link to principal risks** Technology platforms, data loss and cybersecurity **Risk rating** Low	New technologies and energy saving opportunities to counteract the upfront cost of installing energy efficient technology

Risk	Opportunity			Mitigating action
Market risk				
Changing consumer behaviour. Increasing demand for limited but more sustainable materials (e.g., recycled). Harder to source, could increase manufacturing costs	Using innovative and alternative materials are likely to become more cost efficient as customer demand increases and production scales. More ranges with these materials will appeal to sustainability-focused customers and will increase brand image and reputation Our success depends on our ability to adapt to meet the expectations of customers who are likely to seek more sustainable products as awareness of climate change intensifies	**Scenario** Variable across all scenarios **Time horizon** Short/ Medium term	**Link to principal risks** Brand and customer **Risk rating** High	Adapt to consumer trends, ensuring we work with suppliers that have the capacity to manufacture from more sustainable materials Conduct market research, and plan for future trends to minimise costs
Increased costs of energy and raw materials for product production	Energy, stock and raw material prices may fluctuate or increase. Using innovative, recycled and alternative materials in products may allow us to reduce product costs	**Scenario** Variable across all scenarios **Time horizon** Short/ Medium term	**Link to principal risks** Competition, market and macro-economic **Risk rating** High	Improving renewable energy mix available to manufacturers over time should help mitigate cost increases
Higher demand for products that align to the circular economy (reuse and repair), reducing new product sales and/or loss of sales to competitors with more sustainable options	Demand for sustainable product ranges and those associated with the circular economy may increase revenue	**Scenario** Variable across all scenarios **Time horizon** Medium/ Long term	**Link to principal risks** Brand and customer **Risk rating** Medium	Continue efforts to improve circularity, adapting to consumer trends, and ensuring we work with suppliers that can manufacture using more sustainable materials
Reputational risk				
Unable to recruit and retain top talent if we are not recognised as a responsible business	Continual improvement of sustainability strategy/ credentials improves reputation and brand image, attracting a broader range of talented and loyal colleagues	**Scenario** Variable across all scenarios **Time horizon** Medium/ Long term	**Link to principal risks** People and culture **Risk rating** Medium	Maintain B Corp certification and ensure we deliver against our sustainability strategy Invest in resources to develop and grow our sustainability team
Shifts in consumer preferences, unable to retain and attract customers if we are not recognised as a responsible business	Continually improving sustainability strategy/ credentials will create stronger reputation and brand perceptions, attracting a broader range of loyal customers	**Scenario** Variable across all scenarios **Time horizon** Medium/ Long term	**Link to principal risks** Brand and customer **Risk rating** Medium	Utilise our marketing resources to educate customers on our sustainable credentials and product choices they can make
Increased stakeholder interest in sustainability may lead to investors divesting if we are not recognised as a responsible business	Continually improving sustainability strategy/ credentials and transparency will help improve access to capital and enhance investor sentiment	**Scenario** Variable across all scenarios **Time horizon** Medium/ Long term	**Link to principal risks** Financial and treasury **Risk rating** Medium	Maintain B Corp certification and ensure we deliver against our sustainability strategy

Climate-related risk register
Continued

Risk	Opportunity			Mitigating action
Physical risks (associated with the physical impacts of climate change)				
Increased risk of extreme weather events (heatwaves, storm surges, drought, flooding, wildfires). Could lead to disruption within the supply chain as the majority of products are sourced from the Far East, or cause impact buildings, products and transportation in the UK	Improved resilience through operational changes, may increase flexibility, improve efficiency, and reduce costs in the Group's operating model	**Scenario** Between 2-3°C and above 3°C **Time horizon** Short/ Medium term	**Link to principal risks** Climate change **Risk rating** Low	Carry out specific climate assessments (e.g. flood risk) and continually monitor risks for long term impact Develop flood evacuation and protection plans
More frequent extreme weather events may impact raw material supply, production, and access and increase cost prices. Changes in temperatures and precipitation may affect the growth of raw materials in some product ranges including wood and cotton	Stronger relationships with suppliers and improved communication throughout the supply chain will improve resilience and minimise disruption, helping to reduce costs and improve product availability for customers	**Scenario** Above 3°C **Time horizon** Medium/ Long term	**Link to principal risks** Climate change **Risk rating** Low	Continue to strengthen supplier relationships and environmental collaboration
Risk from reduced employee productivity due to infrastructure disruptions and extremes in weather (predominantly higher temperatures)	Continued improvements in working environments and better communication around extreme events will help improve flexibility, colleague retention and resilience	**Scenario** Above 3°C **Time horizon** Medium/ Long term	**Link to principal risks** Climate change **Risk rating** Low	Maintain colleague communication and policies to ensure colleagues' wellbeing is protected Ensure all work locations have adequate cooling systems

Damascus Elite knives

Non-financial information and sustainability statement

In accordance with Section 414CB of the Companies Act 2006, the statements below set out our approach and commitment to our people, our communities and environment, anti-bribery and corruption, and human rights across the Group.

Additional information on our business model can be found on pages 6 to 7, our approach to risk management on page 50, and our non-financial KPIs on pages 44 to 45.

Our people

We are committed to creating an even better place to work for our people, with a safe working environment and a supportive culture where our colleagues can develop their skills, experience, and careers. We promote wellbeing, inclusion, diversity, and equal opportunities, and we treat everyone with respect, providing fair reward for each of their contributions. Our leadership play a critical role in fostering and developing our culture and our working environments, which is why we're committed to developing the best possible leaders we can.

Read more: Our people and other social matters:

Create an even better place to work: page 18

Engaging with stakeholders: pages 8 to 9

Sustainability - people: pages 23 to 27

Code of conduct:
see **www.procookgroup.co.uk**

Gender pay gap:
see **www.procookgroup.co.uk**

Diversity, equality, and inclusion policy:
see **www.procookgroup.co.uk**

Mental Health and well-being policy:
see **www.procookgroup.co.uk**

Our communities and environment

ProCook is committed to supporting the communities in which we operate. We offer all colleagues the opportunity to contribute to their communities through our Good Causes Day scheme. We also raise funds for, and promote, our charity partner Life's a Beach and our colleague-nominated charity of the year, and we develop relationships in our local communities providing mentoring and work experience opportunities for people with barriers to work.

We are proactive in our activities to reduce our impact on the environment. We source quality products that are designed to last, helping customers make more sustainable choices and we eliminate all unnecessary plastics from our packaging. We operate a zero waste to landfill Store Support Centre, which is BREAAM excellent-rated, and we are committed to progressively reducing our emissions across all of our operations and supply chain.

Read more: Our communities and environment:

Reducing our environmental footprint: page 19

Engaging with stakeholders: page 8 to 9

Sustainability – people: page 23 to 27

Sustainability – people: page 23 to 27

Responsible manufacturing: page 33

Educating and inspiring action to reduce single-use plastics: page 31

Task Force for Climate Change Related Disclosures: page 34 to 37

Anti-bribery and corruption, and human rights

ProCook is committed to doing the right thing, with robust policies and procedures in place to prevent bribery, corruption, and human rights abuse.

We have established controls around giving and receiving hospitality, entertainment, and gifts, and around the introduction of new supplier partners. Colleagues are required to confirm on an annual basis their understanding of the policies that we have in place around anti-bribery and corruption, and any non-compliance with the policy would result in disciplinary action and possible dismissal.

We are committed to a zero-tolerance policy on modern slavery, and we expect both those who work within our organisation and our external partners to adhere to and respect the highest ethical standards in working conditions. The provenance of our products is of paramount importance to us, and we work closely with our suppliers, staff, and contractors to ensure there is complete transparency in labour conditions at every level of our business and stage of a product's lifecycle. As part of our Modern Slavery framework, we continue to audit and monitor the conditions of our supply chain and internal ecosystem on an ongoing basis to identify improvements and uphold our commitment.

We operate a whistle-blowing helpline for colleagues who may be concerned about these and other topics, and who may prefer to report in confidence. All whistle-blowing contacts are shared with the Audit and Risk Committee for oversight and further investigation if required.

Read more: Our policies on anti-bribery and corruption and human rights:

Code of conduct:
see **www.procookgroup.co.uk**

Human rights:
see **www.procookgroup.co.uk**

Anti-bribery and corruption:
see **www.procookgroup.co.uk**

Modern slavery:
see **www.procookgroup.co.uk**

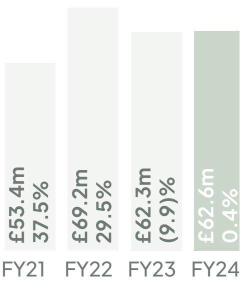
Sustainability – product: pages 32 to 33

Key Performance Indicators

Our Key Performance Indicators ("KPIs") are set and monitored by the Board to assess performance across a range of financial and non-financial targets and to help determine senior management remuneration.

Financial

Revenue
£m and %



Revenue of £62.6m (+0.4% vs FY23) reflects an improving performance trend as the year progressed, against the backdrop of the challenging consumer environment. Excluding the impact of the exit of the Amazon channels, revenue grew by 1.7% year on year.

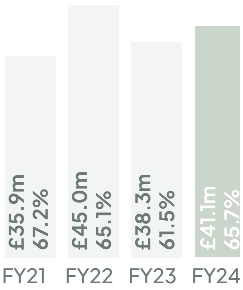
Why this measure matters

Revenue is an important indicator of how successfully we have attracted and retained customers, through offering high quality products at great value, accompanied by outstanding service across all of our channels.

Link to strategy

1

Gross profit
£m and %



Gross profit increased to £41.1m (FY23: £38.3m) primarily driven by lower supply chain costs year on year, largely relating to marine freight.

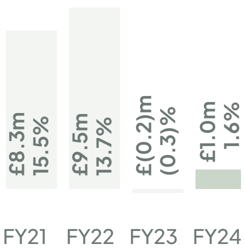
Why this measure matters

This measures our success in sourcing high quality products, which offer customers great value (with pricing targeting savings of at least 30% less than comparable products from competitor brands), while still achieving strong gross margins to support the business model.

Link to strategy

1 2

Underlying profit before tax[1] APM
£m and % of revenue



Underlying Profit Before Tax increased to £1.0m in FY24 (FY23: loss of £0.2m) reflecting improved gross profit margins and strong cost discipline to help mitigate significant inflationary pressures.

Why this measure matters

This measure highlights the underlying profit performance of the Group and demonstrates our ability to deliver long term profitable growth.

Link to strategy

1 2

Free cash flow[2] APM
£m

Free cash flow improved to £2.0m in FY24 (FY23: £0.5m outflow) reflecting careful management of cash reducing the Group's year-end net debt position to £0.7m (FY23: £2.8m).

Why this measure matters

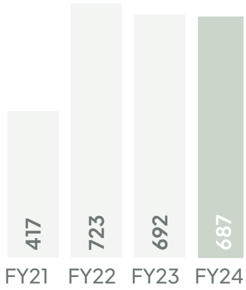
Free cash flow demonstrates the Group's ability to generate cash inflows, which can then be utilised to invest in initiatives to support future growth, repayment of debt facilities or to return surplus funds via distributions to shareholders.

Link to strategy

1 2

Customer

Number of new customers
('000)



The Group attracted 687,000 new customers to shop with ProCook during FY24, 0.7% less than in FY23 primarily due to lower Ecommerce revenues. New customers are those who shopped with ProCook for the first time in the year and at that point first registered their details on our customer database.

Why this measure matters

Attracting new customers to shop with ProCook is a strategic priority in order to grow brand awareness in the UK. The Board monitors this measure as an indicator of the effectiveness of the Group's marketing activities and the continued progress being made to raise awareness of the ProCook offer.

Link to strategy

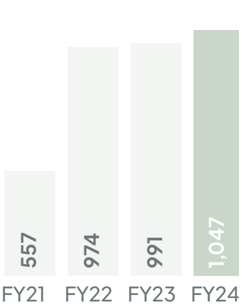
1

Link to strategy

1 Accelerate profitable sales growth
2 Improve operating efficiency
3 Create an even better place to work
4 Being a force for good

These KPIs provide a range of information aligned to the Group's strategic mission to be the customers' first choice for kitchenware, with our sustainability goals and financial performance in mind. They include people and environmental measures, which the Board consider critical to ensure we remain a great place to work for our colleagues, and that we continue to take action to reduce our environmental footprint.

Number of active customers (L12M) APM ('000)



During FY24, the number of active customers in the last 12 months increased above one million for the first time (+5.7% YoY) as we continued to attract new customers and drive repeat sales. Of these customers, 360,000 were repeat customers originally acquired in previous periods (FY23: 299,000).

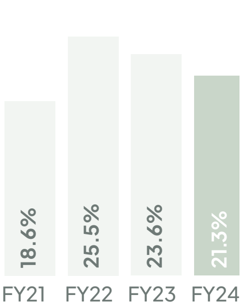
Why this measure matters

This measure of the Group's active customer database is important as an indicator of continued penetration into the markets we operate in. This database allows ProCook to understand shopping behaviours and better target marketing activities.

Link to strategy

1

12 month repeat rate APM %



Our customer's 12 month repeat rate decreased by 2.3% points year on year to 21.3% largely reflecting the continued channel shift back towards Retail, which typically has a lower repeat frequency. Repeat rates in both retail and online channels also reduced slightly year on year.

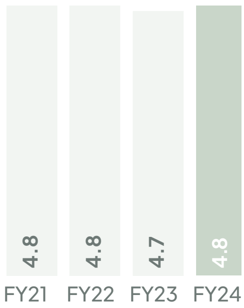
Why this measure matters

We use this metric to understand the Group's ability to retain customers and as an indicator of the Group's ability to increase the life time value of customers.

Link to strategy

1

Trustpilot score (Max 5)



During the year, our excellent-rated Trustpilot score of 4.8 reflected over 125,000 reviews now received by the Group of which over 110,000 are five-star ratings. Our score improved by 0.1 point largely due to the non-recurring impact of courier disruption caused by the Royal Mail strikes during the peak trading period in the previous year.

Why this measure matters

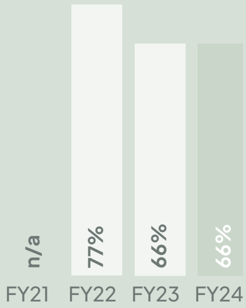
The Group uses the Trustpilot review service to gain valuable customer service and product feedback. These reviews provide other customers confidence in our overall brand proposition.

Link to strategy

1

Environmental Social Governance

Colleague engagement score %



Our most recent colleague engagement survey result, which was completed in November 2023 had an overall engagement score of 66% which was consistent year on year. The Group was certified a Great Place to Work ™ for the third consecutive year in December 2023.

Why this measure matters

This is important to us as colleague feedback helps us to understand what we are doing well and what we need to improve. Our colleagues are key to our long-term success.

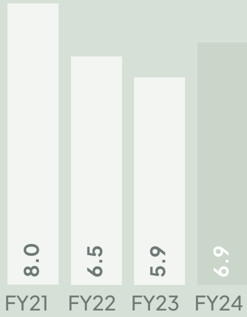
Link to strategy

1 3

Link to sustainability

Our people

CO_2 emissions intensity[3] tCO_2 / £1m of revenue



CO_2 emissions intensity increased in FY24 to 6.9 tonnes of CO_2 per £1m of revenue generated primarily due to the increase in size of the Group's property estate including the new Store Support Centre which has been developed to support future expansion, and the dual running of the previous locations, which resulted in increased usage of energy.

Why this measure matters

ProCook is committed to doing the right thing, and reducing our environmental footprint is a key part of this. This measure highlights how well we're doing in reducing harmful greenhouse gas emissions.

Link to strategy

2 4

Link to sustainability

Our planet

1 Further information on how Underlying Profit Before Tax is calculated is set out on page 122

2 Further information on how Free cash flow is calculated is set out on page 168.

3 tCO_2 emissions are defined as emissions from all Scope 1 and 2 activities relating to the Group's operations.

CFO's review

> "Trading momentum has improved throughout the year resulting in total continuing business revenue growth of 1.7% year on year, while gross margins have increased by 420bps as expected. These impacts, combined with our focus on cost discipline and delivering improved operating efficiency in the face of significant inflationary cost pressures, has resulted in a return to profit and positive cash generation."

Dan Walden
Chief Financial Officer

Revenue

£m/%	FY24 £m	FY23 £m	YoY growth %
Revenue	**62.6**	62.3	0.4%
Ecommerce	**22.7**	25.6	(11.5%)
Retail	**39.9**	36.7	8.7%
LFL Revenue	**58.5**	59.6	(2.0%)
Ecommerce	**22.7**	24.9	(8.7%)
Retail	**35.8**	34.8	2.8%

Total revenue in FY24 (the 52-week period ending 31 March 2024) increased by 0.4% to £62.6m (FY23, the 52-week period ending 2 April 2023: £62.3m). Excluding the year on year impact of the discontinuation of the Amazon EU channels in FY23, total revenue grew by 1.7%. Trading performance improved through the year with total like for like revenue returning to growth in the fourth quarter.

We have marginally increased our share in the UK Kitchenware market[1] during the year, driven by resilient Retail revenue growth which outperformed the market. Our mix of revenue remains more heavily weighted to Ecommerce (36%) than the wider market (28%).

Ecommerce revenue decreased by 11.5% to £22.7m (FY23: £25.6m) including the £0.8m impact of lower sales year on year from the discontinued Amazon channels. Like for like revenue from our own website channels declined by 8.7% year on year, largely the result of disruption caused by the transition to our new website during the year.

Retail revenue increased by 8.7% year on year to £39.9m (FY23: £36.7m), benefitting from the three new stores opened last year and the two new stores opened in the year, partly offset by the closure of three smaller garden centre stores during the final quarter. Like for like Retail revenue grew by 2.8% year on year. At the end of the financial year our UK Retail estate comprised 57 stores.

1 Management estimates based on internal sales data and GFK weekly kitchenware sales data

Gross profit

Gross profit of £41.1m in FY24 (FY23: £38.3m) reflected improved gross margins of 65.7% (FY22: 61.5%) which were driven by the reduced impact of heightened marine freight costs which had adversely impacted cost of goods sold over the last financial year (+530 bps impact), and lower levels of promotional activity year on year (+50 bps impact). These positive effects were partly offset by our drive to reset out value proposition, offering better pricing for customers across the majority of the range from Q3 onwards, which was carefully applied and monitored through the remainder of the year (-160 bps impact).

Operating expenses and other income

Underlying operating expenses net of other income

Total underlying operating expenses net of other income were £39.0m (FY23: £37.6m) representing 62.3% of sales (FY23: 60.3%). The growth in costs was driven by a number of key factors:

- Expenses in relation to the two new stores and one relocation upsize opened this year and the annualisation of the three new stores opened last year: +£0.8m
- Annualisation of new Store Support Centre ("SSC") occupancy costs compared to previous HQ and Distribution Centres: +£0.8m
- Pay inflation and central capability investment: +£2.0m
- Above the line marketing campaign investment +£0.6m

- Increased digital marketing costs driven by website disruption (£0.8m) offset by website volume reduction (-£0.9m): -£0.1m
- Lower costs from the discontinued Amazon EU marketplace channels: -£0.6m
- Annualisation of FY23 £3m cost savings initiative: -£2.1m

Other income

Total other income of £49k in FY24 (FY23: £51k) related solely to rental income.

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 FY24 were £0.1m (FY23: £6.2m).

Consistent with prior years, 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 into FY25 up to the third anniversary of the IPO in November 2024.

During FY24, the Group completed the final elements of consolidation of warehouse operations into its new SSC, with subsequent assignment of the two pre-existing warehouse leases to new tenants later in the year. Operating and finance expenses associated with the costs of transitioning into the new site, dual occupancy of the new or previous sites, and exit costs associated with the disposal of the two previous sites of £1.2m in FY24 (FY23: £0.5m) have been presented as non-underlying costs as these items are non-recurring, dual-running and transition-related. Non-underlying finance expenses relate to interest on lease liabilities relating to the disused warehouses.

Assignment of the leases, resulting in derecognition of the related right-of-use assets and liabilities and disposal of related fixed assets, resulted in gains of £1.9m, including the reversal of £1.1m of prior year impairment provisions against these two sites which were treated as non-underlying costs. The prior year impairment assessment considered a number of estimation factors at that time, including the length of time each property would remain vacant. The reversal in current year reflects the leases being assigned to new tenants in shorter timescales than those previously assumed.

During the year, there was a significant amount of change in the Group's senior management team, following the announcement that the Group's Founder Daniel O'Neill would step down from his role as CEO and transition to a Non-Executive Director role. The one-off costs associated with recruiting a new CEO and a subsequent restructuring of the senior management team totalling £0.7m have been treated as non-underlying given their material and one-off nature. Management considers that separate disclosure of this restructuring cost as non-underlying provides additional useful information to the users of the financial statements around the day to day trading performance of the Group.

The Group carried out an impairment assessment as at 31 March 2024 which did not result in any expense (or reversal of previous expense) to the Consolidated Income Statement. (2023: £3.3m in respect of Retail CGU impairment and £1.1m in respect of the Group's two pre-existing distribution / head office sites).

Operating profit

Total underlying operating profit for the period was £2.1m (FY23: £0.8m). Ecommerce operating profitability improved from 17.9% of revenue to 23.5% benefitting from the improved gross profit margins, exit of the EU marketplaces and operational efficiencies year on year, partly offset by higher digital marketing costs. Retail profitability improved from 14.5% of revenue to 20.6%, also benefitting from revenue growth, improved gross profit margins, and operating efficiencies. The total operating profit from the Ecommerce and Retail channels combined was £13.5m (FY23: £9.9m). Central costs increased by £2.3m year on year driven by increased costs associated with the new SSC, pay inflation and other central cost investments including brand marketing campaigns.

£m	FY24	FY23
Underlying operating profit		
Ecommerce	**5.3**	4.6
Retail	**8.2**	5.3
Central costs	**(11.4)**	(9.1)
Total	**2.1**	0.8
Underlying operating profit % of revenue		
Ecommerce	**23.5%**	17.9%
Retail	**20.6%**	14.5%
Central costs	**(18.3%)**	(14.7%)
Total	**3.4%**	1.2%

Total reported operating profit, after the £0.1m of non-underlying expenses set out above was £2.0m (FY23: £5.4m operating loss).

Profit and earnings per share

Underlying profit before tax was £1.0m (FY23: £0.2m underlying loss before tax).

During the year, there was a net expense of £1.2m (FY23: £1.1m) in respect of financial items in the period. Financial items included interest expenses on lease liabilities and borrowings of £1.4m (FY23: £1.1m), and other gains in respect of foreign exchange of £114k (FY23: £55k loss).

After non-underlying items, reported profit before tax was £0.7m (FY23: £6.5m loss before tax). Reported profit after tax was £0.6m (FY23 restated: £6.1m reported loss after tax).

The effective tax rate on underlying profit before tax was 16.4% (FY23 restated: 6.7%).

CFO's review
Continued

Earnings per share

Underlying basic earnings per share for the year increased to 0.77 pence (FY23 restated: -0.14 pence) and underlying diluted earnings per share increased to 0.73 pence (FY23 restated: -0.14 pence).

Reported basic earnings per share for the year increased to 0.56 pence (FY23 restated: -5.59 pence) and reported diluted earnings per share for the year increased to 0.53 pence (FY23 restated: -5.59 pence).

Prior period restatement

The deferred tax asset in the financial years ending 3 April 2022 and 2 April 2023 has been restated in relation to share based payments. Further information relating to this restatement is set out in the Consolidated Financial Statements in note 11, and the impact on earnings per share is set out in note 13.

Cash generation and net debt

We have continued to carefully manage our cash position during the year, resulting in free cash flow of £2.0m (FY23: -£0.5m outflow) and a reduction in net debt to £0.7m (FY23: £2.8m) with available liquidity headroom of £15.3m (FY23: £13.2m).

£m	FY24	FY23
Reported profit before tax	**0.7**	(6.5)
Depreciation, amortisation, impairment, and profit/loss on disposal	**3.1**	9.5
Share based payments	**0.2**	1.1
Finance expense	**1.4**	1.1
Unrealised FX (gains)/losses	**(0.4)**	0.5
Net working capital	**3.6**	3.8
Tax paid	**(0.0)**	(0.1)
Net operating cash flow	**8.6**	9.3
Net capital expenditure	**(1.9)**	(5.2)
Interest	**(1.3)**	(1.1)
Payment of lease liabilities	**(3.4)**	(3.6)
Free cash flow	**2.0**	(0.5)
Movement in borrowings	**(2.0)**	(1.0)
Dividends paid	**–**	(0.3)
Movement in cash and cash equivalents	**0.0**	(1.8)

£m	FY24	FY23
Cash and cash equivalents	**2.0**	2.0
Borrowings	**(2.7)**	(4.8)
Net (Debt)/ Cash	**(0.7)**	(2.8)

The reported profit before tax in the year includes £0.3m of non-underlying expenses, which resulted in £2.5m of cash outflow (FY23: £0.7m cash outflow).

A reduction in net working capital resulted in a cash inflow of £3.6m in the year (FY23: £3.8m) reflecting our planned reduction of inventory and an increased trade payable position. Inventory on hand at the year-end (excluding inventory in transit) was £8.1m (FY23: £9.5m) down 14.9% year on year. Total inventory at the year-end was £9.7m (FY23: £11.5m).

Net capital expenditure of £1.9m in the year primarily related to the final elements of investment in the new SSC, and the two new stores and one upsized relocation store which opened during the year. In the prior year, net capital expenditure of £5.2m largely related to the investment in the new SSC and new and relocating stores.

As at 31 March 2024, the Group held a current tax asset of £0.1m (FY23: £0.6m) and a deferred tax asset of £0.7m (FY23 restated: £0.9m). We anticipate, based on our current financial projections, that this deferred tax asset will be utilised against taxable profits generated within the next two financial years.

Banking agreements

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

Shortly after the year-end, on the 19 April 2024, the Group successfully arranged a one-year extension to the RCF which extends the expiry date out to April 2026. Additionally, the terms in respect of the fixed charge cover covenant were amended, in order to provide additional headroom against that covenant in light of the Group's performance over the last two financial years. The revised covenant test requires EBITDAR to be no less than 1.30x fixed charges for the FY24 Q4 and FY25 Q1 and Q2 test dates, and 1.40x thereafter. The leverage coverage remains unchanged with net debt to be no greater than 2.0x EBITDA. Both covenants are tested quarterly and are calculated on a last 12 month rolling, 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 are described in more detail on pages 126 to 128, and 64 to 65 respectively.

The Group has retained its access to an existing uncommitted £6.0m trade finance facility, which is due to expire on 31 August 2024, 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 20–30% 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 final dividend in respect of FY24.

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 full copy of the Tax Strategy is available on the Group's website at **www.procookgroup.co.uk**.

Dan Walden
Chief Financial Officer

25 June 2024

Risk management

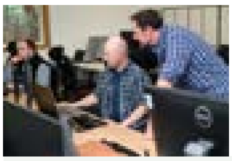
The macro-environment has remained challenging for both consumers and businesses over the last financial year with high inflation and interest rates, pressure on disposable incomes and business operating costs, and increased geo-political instability including in the Middle East. This uncertain world highlights the importance of developing and maintaining effective risk management processes. During the year, we have continued to develop our internal controls and our risk management framework to improve our ability to effectively manage risk.

Approach to risk management

Risk management is an integral part of the effective governance and management of the Group, and we continually develop and evolve our risk management framework and associated processes. The Board is ultimately responsible for determining the level of risk the Group is willing to take to achieve its strategic objectives and enhance the sustainability of value creation, including risks that may threaten our business model, future performance, solvency, or liquidity. The Board takes a balanced view on risk to ensure an appropriate position between risk aversion, opportunity, and gains.

The Audit and Risk Committee, with delegated authority from the Board, is responsible for the oversight of the Group's risk management processes and controls. The Executive Directors and Leadership Team ("LT") have responsibility for day-to-day risk management activities, processes, and controls in their respective functions, and support the Audit and Risk Committee in executing their responsibility by ensuring that control processes are operating effectively, risks are being identified and monitored, any control weaknesses are identified and resolved, and changes in the risk environment are being considered.

The Group's approach is set out in our Risk Management Policy, which is reviewed annually by the Board to ensure it remains relevant and appropriate. The risk management and control procedures set out in the Risk Management Policy form part of the Group's management and governance processes:



Read more:
The Group's Risk Management Policy is available at **www.procookgroup.co.uk**

Identification: Risks are identified through both a top-down approach (strategic risks) as well as a bottom-up (functional risks) approach. Principal risks are identified by the Board and risk appetites are considered and set. Functional risks are identified by LT members or delegates. The Board carefully considers the risks it is willing to take to achieve strategic objectives. New and emerging risks are assessed and determined. The procedure seeks to capture top-down strategic risks and well as bottom-up operational risks.

Assessment: Strategic risks are assessed on at least a six monthly basis during LT meetings. The principal risks are revisited and if necessary, updated on a semi-annual basis, in line with the financial reporting timetable. Functional risks are assessed by the LT members or delegates, through maintenance of the risk and control register. The Risk Register is reviewed for completeness on a regular basis and included in the LT meeting agendas. The Board will complete an annual horizon scanning exercise.

Management: Risks are recorded in the Risk Register by LT members or delegates (risk owners). Every risk on the register is allocated to an individual and appropriate controls are identified and where necessary, remedial actions are identified. Risk management is embedded in the business operations and functions. The process allows colleagues and the Board to monitor risk, as well as demonstrating a shared responsibility for the management of risks.

Reporting: The Risk Registers and management of risk is monitored and reviewed as part of the LT meeting cadence. Reports over strategic risks and functional risks are generated periodically on no less than a semi-annual basis with support from the Finance team to the LT and from the LT to the Audit and Risk Committee and the Board.

Review: Each Audit and Risk Committee meeting receives an update on risk topics and internal controls and no less than once a year the Board carries out a review of the risk management process and assesses whether any improvements are necessary. The Board re-evaluates risks measures and determines if controls are appropriate, taking into account business planning. The Board completes an annual review of risk appetite.

Communication and training: The Board, LT, operational and Group functions receive training and support, and have access to external resources where necessary.

Risk management framework

Board

Ultimately responsible for the Group's risk management system and reviewing its effectiveness

- Establishes and communicates the Group's Risk Management Policy
- Sets the tone and culture for managing risk across the Group
- Reviews overall Group principal risks at least annually
- Sets the risk appetite of the Group
- Ensures responsibility for specific risks are allocated to individual Executive Directors
- Performs an annual horizon-scanning exercise for emerging risks
- Considers recommendations from the Audit and Risk committee

Audit and Risk Committee

Responsible for the oversight of risk management processes and controls

- Examines and reviews the Group's risk register and internal control environment at least twice a year
- Reports to the Board on the status of the risk management processes
- Provides guidance on risk and control improvements
- Highlights where minimum expected standards are not met
- Makes recommendations to the Board about any requirements for independent assurance
- Maintains relationships with the independent Auditor receiving their reports on the control environment and any recommended improvements

Executive Directors and Leadership Team

Day-to-day responsibility for risk management activities, processes, and controls

- Ensures the day-to-day effectiveness of risk management activities
- Responsibility for risk prioritisation, identification, and assessment at Functional level
- Reviews risk assessments, sharing relevant material to the Audit and Risk Committee / Board
- Completes an annual horizon-scanning exercise for emerging risks
- Reviews the Group's risk register on a quarterly basis
- Develops functional risk registers aligned to principal risks where appropriate and required, ensuring regular review of the performance of mitigating controls
- Takes action to improve the overall control environment, increasing mitigating activities where necessary

Risk process owners

Drives and coordinates local risk assessment and compliance with risk management processes

- Actively shares knowledge and best practice through contact with other functional leads
- Accepts responsibility for the risk, its evaluation, monitoring it and reporting its status
- Coordinates and contributes to the development and maintenance of an appropriate control environment, and reporting the ongoing effectiveness of controls
- In combination with the Risk Register Owner, updates the risk report to show the current status

Group risk appetite statement

The Board is responsible for setting the risk appetite for the Group and does so taking into consideration the expectations of its stakeholders and members as a whole. The Group's risk appetite statement provides a useful guide to inform strategic decision-making, facilitate the review of risk management, and to set targets against which risk objectives must be progressed.

We are generally more open to strategic and operational risks, recognising the clear growth opportunity ahead, and the need to test and trial new ideas and ways of working. In these areas we have moderate or higher risk appetite.

We are more cautious with regard to financial, regulatory compliance, Technology, data and cyber security, people and culture, and climate change risks. In these areas we have a lower risk appetite.

The Group has a very low appetite for risks that could damage our brand and reputation, including the health and safety of all our colleagues, customers, suppliers, and any non-compliance to our policies and procedures.

Read more:
The Group's Risk Appetite Statement is available at **www.procookgroup.co.uk**

Principal risks and uncertainties

In accordance with the Group's Risk Management Policy, the Board has undertaken a detailed review of the Group's principal risks and uncertainties, including new or emerging risks, and those that could damage our business model, or adversely impact our operational activities or financial performance and position.

There are two current overarching macro events which continue to have a significant impact on the level of risk that the Group currently faces. These are the geo-political tensions and conflict which include the wars in Ukraine and the Middle East and also the upcoming elections both in the UK and the US, and the current cost-of-living crisis which has significantly impacted consumer disposable income over the last 12 to 18 months.

These two macro themes have broad-ranging impacts across our principal risks and uncertainties, and therefore, have not been presented as individual principal risks themselves.

The Board has concluded that while there are still lasting impacts of both Covid-19 and Brexit, the impact of these have reduced over time, and so are not directly referenced but instead are considered within the existing principal risks and uncertainties.

1 Geo-political tensions

The impact of the Russian invasion of Ukraine, and more recently the Israel war on Hamas and the wider instability in the Middle East, has had a significant impact on our business and our customers, and while these conflicts continue these impacts are likely to continue to evolve. Additionally, with elections anticipated in both the UK and the US in the next few months, we anticipate continued consumer spending caution, and potential wider economic impacts, in the face of such uncertainty. These geo-political tensions present direct and indirect risks for the Group:

- Inflationary pressures directly impacting business operations and profitability
- Inflationary pressures impacting customers' disposable income and behaviour
- Political uncertainty impacting consumer shopping behaviour
- Increased threats to cyber security as warfare continues to evolve into new arenas
- Disruption and potential for higher costs when shipping goods to the UK (as experienced in the Red Sea in the latter part of this financial year)
- Heightened geo-political tension and instability could lead to more widespread regional or global conflicts
- Increased foreign exchange volatility

2 The cost-of-living crisis

The cost-of-living crisis in the UK, triggered by the post-Covid-19 surge in demand and the Russian war in Ukraine, and compounded by the UK political backdrop, has been profound, resulting in significant reductions in disposable incomes following a period of significant inflationary pressures. While inflation is now subsiding, and interest rates are widely expected to follow downwards, the average customer remains worse off than before. These impacts present direct risks for the Group:

- Inflationary pressures on our cost base including fuel, energy, wages, food, raw materials in product costs
- Foreign exchange volatility and heightened cost of debt
- Lower consumer confidence and reduced disposable incomes impacting trading performance
- Increased retail selling prices to partly mitigate cost growth, further impacting trading performance
- Increased competition to acquire customers, particularly through direct paid media marketing channels
- Concerned colleagues who are also struggling with cost-of-living pressure, impacting on morale through this challenging period

Changes to our principal risks and uncertainties

The two macro events set out previously have resulted in changes to either the likelihood or impact (or both) of the principal risks that the Group faces. After the effect of existing or new mitigating internal control activities, the Board considers that the residual risk has, therefore, marginally decreased in three of the principal risks, and has increased in one:

- ↓ The rapid deterioration in the economic and consumer environment over the last 12 to 18 months which led to a significant downturn in consumer confidence caused by the combined adverse impacts of significant inflation (including the costs of energy, fuel, food and other goods and services), interest rate rises, tax increases and slower wage growth has begun to ease with inflation now falling and interest rates projected to reduce. The Board has determined that while the potential impact of **competition, market and macro-economic** risks remains heightened, the risk has marginally decreased year on year.

- ↓ Reputational damage to the **brand** is considered marginally lower than previously, due to reduced levels of promotional activity, and improved value offered through every day low pricing, and a greater focus on the customer which is improving service levels and the overall customer proposition.

- ↓ With inflation now significantly reduced year on year and interest rates projected to fall over the coming months, **finance and treasury** risks are less extreme than they were 12 months ago. There remains heightened risk around foreign exchange volatility especially in light of geo-political tensions.

- ↑ **Supply chain risk** has increased as a result of the geo-political tensions in the Middle East which have led to the disruption of the Red Sea shipping routes and created longer transit times and increased shipping costs.

↑ Increase ↓ Decrease

Emerging risks

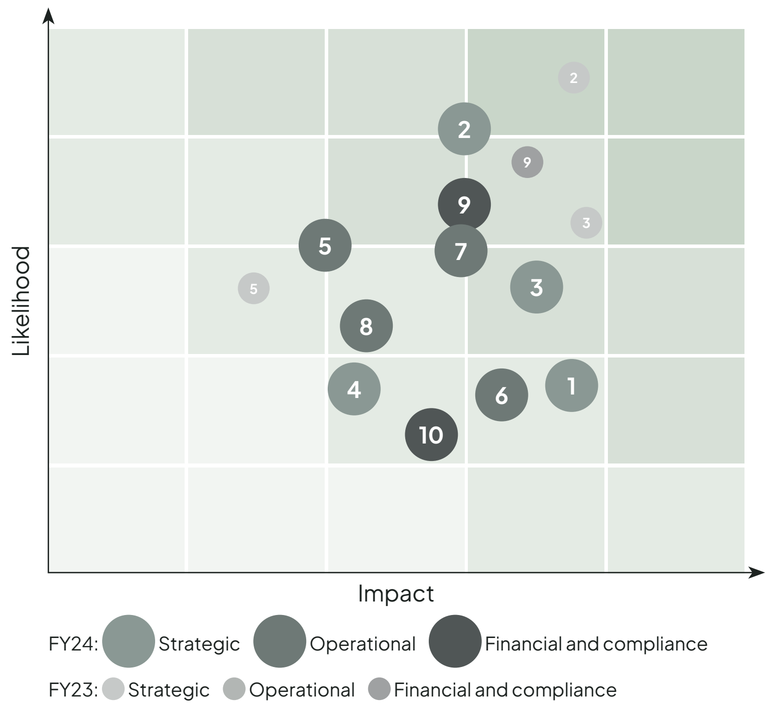
The Board have carefully considered the principal risks and uncertainties, and whether there are any new emerging risks which the Group faces. The principal risks and uncertainties are not exhaustive, and the Group may be exposed to risks wider than those listed, including risks not currently known or identified, or currently deemed to be less material, which may also have an adverse effect on our activities.

Awareness of emerging risks is important to support strategic planning and decision-making, and to identify mitigating actions and controls which may be required as events and risks evolve. The key emerging risks identified by the Board remain the same as last year with the notable addition of the impact of the Israel war on Hamas and the resulting heightened tensions in the Middle East:

- Geo-political tensions including those related to the Russian war in Ukraine, the Israel war on Hamas (and impact on Middle East stability), China (and Taiwan) and other political changes including the upcoming UK and US elections
- The cost-of-living crisis with regard to both its duration and how profound its long-term effect will be on consumer behaviour and discretionary spending power

Principal risk heatmap

The heat map diagram illustrates the Board's assessment of the principal risks and uncertainties, and their movement year on year after the effect of existing or new mitigating internal control activities:



Principal risks and uncertainties
Continued

How our principal risks and uncertainties link to our strategy

The table below highlights how our principal risks and uncertainties link with our strategic priorities, as set out on pages 10 to 21

Ref	Principal risks and uncertainties	Change vs FY23	1	2	3	4
1	Strategy and business change	No change	✓	✓	✓	✓
2	Competition, market and macro-economic	Decrease	✓		✓	
3	Brand and customer	Decrease	✓		✓	✓
4	Climate change	No change	✓	✓	✓	✓
5	Supply chain	Increase	✓	✓		✓
6	Technology platforms, data loss and cybersecurity	No change	✓	✓	✓	✓
7	Marketing effectiveness	No change	✓			
8	People and culture	No change	✓	✓	✓	✓
9	Financial and treasury	Decrease	✓	✓		
10	Regulatory compliance	No change	✓	✓	✓	✓

Strategic risks

1 Strategy and business change

Our 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

Risk appetite
Open (moderate to high)

Link to strategy
1 2 3 4

KPIs
- Revenue growth
- Underlying PBT
- Number of active customers (L12M)

Board oversight
- Annual Board strategy planning day and 3-5 year financial plan review
- Periodic strategic progress updates
- Rotational deep dive strategy sessions at each Board meeting

Executive responsibility
Lee Tappenden, CEO

Context and potential risk impacts
There are currently three business-critical strategic programmes underway including:

1. Expanding our UK store network
2. Enhancing customer experience online
3. Supply chain transformation

Each of these have their own inherent risks and require effective programme management and leadership to deliver alongside the full strategic programme, at pace, on time and within budget

Read more:
Strategy for growth – pages 10 to 21

Potential risk impacts include:

- Failure to meet financial or other non-financial targets
- Reduced or limited business growth
- Disruption to core business operations which could impact performance
- Failure to retain colleagues, or loss of colleague engagement
- Loss of focus on core business activities
- Delays in strategy execution may lead to a loss of investor confidence

Mitigations
- Medium to long term business strategy is developed and reviewed by the Board at least annually
- Steering Groups established for key projects reporting to the Board
- Clear accountability for strategic execution is delegated to the Executives and progress monitored by the Board
- Experienced leadership and development of the Leadership Team within a performance and growth culture
- Use of external expert advisors to support strategy development and execution where appropriate
- Use of trial/experimentation methodologies for agile change programmes to monitor change impacts

2 Competition, market, and macroeconomic

Our 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. Macro-economic factors which reduce consumer confidence and/or disposable incomes or create additional cost pressures could impact revenue growth and profit generation.

Risk appetite
Open (moderate to high)

Link to strategy
1 2

KPIs
- Revenue growth
- Underlying PBT
- Number of active customers (L12M)

Board oversight
- Monitoring market share, competitor, and customer data
- Reviewing and challenging sales performance and cost base efficiency in periodic Board reports
- Developing and monitoring strategic and operational action plans

Executive responsibility
Lee Tappenden, CEO

Context and potential risk impacts
Over the last 24 months, the combined effects of the Russian invasion of Ukraine and the Israel war on Hamas, the lasting effects of Covid-19 and Brexit, and wider geo-political tensions have continued to evolve and have contributed to significant uncertainty for customers, driven by economic volatility, significant inflation, and cost of living pressures

This has led to greater competition in the marketplace with increased promotional activity and higher costs to acquire customers

While inflation has begun to fall to more normal levels, and interest rates are expected to follow downwards, UK consumers are now, on average, worse off than before and these external factors may persist for some time

Potential risk impacts include:

- Reduced profitability and inhibited growth opportunities
- Loss of market share to competitors
- Pricing volatility in costs such as fuel, energy, raw materials, marketing, shipping and labour
- Reduced new customer acquisition
- Slower repeat purchase frequency
- Lower average transaction values
- FX and interest rate volatility or higher costs

Mitigations
- Focus on exceptional value and high-quality service with KPI's monitored by the Leadership Team
- Continual monitoring of market performance, and competitor activity including pricing and promotions
- Increased focus on customer lens through NPS metrics and customer focus group
- Investment in technology and supply chain capabilities to improve customer experience
- Regular range refresh to attract new and repeat business with 278 new products launched in FY24
- Achieved "Which?" certification and obtained B Corp status, focussing on customer demand for sustainable, high-quality products.
- Comprehensive foreign exchange hedging policy and robust coverage in future periods
- Prudent cash management and preservation to minimise debt interest costs
- Identification of business efficiencies, and close working with suppliers to mitigate cost pressures

Link to strategy
1 Accelerate profitable sales growth
2 Improve operating efficiency
3 Create an even better place to work
4 Being a force for good

Risk impact change year on year
— No Change
↑ Increase
↓ Decrease

Principal risks and uncertainties
Continued

3 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.

Risk appetite
Cautious (low)

Link to strategy

1 3 4

KPIs
- Revenue growth
- Number of active customers (L12M)
- Number of new customers
- Trustpilot score

Board oversight
- Monitoring market share, competitor and customer data
- Reviewing and monitoring Trustpilot review KPIs and data
- Review and approval of the ESG strategy

Executive responsibility
Lee Tappenden, CEO

Context and potential risk impacts
Reputational damage to the brand is considered marginally lower than last year, due to reduced levels of promotional activity, improved value offered through every day low pricing, and a greater focus on the customer, which is improving service levels and the overall customer proposition

The inherent risk remains given the macro conditions that consumers choose to divert discretionary spend away from kitchenware products while cost-of-living pressures persist

Potential risk impacts include:

- Lower new customer acquisition
- Loss of existing customers and repeat business, and lower life time value
- Reduced revenue growth and lower profitability
- Loss of market share to competitors
- Lower colleague retention due to a decrease in engagement with the brand

Mitigations
- Rigorous product quality testing and certification, accompanied by strong warranties. Robust supplier selection with Sedex monitoring to ensure strong ethical and environmental compliance through audits of labour standards, health and safety and environmental assessments
- Technology vulnerability and penetration testing with continual security capability improvement, Payment Card Industry and Data Protection compliance
- Colleague code of conduct and business culture, monitoring colleague engagement and Glassdoor ratings
- Monitoring of brand health metrics including Trustpilot reviews and NPS in our customer focus group
- Continued focus on sustainability recognised with B Corp certification
- New lower pricing across large parts of the range offering greater value to customers

Designpro stackable cookware

4 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 any potential adverse 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.

Risk appetite	Context and potential risk impacts	Mitigations
Cautious (low to moderate) **Link to strategy** 1 2 4 **KPIs** • CO_2 emissions **Board oversight** • Deep dive review sessions on ESG provide opportunity to challenge • Review and approval of the ESG strategy **Executive responsibility** Dan Walden, CFO	ProCook is committed to reducing our environmental impact and raising awareness of climate change across our stakeholder groups As we transition towards a low-carbon economy there are a variety of potential risks to strategy execution and financial performance including: • Increasing frequency of natural disasters, which could impact our operations including our supply chain • Legal and compliance changes, which may disrupt our operations and increase costs (including taxation) • Reputational damage due to insufficient progress or compliance failure, which could also result in lower colleague engagement • Changes in customers preferences that may require product or proposition changes which could increase costs	• Focus at Board, Executive and Leadership Team. ESG Committee meets quarterly to oversee progress. Green Team meets monthly to implement actions and generate new ideas • ESG strategy developed by ESG Committee and ESG Director and approved by the Board • Continued partnership with Ecologi to mitigate unavoidable Scope 1 and 2 CO_2 emissions • BCorp certification awarded in September 2022 • Electric vehicle fleet for all company cars, transitioning to renewable energy sources in all UK locations, BREEAM certified Store Support Centre • Removal of all unnecessary product packaging (including single use plastic) across our range • Comprehensive environmental management system in place for monitoring water, waste, energy and CO_2 emissions • Environmental marketing to promote sustainable choices

Link to strategy
1 Accelerate profitable sales growth
2 Improve operating efficiency
3 Create an even better place to work
4 Being a force for good

Risk impact change year on year
— No Change
↑ Increase
↓ Decrease

Principal risks and uncertainties
Continued

Operational risks

5 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.

Risk appetite
Open (moderate)

Link to strategy

1 2 4

KPIs
- Revenue growth
- Underlying profit before tax
- Free cash flow

Board oversight
- Deep dive review sessions on supply chain provide opportunity to challenge
- Review and discussion of Stock and Supply Chain Reports each Board meeting

Executive responsibility
Dan Walden, CFO

Context and potential risk impacts
The Group sources products from established suppliers around the world, with the majority of products sourced from Far East manufacturers, and imports them directly to our Distribution Centre in the UK from where we despatch products to couriers for home delivery or to our retail stores

The geo-political tensions between China and US continue, and may escalate further, and the UK government or consumer may force a shift in the Group's sourcing strategy away from China which could be disruptive and/ or increase costs for the Group

The impacts of the Covid-19 pandemic had a significant effect on sourcing and particularly shipping, which has now eased, however since the onset of the Israel war on Hamas and the wider conflicts in the Middle East, there has been disruption through the Suez Canal, which has added cost and increased transit times

These factors have increased the level of risk year on year:

- Delays in product shipments could lead to inventory shortages, availability issues and possible loss of revenue
- Increased costs from input or raw material costs, and/ or higher costs of shipping, could reduce gross margins, or require increased selling prices, which may reduce revenue
- Delays in order shipment to customers may damage the overall customer experience and impact brand reputation
- Geo-political tensions or future wars or pandemics may impact our ability to source products of sufficient quality, when needed and at the right price
- Higher inventory levels may lead to increased costs of storage and logistics and lower free cash flow

Mitigations
- Continuous communication with product and freight suppliers
- Earlier ordering of product intake during periods of manufacturing and shipping disruption
- Robust inventory management including intake planning and availability optimisation. Monitored by weekly reviews with Leadership Team
- Use of well-established outbound suppliers with monthly performance review meetings
- Our new central Distribution Centre brings inventory into one location and has added capacity for growth
- Product supplier base exceeds 100 established suppliers providing flexibility and resilience
- Achieved >98% delivery on time in FY24 for UK Ecommerce orders

6 Technology platforms, data loss and cyber security

Any failure to develop and maintain appropriate technology to support operations, including the timely adoption of newer technologies (such as Artificial Intelligence, Machine Learning and Robotics), 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.

Risk appetite
Cautious (low)

Link to strategy

1 2 3

KPIs
- Underlying profit before tax
- Trustpilot score

Board oversight
- Deep dive review sessions on Technology roadmap and strategy provide opportunity to challenge
- Review and discussion of Technology and Cyber Security Report each Board meeting
- Approval of Tech Strategy each year and regular monitoring of development roadmap delivery

Executive responsibility
Dan Walden, CFO

Context and potential risk impacts
We rely on our technology systems to support our business operations including inventory and supply chain management, recording and processing customer transactions, and in analysing performance results and customer data

The increasing sophistication and frequency of malicious cyber activity, including the consequence of the Russian invasion of Ukraine and broader geo-political tensions have increased cyber security risk

Our reliance on third parties to provide technical services including hosting and digital technology presents risks that we do not have full control over

- Loss of access or functionality could result in loss of revenue and/ or reputational damage and could require significant investment to remediate
- Loss of customer data could cause reputational damage, impact our operations and/ or result in breach of regulations with potential financial penalties
- Delayed implementation of new technologies as our business evolves and becomes even more digitally led could disrupt business operations, slow the pace of strategic progress, or result in higher costs

Mitigations
- Robust security procedures, policies and protocols established, including disaster recovery plans and system documentation
- High level of system monitoring and "on-call" procedures support high level of system up-time (>99.9% in FY24)
- Test and deployment and change management procedures established for technology deployments
- External expertise utilised to support system monitoring, Data Protection and Payment Card Industry compliance
- Regularly perform vulnerability scanning and penetration testing procedures to assess status and identify security and system resilience improvements to make

Link to strategy
1 Accelerate profitable sales growth
2 Improve operating efficiency
3 Create an even better place to work
4 Being a force for good

Risk impact change year on year
— No Change
↑ Increase
↓ Decrease

Principal risks and uncertainties
Continued

7 Marketing effectiveness

The Group's future performance depends on customer acquisition and retention with cost-efficient marketing spend, appropriate creative messaging and relevant media mix. Any failure to attract new customers and retain existing customers in a cost-effective and engaging way could impact short term performance and medium term strategic growth ambitions.

Risk appetite
Cautious (moderate to high)

Link to strategy
1

KPIs
- Revenue growth
- Underlying profit before tax
- Number of active customers (L12M)
- Number of new customers

Board oversight
- Monitoring and challenging performance across customer and relevant financial KPIs
- Regular deep dive sessions on customer and marketing activity
- Reviewed and approved the brand purpose and customer promise framework

Executive responsibility
Lee Tappenden, CEO

Context and potential risk impacts
ProCook has a significant opportunity to grow brand awareness in the UK and expand our customer base. Effective marketing activity is critical to achieve this

The challenging macro-environment over the last 2 years has led to increased competition to attract and convert customers resulting in higher costs of marketing and increased promotional activity and discounting. This is likely to evolve and persist while conditions remain challenging, which could have the following potential impacts:

- Failure to attract new customers and successfully grow brand awareness could limit the achievement of our strategic objectives
- Lower marketing effectiveness (either in engagement or cost) could result in lower revenue from fewer new customers or falling repeat rates, and higher costs / lower profits
- Increased promotional discounting, or higher frequency of communications could deter certain customers and has the potential to damage brand reputation

Mitigations
- The Group ensures the CEO and Marketing Director sign off key messaging and spend within a defined budget
- Monitoring of detailed marketing metrics against budgets including Return on Ad Spend ("ROAS") and Cost per Acquisition ("CPA")
- Communications Framework established to sign off customer messaging
- Attracted 687,000 new customers during FY24, grew our number of active customers (L12M) to in excess of 1,000,000
- Development of our brand purpose and proposition to provide a "North Star" for all marketing activity
- Continually assess, test and trial new recruitment channels
- Established CRM platform which acts as email service provider to consolidate activity and improve retention capability through segmentation and data analytics

8 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.

Risk appetite
Cautious (low)

Link to strategy
1 2 3 4

KPIs
- Colleague engagement score

Board oversight
- Deep dive review sessions on people and culture strategy provide opportunity to challenge
- Review and discussion of People Report each Board meeting
- Review of annual engagement score results and associated improvement plans
- Designated NED attends Colleague Advisory Panel and reports to the Board
- Succession planning reviewed by the Nominations Committee

Executive responsibility
Lee Tappenden, CEO

Context and potential risk impacts
ProCook employs over 600 committed and talented colleagues. Creating a great place to work, and protecting our culture is critical to our continued success in attracting and retaining top talent

Current and potential colleagues continue to show greater preference for roles with purpose and greater flexibility to support their own life choices

The UK labour market remains tight with increasing wages as a result of inflationary pressures. Key risks include:

- Loss of existing expertise and knowledge which could impact operations or delivery of strategic objectives
- Increased risk of cost growth through total reward inflation due to macro-factors
- Higher level of colleague absence or reduction in colleague engagement could impact our operations and customer service

Mitigations
- Monitoring of colleague engagement, turnover and other metrics by the Executive, Leadership Team and Board
- Established annual appraisal reviews, objective setting and performance related reward
- Continued investment in learning and development programmes, and personal development plans
- Established Code of Conduct explained to all new starters
- Comprehensive policies including Diversity and Inclusion, Mental Health and Wellbeing, Stress, and Menopause policies
- Clearly defined business values to help protect and develop our culture
- Continued commitment to fair reward including the Real Living Wage
- Awarded Great Place to Work™ certification for a third time in FY24

Link to strategy
1 Accelerate profitable sales growth
2 Improve operating efficiency
3 Create an even better place to work
4 Being a force for good

Risk impact change year on year
— No Change
↑ Increase
↓ Decrease

Principal risks and uncertainties
Continued

Financial and compliance risks

9 Financial 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.

Risk appetite
Cautious (low)

Link to strategy
1 2 3 4

KPIs
- Underlying profit before tax
- Free cash flow

Board oversight
- CFO reports reviewed and discussed at each Board meeting
- Annual budget and re-forecasts reviewed and approved by the Board
- Audit and Risk Committee reviews financial control framework and risk management framework
- Various policies reviewed and approved by the Board including Treasury Policy and Capital Allocation Policy

Executive responsibility
Dan Walden, CFO

Context and potential risk impacts
The challenging macro-environment has required greater level of focus on cash and covenant management, foreign exchange management, and forecasting and reporting. We continue to focus on these ensuring that we have appropriate liquidity headroom, to support our operational performance and strategic objectives

Whilst inflation has fallen, interest rates are yet to begin to reduce, and continued FX volatility is likely given the geo-political environment and upcoming elections in the UK and US

Other potential risk impacts include:

- Inaccurate or untimely financial reporting may result in misguided decision- making impacting future performance
- Non-compliance with regulatory requirements including tax could result in fines or penalties and damage our reputation
- Failure in financial controls could result in loss of business assets or higher costs reducing profitability
- Loss of liquidity business flexibility if insufficient headroom maintained to support working capital or investment decisions

Mitigations
- Established relationships with banking partner with £10m available RCF undrawn at year-end and reduced net debt position year on year
- External professional support utilised where required for technical advice
- Foreign exchange hedging undertaken to help mitigate risk of volatility within approved Treasury Policy
- Robust approach to budgeting and forecasting throughout the year
- Financial Position, Prospects and Procedures documentation reviewed annually by the Board
- Finance Risk Register and process documentation established and continually developed
- Continual focus on strengthening financial controls including process automation

10 Regulatory compliance and corporate responsibility

Any failure to comply with legal and regulatory obligations, or our wider corporate responsibility could result in financial or legal exposures, or damage to our reputation with our Stakeholders, as a responsible brand.

Risk appetite
Cautious (low)

Link to strategy
1 2 3 4

KPIs
- Revenue growth
- Underlying profit before tax

Board oversight
- Corporate governance topics reviewed and discussed at each Board meeting
- CFO reports to the Board on any key internal policy changes seeking approval where needed
- Audit and Risk Committee review regulatory risks as part of risk management procedures

Executive responsibility
Dan Walden, CFO

Context and potential risk impacts
We are committed to compliance with all relevant regulations

The legal and regulatory landscape in which we operate remains stringent and is subject to frequent changes and updates, which require us to adapt our operational and compliance procedures

Any failure to remain compliant could result in a range of potential risk impacts including:

- Adverse publicity, which could damage customer or other stakeholder confidence, and potentially impact revenue growth, profitability or funding
- Fines or other penalties for non-compliance, or costs in relation to any legal proceedings or remedial actions
- Potential injury or loss to a colleague, customer or other stakeholder (particularly in the event of a Health and Safety issue)
- Loss of focus on business operations and strategic objectives in the event of a significant compliance breach

Mitigations
- Group policies and code of conduct shared with colleagues and training provided
- External professional advice obtained on relevant matters e.g. GDPR, property legal advice, employment advice, tax advice
- Head of Health and Safety leads the development of the Groups' Health and Safety Policy and completes site audits and maintains incident reporting and monitoring
- Established policies and procedures for technical topics such as Trading Standards, WEEE, Waste Management, Market Abuse Regulations, GDPR, PCI which are overseen by senior management
- Company Secretary facilitates ongoing review of governance best practice with the Board

Link to strategy
1 Accelerate profitable sales growth
2 Improve operating efficiency
3 Create an even better place to work
4 Being a force for good

Risk impact change year on year
— No Change
↑ Increase
↓ Decrease

Assessing long-term viability

In accordance with the UK Corporate Governance Code, the Board of Directors is required to assess the viability of the Group over a longer time period than 12 months to determine whether it has a reasonable expectation that it will be able to continue in operation and meet its liabilities as they fall due, and to issue a "Viability Statement".

As part of this assessment, the Board has considered the future prospects of the Group by reference to its current financial position, recent trading performance and market outlook, forecasts and financial projections, its strategy and business model, and its principal risks and uncertainties.

The Board has determined that a three-year viability assessment period covering the three financial years ending 28 March 2027, appropriately reflects the speed of change in the retail and consumer environment and is consistent with the Group's strategic planning cycle. This time period provides a reasonable balance between the long-term nature of investments and the key drivers of near-term business performance.

The Directors have considered the Group's principal risks 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 macro-economic environment, including consideration of the recent fall in inflation, and anticipated decline in interest rates, 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 and the associated covenants are set out in the CFO's Review within this report and include a committed £10m 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.
- Shortly after the year-end, on the 19 April 2024, the Group successfully arranged a one-year extension to the RCF, which extends the expiry date out to April 2026. Additionally, the terms in respect of the fixed charge cover covenant were amended, in order to provide additional headroom against that covenant in light of the Group's performance over the last two financial years. The revised covenant test requires EBITDAR to be no less than 1.30x fixed charges for the FY24 Q4 and FY25 Q1 and Q2 test dates, and 1.40x thereafter. The leverage coverage remains unchanged with net debt to be no greater than 2.0x EBITDA. Both covenants are tested quarterly and are calculated on a last 12 month rolling, pre-IFRS 16 basis.
- ProCook ended the financial year with net debt of £0.7m, with £2.0m cash and cash equivalents and drawings on the trade finance facility of £2.8m with available liquidity headroom of £15.3m.

The base case for the scenario modelling extends from the Group's annual budget plan that was approved by the Board in March 2024 and updated in its most recent forecast during quarter one, which was approved by the Board in June 2024. Forecasts for FY26 and FY27 are based on the Group's strategic objectives and its five year financial plan, which projects forwards from the latest FY25 forecast.

Key assumptions include Ecommerce and Retail like for like ("LFL") 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, both of which are heightened as a result of the current macro-environment and geo-political tensions.

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, and additional cost impacts driven by continued supply chain disruption associated with the Suez Canal diversions. The impacts of these factors have been reflected in an 8% lower revenue performance in the FY25 year compared to base case, increasing to a 16% decrease in FY26 and a 22% decrease in FY27, combining to reflect a 66% reduction in Group revenue growth over the assessment period compared to the base case
- Included within this lower sales scenario, are fewer new store openings in both FY26 and FY27 on the basis that there would be lower management confidence of positive return on investment from such openings
- A reduction in gross margins in FY26 and FY27 compared to the base case by 100bps in each year to reflect the risk of heightened supply chain costs

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 FY25 test date given the level of planned and committed inventory intake and new store openings during the first half of FY25.

The Group has a positive and long-standing relationship with its banking partner HSBC, however, there is no guarantee that a covenant waiver, new banking terms, or alternative funding arrangements could be agreed within an acceptable period, and there is, therefore, the risk that current funding arrangements could be withdrawn.

The Board has also reviewed a reverse stress test, which has been applied to the base case model to determine the level of sales decline that would result in a breach of financial covenants. A reduction in revenue, with no mitigations applied, of 8% compared to the base case in FY25 (from the beginning of Q2 onwards), would be required to breach the fixed charge covenant at the quarter two test date in FY25. A further reduction in revenue of 23% in FY26 compared to base case would be required to breach the fixed charge covenant in Q4 FY26 and throughout FY27, and the leverage covenant would breach in Q2 FY27.

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 (as set out on pages 40-41). 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 and the reverse stress test 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 that 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 long term viability over the period to 28 March 2027 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 over the Group's long term viability.

The Directors consider the likelihood of such a severe downside scenario materialising to be low and recognise the range of mitigating actions available to the Group to prevent a breach occurring. The Directors note the positive and long-standing relationship which the Group has with its banking partner HSBC and consider that it is reasonably likely that the Trade Finance facility will be renewed in August 2024. 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 across all three years of the period under review. The Viability Statement can be found on page 112.

The Strategic Report was approved by the Board of Directors on 25 June 2024 and signed on its behalf by:

Lee Tappenden
Chief Executive Officer

Dan Walden
Chief Financial Officer

Chair's governance letter

“The Board continues to prioritise strategy and sound corporate governance, which are both critical to the Group's long-term success as we adapt for a new leadership chapter.”

Greg Hodder
Chair

During the last year, the Board has evolved again to meet the needs of the business, as we welcomed Lee Tappenden, our new our Chief Executive Officer, and as Daniel O'Neill assumed a Non-Executive role on the Board. This Governance Report describes our corporate governance structures and processes and how they have been applied during the financial year ended 31 March 2024 (the “period” or “year”).

My role as Chair is to ensure that the Board of ProCook Group plc is operationally effective, adopts governance best practice and provides support to the Executive team to promote the long-term success of the Group for the benefit of all stakeholders. I seek to ensure that Board proceedings are structured and conducted in such a way as to allow all Directors to have the opportunity to express their views openly and that, in particular, the Non-Executive Directors can provide constructive support and challenge to the Executives.

More about my role, and the roles of all the Directors and Committees, can be found on pages 70 to 71.

Focusing on strategy

Alongside governance matters, the Board's focus during the year has been on the Group's strategy and the actions being taken that will support progress. Strategy has continued to be a regular and recurring item at the top of the Board agenda and we repeated our Board strategy day in February 2024, reviewing progress against the strategic priorities set in the prior year, and discussing in detail how thinking around strategic priorities for the years ahead has evolved with the Executive team, and exploring whether the identified initiatives were likely to ensure the long-term success of the business.

Further details of our Board activities and discussions, and how these contributed to strategy, can be found on pages 74 to 77.

Adapting for a new leadership chapter

We announced last year that Daniel O'Neill, Founder of ProCook, had reconfirmed his intention to transition away from his CEO role at the appropriate time, and that we had begun succession planning for the new CEO role.

The Board and Nomination Committee have had an active year in this regard, running a thorough search with support from Korn Ferry to identify and bring on board a CEO that had the skills, experience and character to lead our Executive team and business. We were very pleased to welcome Lee Tappenden to ProCook as our new CEO in September 2023. Lee has settled into his role both as CEO and Board member extremely well.

Following a period of initial support for Lee, Daniel transitioned into a Non-Executive role on our Board, while continuing to provide advice and guidance to Lee as needed, through regular interactions. Daniel continues to support the Group with product development for which he has a deep passion and unparalleled experience in ProCook.

In March 2024, Luke Kingsnorth, Non-Executive Director and Remuneration Committee Chair, noted that he did not intend to extend his Board membership past the initial three year term and would not be putting himself forward for re-election at the 2024 Annual General Meeting (“AGM”), such that he could focus more fully on his other professional commitments. Luke has added tremendous value to the Board as a whole over recent years, and I would like to thank him for the consistent high quality of his contributions during his time with us.

In early May 2024, we concluded the appointment of Meg Lustman to replace Luke as Non-Executive Director and Chair of the Remuneration Committee with effect from the 25 June 2024, the same day that Luke stepped down from the Board. Meg has over 35 years of retail experience, was previously CEO of British affordable luxury brand Hobbs, and prior to this, she held senior positions at many of the UK's leading fashion retailers including John Lewis, Warehouse, and Aurora/Mosaic

Air Fryer
Health Grill

Fashions. I am delighted to welcome Meg to the ProCook Board, as she brings a wealth of retail experience, having led the UK and international growth of some of the UK's best-known retailers. Meg's experience will be invaluable to the business as we continue to build on the growing momentum in our performance.

Board effectiveness

During March 2024, we completed our second internal evaluation of the Board and its Committees. The purpose of the evaluation was to review the effectiveness of the Board, its Committees and individual Directors. The evaluation was facilitated via an anonymous online questionnaire where the Directors were able to provide comments on a range of matters relevant to Board, Committee and individual performance. The results were shared with the Directors and discussed at the March 2024 Board and Committee meetings.

The conclusion from this latest evaluation was that the Board and Committees continue to operate effectively. However, as noted previously, it was again recognised that there was a need to improve the diversity of the Board. We took this matter into consideration as part of the process of recruiting a new Non-Executive Director to replace Luke Kingsnorth.

In the first internal evaluation conducted in December 2022, we identified that we had been erring on the side of politeness and our Board discussions needed to be more candid, urgent and direct. Since the evaluation results, the quality of dialogue has continued to improve and we also identified areas where management's reports to the Board could be enhanced. We have worked with the Executive Directors to make these improvements in order to support more effective decision making.

Governance best practice

The Board has continued to develop its governance framework and policies and has established effective ways of working together both inside and outside the boardroom. Over the year ahead I will work with our Board members and external advisors to continually assess and improve our governance arrangements in line with best practice, the needs of the Group, and the expectations of our stakeholders.

Annual General Meeting

The 2024 AGM will take place on 11 September 2024 at ProCook, 10 St Modwen Park, Gloucester, GL10 3EZ. Shareholders are strongly encouraged to register their proxy votes online, regardless of whether they plan to attend the AGM in person. Further details are included in the Notice of AGM, which will be sent to shareholders within the prescribed timescales. I look forward to meeting those of you who are able to attend.

Greg Hodder
Chair

25 June 2024

Compliance with the UK Corporate Governance Code

The Company is required to report on its compliance with the principles and provisions of the 2018 UK Corporate Governance Code (the "Code"), a copy of which is available at www.frc.org.uk.
The Board considers that it has complied in full with the Code's principles and provisions during the period, with the exception of Provision 11, which specifies that at least half the Board, excluding the Chair, should be Non-Executive Directors whom the Board considers to be independent.
The Board acknowledges the importance of this provision and considers that the introduction of Daniel O'Neill as a non-independent Non-Executive Director, which has led to the imbalance is, on balance, the right decision for the Group at this time, given Daniel's unparalleled experience as founder of ProCook. The Board is committed to keeping this under review when considering the Board's succession planning and future composition.

Read more:

Further information on how the Group has complied can be found on the following pages:

Board activities: pages 74 to 77

Division of Directors' responsibilities: pages 72 to 73

Composition, succession and evaluation – Nomination Committee Report: pages 82 to 84

Audit, risk and internal control – Audit and Risk Committee Report: pages 85 to 87

Remuneration – Remuneration Report: pages 88 to 89

Governance framework

The Board comprises the Chair, two Executive Directors, two independent Non-Executive Directors and one non-independent Non-Executive Director.

Governance framework

The Board keeps a formal schedule of matters specifically reserved for its decision. These include the approval of the annual and half-yearly results and associated announcements, recommendation of dividends, convening of shareholder meetings, Board appointments, strategic plans and budgets, ESG plans, significant capex proposals, acquisitions, systems of internal control and risk management and corporate governance arrangements. No one Board member has the power to make decisions on behalf of the Board without the sanction of the other members.

The Board has formally delegated specific responsibilities for audit, risk management and financial control, Board composition and remuneration to three standing Committees, namely the Audit and Risk Committee, the Nomination Committee and the Remuneration Committee respectively. Each is chaired by the Chair or an independent NED, enabling the Non-Executives to take an active role in influencing and challenging the work of the Executive Directors. The Terms of Reference of the Committees are reviewed on a regular basis.

The Board has also established the Disclosure Committee to oversee the identification, management and disclosure of inside information concerning the Group. The Committee comprises the CEO, CFO and Senior Independent Director and meets on an ad hoc basis as required.

Board responsibilities

Purpose, Mission and Strategy	Governance	Performance
• Setting, developing and role modelling our purpose and business values • Setting the strategy and mission to deliver on the Group's purpose, and secure the continued growth of the Group over the long term in the interests of all stakeholders • Ensuring that appropriate resources are in place to successfully deliver the Group's mission and strategic priorities	• Instilling and maintaining a positive culture that encourages strong ethical behaviours • Ensuring that the business control environment is appropriate and operationally effective, and that sound risk management practices are in place • Oversight of succession planning and talent management • Setting an appropriate remuneration policy to attract and retain talent • Ensuring that appropriate information is shared with stakeholders in a transparent way • Ensuring full compliance with the UK Corporate Governance Code	• Reviewing performance at an operational and strategic level • Reviewing the performance of the Board, the Executive Directors and the Leadership Team • Ensuring that the Board is well equipped with appropriate skills and expertise, and that Committee memberships are appropriate and effective

Board meetings

In advance of its meetings, the Board is provided with an agenda and all relevant documentation in a timely manner to assist in the discharge of its duties and to ensure that decisions are well-informed and made in the best interests of the Group. The Board maintains an annual agenda planner and reviews and agrees the agenda for the next meeting as part of each meeting agenda. If a Director is unable to attend a Board meeting, they always have the opportunity to discuss any agenda items with the Chair before the meeting.

Conflicts of interest are managed in accordance with the procedure described under "Directors' conflicts of interest" on page 110.

Board and Committee governance structures: How we govern

ProCook Board

The Board of Directors as at the date of this report has six members comprising the Chair, two Executive Directors, two Independent Non-Executive Directors and one non-independent Non-Executive Director.

For Directors' biographies see pages 70 to 71.

Audit and Risk Committee	Nomination Committee	Remuneration Committee	Colleague engagement NED
The committee is made up of two Independent Non-Executive Directors	The committee is made up of the Chair, and two Independent Non-Executive Directors	The committee is made up of the Chair, and two Independent Non-Executive Directors	Meg Lustman is the designated Non-Executive Director for Colleague Engagement[1]
Key responsibilities: Reviewing the adequacy and effectiveness of the Group's internal financial reporting and internal control policies and systems Monitoring the integrity of the financial statements of the Group and any formal announcements relating to financial performance Overseeing the Group's arrangements for its people to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters Reviewing the Group's procedures for detecting fraud and preventing bribery and money laundering Overseeing the effectiveness and performance of the external Auditor and making recommendations to the Board regarding their appointment or removal Advising the Board on the Group's overall risk appetite, tolerance and strategy, and principal and emerging risks Monitoring and reviewing the effectiveness of the Group's risk management framework	**Key responsibilities:** Reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any required changes Ensuring plans are in place for orderly succession to the Board and senior management positions and overseeing the development of a diverse pipeline for succession Reviewing the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to successfully deliver the Group strategy Identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise Evaluating the balance of skills, knowledge, experience and diversity on the Board, and, in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment Reviewing the time required from Non-Executive Directors. Performance evaluation is used to assess whether the Non-Executive Directors are spending enough time fulfilling their duties	**Key responsibilities:** Recommending to the Board the over-arching principles, parameters and governance framework of the Group's remuneration policy Determining, within that framework, individual remuneration and benefits packages of each of the Chair, Executive Directors and senior management Reviewing the design of all share incentive plans for approval by the Board and, where required, shareholders	The key purpose of this role is to ensure the views and concerns of the workforce are brought to the Board and considered. In doing so this role seeks to: • Understand the concerns of colleagues by either attending or reviewing minutes of Colleague Advisory Panel meetings • Articulate and share insights from colleague feedback in Board meetings • Ensure the Board, and particularly the Executive Directors, take appropriate steps to evaluate the impact of proposals and developments on colleagues and consider what steps should be taken to mitigate any adverse impact • Feed back to the Colleague Advisory Panel on any relevant Board plans or responses to their feedback The designated NED is not involved in the Group's whistleblowing procedure
See pages 85 to 87 for the Audit and Risk Committee's Report	See pages 82 to 84 for the Nomination Committee's Report	See page 88 to 89 for the Remuneration Committee's Report	See page 76 for further detail on Colleague Engagement

Terms of Reference for each of the Committees are available on ProCook's website at www.procookgroup.co.uk

[1] Role previously held by Luke Kingsnorth

Board and Committee meeting attendance

The following table shows the attendance of the Directors at relevant meetings of the Board, Audit and Risk, Remuneration and Nomination Committees during the year.

The Board held eight formal scheduled meetings last year and also met on an ad-hoc basis as necessary. The table below summarises attendance at the scheduled Board and Committee meetings during the year. In addition, the Disclosure Committee met five times throughout the financial year.

Name	Board	Audit and Risk Committee	Remuneration Committee	Nomination Committee
Greg Hodder	8/8	n/a	2/2	2/2
Daniel O'Neill	8/8	n/a	n/a	n/a
Lee Tappenden	5/5	n/a	n/a	n/a
Dan Walden	8/8	n/a	n/a	n/a
David Stead	8/8	3/3	2/2	2/2
Luke Kingsnorth	8/8	3/3	2/2	2/2

Board of Directors

Greg Hodder
Non-Executive Chair

Appointment
Greg was appointed on 29 October 2021

Skills and experience
Greg brings a wealth of experience with previous Non-Executive Director and CEO appointments and a history of driving fast growth from entrepreneurial companies with particular experience in e-commerce and multi-channel. Greg has spent much of his career working in the retail sector including roles as President of New York-based company Smallbone plc, CEO of Charles Tyrwhitt LLP, Chair of Majestic Wines plc and Senior Independent Director at Hotel Chocolat Group.

Other roles
Greg is Senior Independent Director at Jarrold & Sons Ltd and Non-Executive Chair at Purdy & Figg Ltd.

Lee Tappenden
Chief Executive Officer

Appointment
Lee was appointed on 19 September 2023

Skills and experience
Lee Tappenden was appointed CEO of ProCook in September 2023, bringing extensive leadership, retail and consumer experience to the Group having spent over 25 years with Walmart and Asda, where he held a range of senior management roles, and also at Amyris Inc and Boston Consulting Group. His tenure at Walmart included roles in merchandising and operations, before becoming Chief Operations Officer, and then President and CEO of Walmart Canada. Lee spent the early part of his career with Mobil Oil.

Other roles
Lee holds no significant external directorships.

Dan Walden
Chief Financial Officer

Appointment
Dan was appointed on 14 October 2021

Skills and experience
Prior to joining ProCook in May 2021, Dan was Chief Financial Officer of Booking.com Transport. Before that, he held several roles at Dunelm Group plc including Group Finance Director and Commercial Finance Director. Before Dunelm, Dan held various senior finance and commercial roles at Halfords and Sainsbury's. Dan is a chartered accountant, having begun his career with KPMG.

Other roles
Dan holds no external directorships.

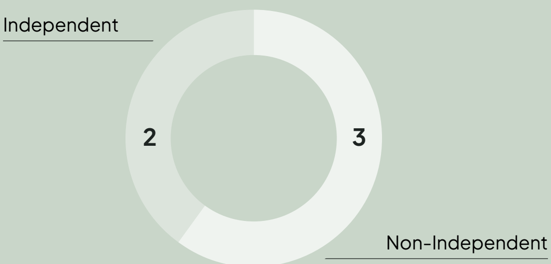
Board and Leadership Team diversity[1]

Name	Number of Board Directors	% of the Board	Number of senior Board positions (CEO, CFO, SID and Chair)	Number in Leadership Team	% of the Leadership Team
Male	5	83%	100%	3	43%
Female	1	17%	–	4	57%
White British	6	100%	100%	6	86%
White Asian	–	–	–	1	14%

1 Reported as at the date of this report 25 June 2024. At the year-end date, females represented 40% of the Leadership Team and 0% of the Board

Board skills and experience

Board independence (excl. Chair)



David Stead
Senior Independent Non-Executive Director

Appointment
David was appointed on 29 October 2021.

Skills and experience
An experienced Director of companies in the UK retail sector, David was Chief Financial Officer of FTSE-listed Dunelm Group plc from 2003 to 2015. Previous Non-Executive positions include Non-Executive Director at Card Factory plc, Senior Independent Non-Executive Director of Joules Group plc, and Non-Executive Director and then Chair at Naked Wines plc. Prior to these roles, David served as Finance Director for Boots The Chemists and Boots Healthcare International between 1991 and 2003. David is a chartered accountant, having spent the early part of his career with KPMG.

Other roles
David is currently Non-Executive Chair at Highbury Square Management Company Ltd.

Daniel O'Neill
Non-Executive Director (Deputy Chair and Founder)

Appointment
Daniel was first appointed on 14 October 2021 and transitioned to a Non-Executive role on 16 October 2023.

Skills and experience
Daniel founded ProCook over 25 years ago and was employed full-time in the business since then until his transition to a Non-Executive role in October 2023. Prior to founding ProCook (originally trading as the Professional Cookware Company until 2008) in the 1990s, Daniel had an early career in direct marketing businesses, consultancy services and software development, developing skillsets and experiences that have provided guiding principles to support the development of the ProCook business.

Other roles
Daniel holds no significant external directorships.

Meg Lustman
Non-Executive Director

Appointment
Meg was appointed on 25 June 2024

Skills and experience
Meg has over 35 years of retail experience, and was previously CEO of British affordable luxury brand, Hobbs. Prior to this, she held senior positions at many of the UK's leading fashion retailers including John Lewis, Warehouse, and Aurora/Mosaic Fashions. Meg is currently a non-executive director of N Brown plc and Chair of its Remuneration Committee and a member of the Nominations and Governance Committee. She also serves as Vice Chair of Court and Chair of the Remuneration Committee at Glasgow Caledonian University and is Chair of St Luke's Hospice (Harrow and Brent).

Other roles
Meg is Non-Executive Director of N Brown Plc, Vice Chair of Court of Glasgow Caledonian University and Chair of St Luke's Hospice (Harrow and Brent)

Luke Kingsnorth
Independent Non-Executive Director

Appointment
Luke was appointed on 29 October 2021 and resigned on 25 June 2024

Skills and experience
Luke joined Charles Tyrwhitt in 2010 as Ecommerce Director before rising to Ecommerce and Marketing Director in 2012. Between 2016 and 2019 he was focused on establishing the New York office and managing all aspects of the label's North American business, before becoming CEO in 2019. Prior to joining Charles Tyrwhitt, Luke was senior manager at John Lewis Direct, and has held several ecommerce and marketing roles at companies including Eurostar, British Sky Broadcasting Group and Skandia Life and Manpower.

Other roles
Luke is currently CEO of Charles Tyrwhitt.

Cast Iron casserole

Division of Directors' responsibilities

Clear division of roles and responsibilities on the Board

The key responsibilities of the members of the Board, including the division of responsibilities between the Chair and CEO, are set out in the table below.

Role	Responsibilities
Non-Executive Chair	**The Chair's principal responsibility is the effective running of the Board and includes:** • Ensuring the Board as a whole plays a full and constructive part in the development and determination of the Group's strategy and overall commercial objectives • Ensuring the Board determines the nature and extent of the significant risks the Group is willing to embrace in the implementation of its strategy • Running the Board and setting its agenda • Ensuring that all Board members are given the opportunity to share their views and participate in the business of the Board • Encouraging all Board members to engage in Board and Committee meetings by drawing on their skills, experience and knowledge • Ensuring that there is effective communication by the Group with its shareholders, including by the CEO, CFO and other Executive management • Ensuring that members of the Board develop an understanding of the views of the major investors • Leading the annual evaluation of the performance of the Board, its Committees, and individual Directors • Shaping the culture of the boardroom • Ensuring that the Board listens to the views of shareholders, the workforce, customers and other key stakeholders
Chief Executive Officer ("CEO")	**The CEO's principal responsibility is running the Group's business, including:** • Developing the Group's purpose, strategy and commercial objectives, and proposing these to the Board • Implementing the decisions of the Board and its Committees • Providing input to the Board agenda, including that from other members of the Executive team • Conducting the affairs of the Group with the highest standards of integrity, probity and corporate governance • Setting an example to the Group's people and communicating expectations regarding the Group's culture • Leading colleagues to achieve sales and organisational objectives • Establishing policies that improve and promote the Group's purpose, values and culture

Role	Responsibilities
Chief Financial Officer ("CFO")	**The CFO is responsible for the overall planning and management of the Group's financial affairs, and overseeing daily operational and administrative functions of the business including:** • Working closely with the CEO to ensure that strategic plans are underpinned by solid financials • Developing the Group's budget and monitoring performance against this • Assessing the benefit of new investment opportunities and capital expenditure initiatives • Drafting the Group's statutory financial statements and monthly management accounts • Responsibility for internal control and risk management, in conjunction with the Audit and Risk Committee • Assessing and enhancing the efficiency of operational processes • Ensuring that operational policies and practices drive behaviour and that appropriate standards of governance permeate throughout the organisation • Functional responsibility for Finance, Technology, Health and Safety, ESG, Property, Supply Chain and Logistics
Senior Independent Director ("SID")	**The SID's principal responsibility is acting as a sounding board for the Chair and serving as an intermediary for the other Directors and shareholders, including:** • Working with the Chair, Directors and shareholders to resolve significant or sensitive issues • Assisting in the maintenance of the stability of the Board and Group, particularly during any periods of stress • Taking responsibility for an orderly succession process for the Chair, working closely with the Nomination Committee • Being available to shareholders should they have concerns that are unresolvable through the usual channels of the Chair, CEO or other Executive Directors • Leading the performance evaluation of the Chair on behalf of the other Directors
Independent Non-Executive Directors ("NEDs")	**The independent NEDs have been appointed for their knowledge and expertise. Their key role is to contribute to the strategic direction of the Group, including:** • Providing healthy debate and challenge, as well as guidance and support, to the Executive Directors • Providing an independent sounding board to the Chair and Executive Directors • Serving on the Board Committees, with responsibility for the oversight of audit and risk, remuneration, and composition of the Board • Meg Lustman has been appointed (role previously held by Luke Kingsnorth) as the designated Non-Executive Director for workforce engagement (see more on page 69)
Non-independent Non-Executive Director (Deputy Chair and Founder)	**The non-independent NED role held by Daniel O'Neill has been created to ensure that Daniel's unparalleled experience and knowledge of the ProCook business is retained following his transition from his previous CEO role. This role contributes to the strategic direction of the Group, including:** • Providing healthy debate and challenge, as well as guidance and support, to the Executive Directors • Providing vast experience of the sector, market, supplier, product and customer and sharing that knowledge with the Board as a whole

Board activities

The Board is collectively responsible for leading and governing all activities of the Group, with overall authority for establishing the Group's purpose, mission and strategy and overseeing performance against the strategic objectives. The Board sets the Group's strategic direction and approves the decision-making policies of the Group. These activities are underpinned by regular financial reporting, provision of information to the Board, and a robust approach to risk management.

The Board has agreed the Group's purpose: **Equipping everyone with the tools to bring joy to everyday cooking**. This purpose guides the Group's entire strategy and is reflected throughout the organisation's culture.

Link to strategy and stakeholders

Strategy

1 Accelerate profitable sales growth

2 Improve operating efficiency

3 Create an even better place to work

4 Being a force for good

Stakeholder

Customers

Colleagues

Suppliers

Communities

Shareholders

Group purpose

1 2 3 4

During the year the Executive and Leadership Team reviewed the Group's purpose in respect to the principles, values and customer promise that ProCook seeks to live by. The purpose that was set last year to guide all the Group's activities, marketing and development of culture, was considered still relevant and appropriate as a "North Star". The Board reviewed and discussed the Group's purpose, and the refined customer promise at the Board strategy day, and this was re-launched to colleagues in April 2024.

s.172: Decision-making

At the Board strategy day, the Board discussed the Group's purpose, mission and customer promise, and its alignment to all stakeholder interests and the Group's updated medium-term strategy. The Board agreed that it consistently and concisely articulated the Group's strategic objectives.

The Board discussed how the purpose and customer promise would be better communicated with customers and agreed the need to amplify these messages through the Group's marketing activities.

The Board considered the impact on colleagues, and agreed with the Executive's plan to re-launch the purpose, strategic objectives and customer promise at the Managers conference in April 2024, and implement improved functional objective and KPI monitoring in the year ahead.

In consideration of the business values, the Board reflected on the need to further increase awareness across the Group and to ensure that values were consistently embedded in the culture, and reflected in colleague behavioural appraisal ratings for the new year ahead. The Board agreed that the values remained consistent in the way that ProCook operates with its stakeholders including the way ProCook seeks to treat suppliers fairly, and to give back to the communities in which it operates.

Strategy

The Board maintains a detailed focus on strategy and Board agendas are designed to ensure that sufficient time is dedicated to discussing and debating those matters critical to delivering strategic success. During the year, the Board received strategy updates from the Executive Directors at each Board meeting, and completed regular deep dive reviews into key areas of strategic focus.

Setting our strategy

1 2 3 4

The Board regularly reviews and discusses strategy throughout the year, including at its annual strategy day where the key strategic priorities and plans are discussed and approved.

s.172: Decision-making

In approving the Group's strategy, and reviewing and challenging performance since, the Board has considered the impact of its plans and activities across all stakeholders.

Market conditions and opportunities for expansion

1

The Executive Directors present market updates on a regular basis to the Board, allowing consideration and discussion around market share, competitor activity and timeliness of entering into new markets or categories. The strategy for new and upsize store openings has been discussed regularly with the Board.

s.172: Decision-making

During the year the Board decided to continue to focus fully on the UK market for the year ahead, recognising the continued challenging trading environment both in the UK and overseas. The Board keeps this decision under review acknowledging the significant market opportunity in the UK.

Expand our UK store network

1 2

During the year, the Board agreed the need to accelerate growth in the UK through new store openings and agreed that the CFO should take overall responsibility for property. The strategy to accelerate new store openings has been reviewed and discussed by the Board, and progress updates regularly provided. During the year, the Board also reviewed and agreed the Executive's proposal to close the Group's Cookery School to enable greater focus on core business activities.

s.172: Decision-making

In considering the opening of new stores, the Board reflected on the current lack of access to ProCook's retail proposition for a large percentage of the UK customer population, and considered that new openings would benefit customers, provide employment opportunities in local communities and generate appropriate future returns for shareholders.

The decision to close the Cookery School was considered carefully, as while the concept was compelling, and customers benefitted from the training offered, the management distraction and lack of financial viability for shareholders meant that on balance it was better to focus on core activities.

Strengthening our specialist product offer

1

Designing and sourcing high quality products at every price point that are built to last and that customers love to use, is considered by the Board to be critical to the continued success and growth of the Group. This remains a key focus for the Board and Executive team. During the year, the Board has monitored progress on new product development, including the new category development in small kitchen electricals and has explored the potential for further category expansion with the Executive team.

s.172: Decision-making

Consideration was given by the Board to the impact of Daniel O'Neill transitioning from the CEO role into a NED role, and recognising Daniel's unparalleled experience in this area and his long-established supplier relationships, agreed he would continue to work with the new product development team until such a time that both Daniel and Lee were happy that full knowledge transfer had been completed.

The development of the new small kitchen electricals range was closely monitored by the Board, who encouraged the Executive team to develop a strong marketing launch plan to maximise the raising of awareness amongst customers as the new ranges were introduced.

Best in class customer service and experience

1

The Board monitors and regularly discusses customer service KPIs in store and online and recognises that while the in-store experience is very strong, there is opportunity to improve further, as well as there being work to do to bring the online experience up to the same standard.

s.172: Decision-making

At the Board strategy day, the Board reviewed and approved the strategic actions proposed by the Executive Directors and Leadership Team with respect to further improving service in store and enhancing the online experience. Consideration was given to closer monitoring of customer experience through NPS measures at all customer touchpoints, which the Board supported. The Board also recommended a weekly Customer Experience meeting be launched and led by the CEO.

Grow brand awareness and engagement

1

The Board regularly monitors customer acquisition and retention metrics and holds deep dive discussions on digital and brand marketing strategies. The opportunity to raise awareness of the ProCook offer remains significant.

s.172: Decision-making

The Board has monitored the performance of further marketing trials during the year, and reviewed and challenged the latest plans for marketing activity at the strategy day. The Board has supported the recruitment of a Marketing Director who will lead on all customer acquisition and retention activities for the Group.

Supply chain transformation

1 2 3

Following the completion of the transition into the new Store Support Centre in FY24, the Board has monitored supply chain performance levels closely. The next phase of activity set out by the Executive Directors at the Board strategy day is a transformation of supply chain service levels, in particular for retail stores to improve product availability for customers and reduce total handling costs.

s.172: Decision-making

The Board has monitored its decision to approve the investment and transition into the new Store Support Centre and ensured that robust transition planning was in place to reduce the risk of business disruption, which was avoided. The Board, having spent time in the Distribution Centre together with the Leadership Team, have approved the plans to transform operations which will benefit customers through greater product and service availability, colleagues through reduced handling time, and suppliers through improved demand forecasting.

Board activities

Continued

Strategy continued

Technology

1 2 3

As a critical enabler for performance, growth and operations, the Board receives a Technology and Cyber-security Report at each meeting and has held two deep-dive sessions on the Tech strategy during the year.

s.172: Decision-making

The Technology roadmap is reviewed each meeting by the Board and any delivery challenges are discussed. The Board supported the development of continued security capability improvements during the year to reduce risk for stakeholders, and a series of customer and operational investments including the website re-design to deliver greater customer experience and stronger performance.

ESG strategy

1 2 3 4

ProCook promises to be a responsible retailer for the benefit of all stakeholders, with a strong ESG focus led by our ESG Director. The Board has held two deep-dive discussions on ESG progress, particularly focused on environmental aspects, and the strategy to reduce our environmental footprint, which the Board considered and approved.

s.172: Decision-making

The Group's ESG strategy is recognised by the Board as important to all stakeholders and therefore requires continual focus and progress being made in all areas. During the year, the Board re-considered the timetable for achieving net zero emissions with the ESG Director, and approved the new 2040 target, believing this to be ambitious but realistic, given the actions taken to date and the extensive work required to be undertaken by third-party nations and manufacturers in order to achieve this.

People and culture

Creating an even better place to work, through attracting, developing and retaining highly engaged and talented colleagues is considered highly important by the Board. During the year, the Group was again recognised for the third year running, as a Great Place to Work™.

Colleague engagement

1 2 3 4

Annual colleague engagement results and action plans are presented to the Board by the People Director for consideration and discussion.

s.172: Decision-making

The Board supported the action plan in response to the FY24 engagement survey, which focused on increasing survey participation, enhancing training and development opportunities for colleagues, improving awareness of Group strategy and how personal performance contributes to success, retail manager total reward package and improving transparency around recruitment processes and internal vacancies.

Talent recruitment, retention and development

1 2 3 4

The Board reviews and discusses People Reports at each Board meeting, considering relevant metrics including labour turnover and departmental vacancies. Additionally, during strategy deep dives, the Board considers functional leadership capability and development opportunities.

s.172: Decision-making

Following initial discussions with the Nominations Committee, the Board identified the need for a new Ecommerce Director, a new Commercial Director and a new Marketing Director, and subsequently approved the appointments of Marta Navas, Laurie Houghton and Claire Tait (respectively) who have recently joined the Leadership Team. Additionally, the Board has discussed the need for further leadership development training and supported the plan to launch the first phase of this programme at the end of the FY24 financial year.

Total reward

1 2 3 4

The Board receives and considers regular updates from the People Director, including opportunities to enhance the total reward package for our colleagues.

s.172: Decision-making

The Board considered the feedback and recommendations and has supported the Executive team in making reward improvements, including performance-related pay and bonuses, a new salary sacrifice pension scheme, and annual pay review increases to help retain and attract the best quality talent.

Colleague Advisory Panel

1 2 3

In accordance with the Code, the Board has taken a blended approach and launched the Colleague Advisory Panel as well as appointing Meg Lustman (role previously held by Luke Kingsnorth) as the designated Non-Executive Director to oversee the Board's engagement with the workforce.

s.172: Decision-making

Suggestions from colleagues on the Panel have led to Board discussions on various important topics, and resulted in a number of tangible actions around open door trials in stores, a renewed approach to store rotas leading to increased flexible working options, more inclusive conferences for both Retail and the Store Support Centre colleagues as well as revisiting our benefits package which now includes an increased holiday entitlement and an electric vehicle salary sacrifice scheme.

Governance

Financial performance

1 2 3 4

Financial performance is reviewed and discussed by the Board at each meeting, with detailed reviews undertaken in respect of budgets, reforecasts, long-term financial plans and interim and final results.

s.172: Decision-making

Budgets and reforecasts were carefully scrutinised by the Board as the year progressed. In October 2023, the Board concluded that it was necessary to reduce sales and profit outlooks for the year.

The Board has challenged the Executive team to drive stronger top line growth, while also continuing to focus on cost base improvements and has supported the Executive Directors' actions to identify and promptly implement cost savings.

Cash management and liquidity

1 2 3 4

In light of the continued difficult trading conditions, the Board's continued focus on cash management has been critical and has involved a review of current position and forecasts provided by the CFO (including facility headroom and covenant compliance) at each meeting.

s.172: Decision-making

The Board has supported the actions taken to preserve cash, while still investing cautiously in the areas that support long- term growth. The Board has supported and regularly monitored the process to extend the Revolving Credit Facility and renegotiate the covenant terms of that facility with the Group's banking partner.

Risk management

1 2 3 4

The Group's risk appetite is set by the Board, and the framework of risk management is reviewed by the Board and Audit and Risk Committee.

s.172: Decision-making

The Board reviewed and debated the principal risks, and challenged the progress made against agreed risk management objectives through the year to enhance the control environment, particularly focused on cyber and disaster recovery improvements delivered during the year.

Board evaluation

1 2 3 4

The Group's second Board effectiveness evaluation was undertaken during the year and the results reviewed and discussed by the Board.

s.172: Decision-making

Consideration was given to the feedback from the evaluation and the Board noted that the highlighted area for improvement was improved Board diversity, which the Board had been considering as part of the process of recruiting a new Non-Executive Director. Following the evaluation conducted in December 2022, the Board has continued to enhance the quality of discussions, reporting and decision-making, by collectively and individually being more candid, urgent and direct, to ensure that actions are identified and implemented with greater pace for the benefit of all stakeholders.

Shareholder engagement

The Board is committed to maintaining an open and constructive dialogue with shareholders to ensure there is a common understanding of the strategic objectives, governance and performance of the Group. The Group has appointed financial public relations advisers and corporate brokers to gather investor and analyst feedback, which is presented to, and reviewed by, the Board.

s.172: Decision-making

The Board supports the CEO and CFO as they undertake investor roadshows and meetings following the release of financial results and provide feedback through careful review and consideration in advance of messaging, presentations and results.

Whistleblowing and compliance

3

The Board is responsible for monitoring and periodically reviewing the Group's whistleblowing, anti-bribery and anti-fraud policies.

s.172: Decision-making

The Board is satisfied that sufficient arrangements are in place to protect stakeholders' interests and assist in the prevention of fraud, enabling colleagues to report irregularities confidentially and allow appropriate investigation and follow-up action to be taken.

Corporate Governance

The Board is responsible for compliance with the UK Corporate Governance Code and considers and discusses regular updates from the Company Secretary at Board meetings.

s.172: Decision-making

The Board is satisfied that it operates in compliance with the Code, with the exception of Provision 11 as outlined within the Chair's governance letter, and that sufficient arrangements are in place to protect stakeholders' interests as a whole.

Strategy

1 Our purpose, mission and customer promise
2 Accelerate profitable sales growth
3 Improve operating efficiency
4 Create an even better place to work
5 Being a force for good

Stakeholder

- Customers
- Colleagues
- Suppliers
- Communities
- Shareholders

S.172 statement

Our stakeholders have a variety of occasionally conflicting priorities and interests, and the decisions that are made by our Board can have significant impacts on them.

Board decisions must, therefore, be carefully considered to ensure that these stakeholder needs are best balanced and met, while ensuring that decisions taken promote the long-term success of the Company as set out in Section 172(1) (a) to (f) of the Companies Act 2006.

Directors are required under the Companies Act 2006 (the "Act") to promote the success of the Group for the benefit of our members as a whole. In doing so, they must have regard to the interests of all stakeholders.

The Directors confirm that they have, during the year, acted in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members and stakeholders as a whole, and in doing so have had regard to the matters set out in s172(1) (a) to (f) of the Act.

This confirmation, together with the accompanying detail on these pages, and that set out on pages 8 to 9 of the Strategic Report comprises our Section 172(1) statement ("S.172") , and sets out how the Board, in performing its duties over the last year, has had regard to the matters set out in Sections 172(1) of the Act. In this section, we describe how the Directors fulfil their S.172 duties, and provide examples of key Board decisions made during the year whereby the Board has carefully considered the needs of our differing stakeholders.

How the Directors fulfil their S.172 duties

Engaging with stakeholders **Read more:** Engaging with stakeholders – pages 8 to 9	• Directors regularly meet and interact with a variety of stakeholders including customers, colleagues, suppliers, members of our communities, and our shareholders • This provides first-hand opportunity to learn about their differing needs and priorities and where necessary the opportunity to explain why certain decisions have being made • Where the Directors and Board does not itself engage directly with certain stakeholder groups, it oversees the engagement activities of management, and receives regular updates on such activities
Collective breadth of skills and experience **Read more:** Board of Directors – page 70 to 71	• The diverse set of skills, experience and knowledge held by the Board as a collective, helps ensure that appropriate and well informed decisions are being made, which promote the long-term success of the Group, while balancing the various priorities of our stakeholders
Board reporting and information **Read more:** Governance Framework – page 68 to 69	• The Directors receive comprehensive papers and reports from management on a regular basis both for scheduled Board meetings and on an ad-hoc basis, as well as in-person updates during meetings and other interactions • This information, which includes stakeholder considerations especially pertaining to key decision points, provides Directors the opportunity to query, challenge and debate decisions to ensure conflicting interests are well considered
Board discussion **Read more:** Board activities: page 74 to 77	• At scheduled and ad-hoc Board meetings, Directors constructively challenge and debate decision points, drawing on their own skills and experience and their understanding of stakeholder needs • These discussions support making the right balanced decisions for the benefit of our stakeholders as a whole
Strategy and culture development **Read more:** Strategy for growth: pages 10 to 21 Our people: page 23 to 27	• The Board is responsible for setting the Group's strategy and developing its culture. Directors are required to contribute to this through careful consideration and discussion on strategic direction and actions, and determining the Group's purpose, mission and cultural values • The Directors are required to set the tone and consistently demonstrate the values, promoting careful and diligent stakeholder consideration in decision making throughout the Group

Read more about how the Directors have had regard for S.172 factors

S.172 Factor	Read more:	S.172 Factor	Read more:
(a) The likely consequences of any decision in the long term	Business model: pages 6 to 7 Board activities: pages 74 to 77 Strategy for growth: pages 10 to 21	**(d) The impact of the Group's operations on the community and the environment**	Our Planet: pages 28 to 31 B Corp: One year on: pages 20 to 21 Our People: pages 23 to 27 TCFD: pages 34 to 37
(b) The interests of the Group's employees	Our People: pages 23 to 27 Create an even better place to work: page 18 Board activities: pages 74 to 77 Colleague Advisory Panel: page 76 Remuneration Committee Report: pages 88 to 89	**(e) The desirability of the Group maintaining a reputation for high standards of business conduct**	Our People: pages 23 to 27 Non-financial information and sustainability: page 43
(c) The need to foster the Group's business relationships with suppliers, customers and others	Our Product: pages 32 to 33 Engaging with stakeholders: page 8 to 9	**(f) The need to act fairly as between members of the Company**	Engaging with stakeholders: page 8 to 9 Board activities: pages 74 to 77 Strategy for growth: pages 10 to 21 Remuneration Committee Report: pages 88 to 89

Recycled outdoor living range

Making the right decisions for our stakeholders

Expanding our store network

Stakeholders:

In February 2023, the Board approved the decision to commission work with the retail commercial real estate experts at Newmark to carefully assess the opportunity to expand our store network in the UK, recognising that our retail stores offered customers a high quality shopping experience and the opportunity to test, trial and compare products and seek advice from our knowledgeable colleagues. Additionally, the Board noted that with less than 60 stores in the UK at the time, and coverage of less than 40% of the UK population within 30 minute drive times, there appeared opportunity to drive profitable growth through expansion for the benefit of members, improve access for customers and creating employment opportunities in local communities.

Following the completion of the study, the Board discussed in September 2023 the identified opportunities to expand the UK estate to approximately 100 stores and reviewed and discussed information on the Group's current retail estate, including the Cookery School concept in London and made the following decisions:

- New store opening investment criteria were reviewed and approved, and a robust process of reviewing post-opening performance agreed, ensuring that return on investment would benefit members and support the Group's long-term success
- The CFO was requested to take ongoing responsibility for developing and executing the property and store development expansion strategy for the Group
- Newmark were appointed on an ongoing basis to support with expansion activities
- To adopt a disciplined approach, taking decisions to cease existing operations at appropriate times, that did not meet target performance levels
- The Cookery School concept was not meeting sufficient performance levels. While the Board reflected on the quality of the concept for customers, colleagues and marketing purposes, on balance it was agreed that as a non-core activity it would not be possible to give it the necessary attention to drive performance to acceptable levels, and should, therefore, be closed
- Closure of three small garden centre stores where leases were up for renewal and the locations did not meet the required performance criteria

5–10

target for new store openings per year

Succession planning

Stakeholders:

Following the decision to undertake a search for a new CEO, the Board worked closely with the Nomination Committee to identify and attract suitable candidates and were pleased to appoint Lee Tappenden into the role in September 2023. Following Lee's appointment and his initial period with the Group, Lee shared his initial observations and the Board discussed in detail the need to develop the Leadership Team, adding new capability in Ecommerce, Commercial and Marketing roles, which would support an acceleration in strategic execution and Group performance for the benefit of all stakeholders.

Consideration was given to existing colleagues and the impact on them of recruiting new Leadership Team senior-level positions to lead these functions and the likely benefit to the customers of the new proposed senior roles. The Board discussed the likely skills and experience required for each role, and reflected on the benefits of improving diversity within the existing Leadership Team.

Marta Navas joined the Leadership Team as Ecommerce Director in October 2023, Claire Tait as Marketing Director in April 2024 and Laurie Haughton as Commercial Director in June 2024. Marta, Claire and Laurie bring significant leadership experience and retail expertise in their respective fields and will directly support and contribute to the long-term success of the Group.

57%

of Leadership Team is female as at the date of this report

Stakeholder

Customers | Colleagues | Suppliers | Communities | Shareholders

Launching our Customer Focus Group

Stakeholders:

At the Board strategy day, the Board discussed the Leadership Team's plan to increase focus of internal decision making on customer priorities with regard to product ranging, promotions, marketing and service. The Leadership Team set out how they proposed to gather more customer feedback by introducing Net Promoter Score ("NPS") surveys and increased listening groups and brand health metrics.

The Board agreed that the historical tendency of the Group was to be slightly more product-focused than customer-focused, and that by increasing focus on customer satisfaction should improve the experience for customers as a whole, in turn improving repeat rates and strengthening the ProCook brand for the benefit of all stakeholders.

The Board discussed creating a Customer Focus Group to be chaired by the CEO, meeting each week to drill into performance metrics such as NPS and Trustpilot feedback and to listen more effectively to customers needs and ensure appropriate responses and actions were taken. This group was established in February 2024, and has already implemented initial phases of NPS reporting and set targets for improvement over the months ahead.

90%

NPS as measured at checkout in Retail stores during first 8 weeks post launch in March 2024

Nomination Committee report

Members

- Greg Hodder – Chair
- David Stead – Member
- Luke Kingsnorth – Member (resigned 25 June 2024)
- Meg Lustman – Member (appointed 25 June 2024)

Read more:

The skills and experience of all Committee members can be found on pages 70 to 71

Committee meeting attendance is set out on page 69

During the year, the Committee reviewed and recommended changes to the composition of the Board and senior management team; discussed long-term succession planning and development of the Executive pipeline and recommended the appointment of the new CEO, the new Commercial Director and the new Marketing Director.

Throughout the year, the Executive Directors have been invited to attend Committee meetings and have provided the Committee with valuable insight into the resourcing needs of the business and actions being taken to ensure the necessary skills and experience are in place to drive the Group's strategy forward.

Given the reconfirmation last year by Daniel O'Neill of his intention to step down from his CEO role at an appropriate time, it has been an active year for the Committee, having initiated and concluded a formal search for his successor. Following the appointment of Lee Tappenden into this role, the Committee have spent time understanding and supporting the recruitment of the talent required to deliver strategic growth ambitions.

Key responsibilities

The purpose of the Committee is to establish a formal, rigorous, and transparent procedure for the appointment of new directors to the Board, as required by the UK Corporate Governance Code (the "Code"). The Committee's main responsibilities, as outlined in its Terms of Reference, are:

- Reviewing the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and making recommendations to the Board with regard to any changes.
- Ensuring plans are in place for orderly succession to Board and senior management positions and overseeing the development of a diverse pipeline for succession.
- Reviewing the leadership needs of the organisation, both Executive and Non-Executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.
- Identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- Evaluating the balance of skills, knowledge, experience and diversity on the Board, and, in light of this evaluation, preparing a description of the role and capabilities required for a particular appointment.
- Reviewing the time required from Non-Executive Directors. Performance evaluation is used to assess whether the Non-Executive Directors are spending enough time fulfilling their duties.

The Committee's Terms of Reference are available on the Group's website.

Diversity and Inclusion

Policy Statement

The Board recognises the benefits of diversity in its broadest sense and believes that the Board's capabilities are improved by a diverse balance of skills, expertise, gender, ethnicity, and professional and social backgrounds. Together, this brings the widest possible breadth of perspectives, insights and challenge to the decision-making process, ultimately ensuring the Board and senior management are equipped to promote the long-term success of the Group.

The Board supports the recommendations set out in the FTSE Women Leaders Review on gender diversity and the Parker Review on ethnic diversity.

The Group's policy on Diversity and Inclusion is available on the Group's website.

Objectives and progress

Supported by the Nomination Committee, the Board will:

- Consider all aspects of diversity, including gender and ethnicity, when reviewing the composition and balance of the Board and when conducting the annual Board effectiveness review.
- Only engage Executive search firms who have signed up to the Voluntary Code of Conduct on gender diversity and best practice.
- Encourage and monitor the development of internal high-calibre employees including considering all aspects of diversity to help support the internal talent pipeline for succession at both Board and senior management level.
- Ensure that candidate lists for Non-Executive Director positions are compiled by drawing from a broad and diverse range of candidates, including those who may not have previous listed company experience but who possess suitable skills or qualities.

The Board is committed to the business' aim to be truly representative of all aspects of society and for colleagues to feel involved, valued and respected, as well as following the provisions relating to diversity in the Code. However, the Committee acknowledges that the diversity of the Board has not yet met the FCA targets of 40% female representation on the Board, one senior Board position being occupied by a female, and one ethnic minority member. The Committee will continue to focus on improving the diversity on the Board and consider it carefully when making recommendations to the Board on new Board appointments.

On a positive note, we are pleased to have made progress towards a more diverse senior Leadership Team. As at the date of this report, four out of the seven members of the Leadership Team(57%) are now female, including the Commercial Director, the Ecommerce Director, the Marketing Director and the People Director who are regularly invited to attend their respective elements of Board meetings.

Gender balance of senior management and direct reports

The gender balance of the Board and Leadership Team is shown on page 70. The gender balance of the Leadership Team is also included in the Sustainability section of the Strategic Report on page 24.

Board composition

Last financial year, following the announcement that Steve Sanders (Executive Director and COO), intended to retire, the Committee reviewed and proposed changes to the structure of the Board and agreed that in future the COO role (should the Group wish to retain a COO) would not be a Board position. Additionally, the Committee carefully examined the skills and experience of the Non-Executive Directors and noted areas of duplication of expertise. Following consideration, Gillian Davies indicated a willingness to step down, following which the Committee agreed that those skills and experience would be sufficiently covered by the other Non-Executives, save for the fact that this would result in an all-male Board. However, taking all things into account, it was agreed by the Committee, and ultimately the Board, that this course of action was in the best interests of the Group.

Nomination Committee report
Continued

CEO search

As previously communicated, it was Daniel O'Neill's intention to step back from the CEO role at an appropriate point. In February last year, Daniel discussed the timing of this with the Committee and it was agreed that the business had reached a stage where he could begin thinking about making this transition.

In March 2023, following a tender process, we engaged Korn Ferry to lead the CEO search and agreed on the skills, experience and personal characteristics required for the role. Korn Ferry is a signatory to the Voluntary Code of Conduct on gender diversity and best practice and the Committee requested that a long list of diverse candidates be drawn up for the Committee's consideration. Neither the Board nor any of the individual Directors have any connection with Korn Ferry.

On 7 July 2023, the Board announced the appointment of Lee Tappenden to the role of CEO and Executive Director. Lee brings extensive leadership, retail and consumer experience, having spent over 25 years with Walmart Stores and Asda, where he held a range of senior management roles. His tenure included roles in merchandising and operations, before becoming Chief Operations Officer, and then President and CEO of Walmart Canada. Lee joined the Group as CEO and Board as Executive Director on 19 September 2023.

Having founded ProCook over 20 years ago, Daniel's knowledge of the business is unparalleled, and as such the Nomination Committee recommended that Daniel remain a Board member as non-independent Non-Executive Director (Deputy Chair and Founder), a position he duly transitioned to on 15 October 2023. Given Daniel's expertise, the Committee asked Daniel to continue to support Product Development in an advisory capacity until such a time as both Daniel and Lee were happy that sufficient knowledge transfer had been completed.

Independent NED search

In March 2024, Luke Kingsnorth, independent Non-Executive Director and Remuneration Committee Chair, noted that he did not intend to extend his Board membership past the initial three-year term and would not be putting himself forward for re-election at the AGM, such that he could focus more fully on his other professional commitments. Luke has added tremendous value to the Board as a whole over recent years, and on behalf of the Board, I would like to thank him for the consistent high quality of his contributions during his time with us.

In early May 2024, we concluded the appointment of Meg Lustman as Non-Executive Director and Chair of the Remuneration Committee with effect from the 25 June 2024, the same day that Luke stepped down from the Board. Meg has over 35 years of retail experience, was previously CEO of British affordable luxury brand Hobbs, and prior to this, she held senior positions at many of the UK's leading fashion retailers including John Lewis, Warehouse, and Aurora/Mosaic Fashions. I am delighted to welcome Meg to the ProCook Board, as she brings a wealth of retail experience, having led the UK and international growth of some of the UK's best-known retailers. Meg's experience will be invaluable to the business as we continue to build on the growing momentum in our performance.

Succession planning

The Board has delegated responsibility to the Committee for leading the process for identifying and nominating Board candidates, as well as keeping the diversity of the Board under review. When making a Board appointment, the Committee will seek to identify an individual with the skills, knowledge and experience required to fulfil the role, taking account of the added value that the individual brings to the Board in terms of creating a diverse, and therefore, more effective, decision-making body.

The Committee also has responsibility for oversight of the development of a diverse pipeline of potential Directors and senior managers. This is supported by the Group's Diversity and Inclusion Policy as described on page 109, which aims to ensure that ProCook's workforce is truly representative of all aspects of society and that employees feel involved, valued and respected.

During the year, the Committee reviewed and challenged the structure of the Group's Leadership Team and supported the Executive Directors both in and outside the boardroom and, after much discussion, agreed on a number of changes to role descriptions and reporting lines. Most notably, the new roles of Commercial Director and Marketing Director were agreed to be critical to support the business strategy. The Committee supported the Executive team in their recruitment for these positions and recommended the appointments of both roles to the Board for approval.

Annual evaluation

During the year, the Board conducted an internal evaluation of the effectiveness of the Board and its Committees. The review highlighted that the Committee and its Chair perform effectively and there were no material concerns to report.

Election and re-election of Directors

In accordance with the Code and the Company's Articles of Association, all Directors will offer themselves for election by shareholders each year at the Company's Annual General Meeting. As previously mentioned, Luke Kingsnorth has now resigned and will not be put forward for re-election at the 2024 AGM. Both the Committee and the Board are satisfied that the rest of the Directors continue to be effective in, and demonstrate commitment to, their respective roles on the Board and that each makes a valuable contribution to the leadership of the Company. The Committee, therefore, recommends that shareholders vote in favour of all Directors' nominations for re-election at the AGM.

Greg Hodder
Nomination Committee Chair

25 June 2024

Audit and Risk Committee report

Members

- David Stead – Chair
- Luke Kingsnorth – Member (resigned 25 June 2024)
- Meg Lustman – Member (appointed 25 June 2024)

Read more:

The qualifications and experience of all Committee members can be found on pages 70 to 71

Committee meeting attendance is set out on page 69

The principal focus of the Committee has been on supporting and guiding the Executive Directors as they continued to enhance the internal control environment while also dealing with the continued macro-economic challenges. In the context of this heightened risk environment, the Committee continued to challenge and support management through the actions being taken to strengthen the balance sheet, preserve cash and drive improved trading performance.

Committee meetings are routinely attended by the Chair of the Board, Chief Executive Officer, Chief Financial Officer, and the external Auditor. The Committee also meets separately with the external Auditor without management present at least annually.

Key responsibilities

The Committee's key responsibilities, as outlined in its Terms of Reference, are:

- Monitoring the integrity of the financial statements of the Group and any formal announcements relating to financial performance.
- Reviewing the adequacy and effectiveness of the Group's internal financial reporting and internal control policies and systems.
- Overseeing the Group's arrangements for its people to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.
- Reviewing the Group's procedures for detecting fraud and preventing bribery and money laundering
- Overseeing the effectiveness and performance of the external Auditor and making recommendations to the Board regarding their appointment or removal.
- Advising the Board on the Group's overall risk appetite, tolerance and strategy, and principal and emerging risks.
- Monitoring and reviewing the effectiveness of the Group's risk management framework.

The Committee's Terms of Reference are available on the Group's corporate website.

How the Audit and Risk Committee discharges its responsibilities

The Committee has unrestricted access to documents and information as well as to employees of the Group and the external Auditor. The Committee Chair meets regularly with the Chief Financial Officer. Members of the Committee may, in pursuit of their duties, take independent financial advice on any matter, at the Group's expense. The Committee Chair reports the outcome of Audit and Risk Committee meetings to the Board.

The Committee meets at least three times a year and has an agenda linked to the events in the Group's financial calendar.

Significant items considered during the year

Finance team capability

At the request of the Committee, management continued to provide detailed team updates to the Committee on a regular basis. During the year the team has continued to develop in capability (and capacity following the adoption of further process automation) and is now providing improved support to other internal functions in respect of commercial performance and decision making, strategy, and business planning.

Going concern and viability assessment

In preparation for the publication of the Group's FY24 financial statements, the Committee conducted a comprehensive review of the going concern position and longer-term viability assessment. Management prepared a paper setting out the methodology and assumptions used for the assessment, summarising projected performance over a three-year forecast period, together with sensitivity analysis. The Committee discussed the assumptions and results in detail, including:

- The assumptions driving the base case projections
- Results of the downside and severe but plausible downside scenarios
- The results of the stress tests undertaken
- The variability and fixed nature of the cost base
- The profile of projected cash flows under each scenario and stress test, and any areas where cash headroom may become tighter
- The available finance facilities and the impact of the scenarios and stress tests on meeting covenant tests
- The mitigations available to management and likelihood of timely implementation, should they be needed

Following this detailed review, the Committee noted that under the severe but plausible downside scenario, which they have reviewed, the Group is likely to breach its leverage covenant in Q2 FY25 but remains within available facility limits and compliant with the fixed charge cover covenant. In the base case scenario, and in the other downside scenario, which the Committee reviewed, this covenant is not breached. The Committee, therefore, acknowledged and confirmed to the Board 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 Committee considered the likelihood of such a severe downside scenario materialising to be low and recognised 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 Committee, therefore, confirmed to the Board that they were satisfied that the Group should adopt the going concern basis of accounting in preparing the financial information for the year ended 31 March 2024 and that there was a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and will be able to continue in operation and meet its liabilities as they fall due over the viability assessment period.

Financial statements and significant financial judgements

The Committee considered, in particular, the following matters, as identified by the external Auditor, in relation to the Group's full-year financial statements:

- **Impairment of GGUs and investments:** Review of accounting papers and discussion with management and external Auditor regarding the approach taken, compliance with IFRS and appropriateness of conclusions drawn.
- **Critical accounting judgements and estimates:** Consideration of the completeness of disclosures, and the inclusion of all significant judgemental and estimation items within these disclosures, to enhance understandability for readers of the Financial Statements.
- **Lease guarantees:** Review of detailed technical papers and discussion with management, and review of technical guidance from independent technical expert commissioned by management to provide advice regarding the accounting treatment of the guarantees provided to the respective landlords on assignment of two leases for previous HQ / Distribution Centre sites during the year.
- **Share-based payments:** Reviewed and discussed with management the reasonableness of vest expectations applied to the Group's share based payment schemes.
- **Going concern and viability:** Reviewed management's technical papers, and considered the downside, severe downside and stress test scenarios in the context of the principal risks. Consideration was given to the likelihood of achieving the base case forecasts, the Group's recent performance and historical forecasting accuracy.
- **Deferred tax:** Reviewed and challenged management on the background to the restatement identified in respect of share-based payments, how the restated treatment differed to that previously recognised, and considered the recoverability of the deferred tax asset in the context of the projected profitability of the Group.

Risk management framework

The Board is responsible for the Group's risk management framework and the Committee has been delegated responsibility for reviewing the overall process of assessing business risks and their impact on the Group. The Board retains overall responsibility for the level of risk the Group is willing to accept and for allocating sufficient resource to the management of business risk.

The Executive Directors review the Group's risk register regularly and report any proposed changes to the Committee and the Board.

As part of the ongoing assessment of the business' principal risks and uncertainties, the Committee has considered several factors including macroeconomic uncertainty, supply chain concentration and disruption, the Ukraine conflict, the war in Palestine and wider conflict in the Middle East (including the impact on Red Sea shipping), climate change, as well as cyber and technology risks.

The principal risks and uncertainties of the Group and their mitigation are included on pages 52 to 63. These principal risks and uncertainties have been considered in the Viability Assessment on pages 64 to 65 and Going Concern Assessment on pages 126 to 128.

Internal control framework

The Committee is responsible for reviewing the Group's internal financial controls and control management systems and the Board is ultimately responsible for establishing procedures to oversee the internal control framework.

The Committee received updates from management on the Group's internal controls at each of its meetings, which allowed the Committee to interrogate and provide input on improvements in the following areas:

- Annual review of FPPP
- Foreign exchange management
- Finance process automation
- Cyber security improvements and penetration test results
- Disaster recovery and business continuity

On behalf of the Board, the Committee has considered the effectiveness of the internal control systems and risk management processes in place during the year.

Annual Report and Accounts and results announcements

During the year, the Committee formally reviewed draft interim and full-year results announcements and the Annual Report and Accounts. These reviews considered:

- The accounting principles, policies and practices adopted in the Group's financial statements and proposed changes to them
- Significant accounting issues and areas of judgement and complexity
- The integrity of the financial and non-financial information

The Committee was satisfied with management's presentation of the FY24 interim and full-year results and announcements and the Annual Report and Accounts.

The external Auditor confirmed to management that they were not aware of any material unadjusted misstatements during the course of their audit.

The Committee has reviewed the Annual Report and Financial Statements and is satisfied that, taken as a whole, they are fair, balanced and understandable and provide shareholders with the necessary information to assess the Group's position and performance, business model and strategy, and should be recommended to the Board.

External Auditor

The Committee oversees the Group's relationship with the external Auditor and makes recommendations to the Board concerning the Auditor's appointment, re-appointment and remuneration.

Forvis Mazars LLP was appointed as the Group's Auditor in 2021 and its audit of the Group is in respect of these financial statements for the year ended 31 March 2024. Charlene Lancaster is the Audit Partner. The Committee intends to comply fully with the FRC Guidance on external Auditors and carry out an audit tender at least every ten years and mandatory rotation at least every 20 years.

The Committee considers, at least annually, the independence and objectivity of the Auditor, taking into consideration the relevant UK professional and regulatory requirements. In December 2023 the Committee reviewed a statement from the Auditor detailing its independence policies and safeguards and confirming its independence. Following this review and further consideration during March 2024 and June 2024 Committee meetings, the Committee agreed that the Auditor is independent.

The Committee has considered and approved the terms of engagement and fees of the Auditor in respect of the audit of the accounts for the year ended 31 March 2024. Audit fees payable by the Group to Forvis Mazars LLP during the year totalled £317k. There were no contingent fee arrangements.

The Committee has approved a non-audit services policy and confirms that there were no non-audit services carried out by the Auditor during the last year.

To fulfil its responsibility regarding the effectiveness of the external Auditor and oversight of the audit process, principal procedures carried out by the Committee include:

- Review of the relevant skills and experience of the audit partner and team
- Review of the Auditor's planning report detailing scope of the audit, materiality and identification of areas of audit risk
- Consideration of formal reports from the Auditor about the audit process, issues which arose during the audit and their resolution, key accounting issues and judgements
- Consideration of recommendations made by the external Auditor in their management letters and the adequacy of management's response.

The Committee has recommended the reappointment of Forvis Mazars LLP, as external Auditor, to the Board.

Internal audit

During the year, the Group did not have an internal audit function as it had been agreed that the Group's size and activities were such that internal assurance was achievable through other means, including the close involvement of the Executive Directors in the day-to-day running of the Group and oversight of the Group's operations.

The Committee has concluded that regular reporting from, and discussions with, management remain an appropriate means of obtaining assurance as to the effectiveness of the Group's internal controls, given the size and complexity of the Group, and that a permanent internal audit function is, therefore, not required at this time. The Committee will continue to review this position at least annually.

Annual evaluation

During the year, the Board conducted an internal evaluation of the effectiveness of the Board and its Committees. The review highlighted that the Committee and its Chair perform effectively and there were no material concerns to report.

Priorities for FY25

In the year ahead, the Committee will continue to support and challenge management through the evolution and development of the Group's risk management framework. The Committee will oversee management's drive to continually enhance internal control policies and procedures, including those related to financial reporting, system resilience and security, and asset protection.

David Stead
Audit and Risk Committee Chair

25 June 2024

Remuneration Committee report

Members

- Luke Kingsnorth – Chair (resigned 25 June 2024)
- Meg Lustman – Chair (appointed 25 June 2024)
- Greg Hodder – Member
- David Stead – Member

Read more:

The qualifications and experience of all Committee members can be found on pages 70 to 71

Committee meeting attendance is set out on page 69

This report, in line with UK reporting regulations, is divided into three sections:

- This annual statement, which summarises the work of the Committee and our approach to remuneration.
- The Directors' Remuneration Policy, which summarises the policy approved by shareholders at the 2022 Annual General Meeting.
- The annual report on remuneration, which sets out the remuneration arrangements and incentive outcomes for FY24, and how the Committee intends to implement the Remuneration Policy in the FY25 financial year.

As no changes are proposed to the Directors' Remuneration Policy, we will present only one remuneration-related resolution at our forthcoming Annual General Meeting, relating to the advisory vote on the annual statement and the annual report on remuneration.

I have summarised our approach on these below and further details can be found in the Remuneration Report. I trust that you find this report and our Remuneration Policy clear and that you will give your support when voting at our AGM.

Remuneration for FY24

For the financial year the Group delivered total revenue of £62.6m (+0.4% year on year) and underlying profit before tax of £1.0m (FY23: £0.2m underlying loss before tax).

This performance reflects a modest improvement year on year, despite the challenging macro-economic backdrop with high levels of inflation and falling real disposable incomes.

Against the financial targets set, the outturn for underlying profit before tax is below the level of performance required under the Annual Bonus Plan and, therefore, there is no bonus being awarded to the Executive Directors in respect of this element in FY24. An element based on personal performance was incorporated for the CFO and this resulted in an award of £100,000 (38.5% of salary). Further details of performance against the relevant targets can be found on page 102 of this report.

Long-term Incentives for Executive Directors granted in November 2021 under the Performance Share Plan are due to vest in November 2024, however, these awards are expected to lapse as the performance conditions based on cumulative underlying profit before tax up to and including FY24 have not been achieved.

No Committee discretion has been applied to remuneration outcomes.

Directors' Remuneration Policy

In the lead up to admission, the proposed Directors' Remuneration Policy was considered carefully to ensure that, after admission, it incentivised and rewarded long-term, sustainable growth of the Group, was compliant with the UK Corporate Governance Code and was in line with market best practice and the guidelines of UK institutional shareholders and advisory bodies. The Policy was designed to provide market-competitive remuneration for the achievement of stretching targets. The incentives were intended to reward for achieving the long-term business strategy, with a significant proportion payable in shares, which must be held long term.

These arrangements were formally approved by shareholders at the 2022 AGM with a 99.99% vote in favour of the resolution to approve the Directors' Remuneration Policy.

A summary of the Remuneration Policy is set out on pages 90 to 100.

Board changes

Last year Daniel O'Neill, Founder of ProCook, reconfirmed his intention to transition away from his CEO role at the appropriate time and following the appointment of a successor. Lee Tappenden joined ProCook as the new CEO and Executive Director on 19 September 2023, and following an initial handover period, Daniel transitioned into a Non-Executive role on our Board on 15 October 2023.

In March 2024, I notified the Board that I did not intend to extend my Board membership past the initial three-year term and would not be putting myself forward for re-election at the AGM, in order that I could focus more fully on my other professional commitments. I am very pleased to be handing over the Chair of the Remuneration Committee to Meg Lustman and I wish Meg and the Group every future success.

Implementation of the Remuneration Policy for FY25

The Remuneration Committee intends to operate the Remuneration Policy for FY25 as follows:

Base salaries

The CEO salary of £400,000 agreed on appointment of Lee Tappenden will remain unchanged, and the CFO's salary will increase to £270,400 reflecting an increase of 4.0%. The wider workforce average increase for the period is 8.3%.

Pensions/benefits

A defined contribution/ salary supplement of 3% of salary will be offered to the current Executive Directors (consistent with all colleagues' pension arrangements), together with a standard suite of other benefits.

Annual bonus

For FY25, the maximum annual bonus is 100% of salary and payments will be based on 30% underlying profit before tax performance, 30% revenue, 30% operating cash flow and 10% colleague engagement score. 25% of any bonus will be deferred into shares for 2 years.

Long-term incentives

A further award is expected to be made in Summer 2024 under the Performance Share Plan ("PSP"). Award levels will be set at a maximum of 100% of salary for the Executive Directors. Performance targets will be based on EPS performance over the performance period.

The Committee believes that the above approach takes due account of market and best practice and, importantly, also reflects and supports the Group's strategy and promotes its long-term success.

Wider ProCook team

The Group's employees are critical to the development of the business and the Remuneration Committee takes an active interest in the wider employee base. The Committee is made aware of pay and employment conditions throughout the Group and is mindful of this when making decisions on Executive pay. It also is responsible for reviewing wider senior Leadership Team pay.

Participation in the Group's SAYE Scheme is offered to all employees and the latest offer was launched in February 2024 with the awards granted on 15 February 2024. Across the three SAYE schemes offered to date, 97 colleagues are currently participating, and when combined with the participation under the IPO Employee Share Plan means that a substantial proportion of the workforce have a direct interest in the share price performance of the Company. The Group intends to continue to offer subsequent SAYE grants annually.

On behalf of the Committee, thank you for reading this report and we look forward to receiving your support at the forthcoming AGM in relation to the advisory vote on this annual statement and the annual report on remuneration.

Luke Kingsnorth
Remuneration Committee Chair

25 June 2024

Directors' Remuneration Policy

This section sets out the Group's Directors' Remuneration Policy, which has been prepared in accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended in 2013, 2018 and 2019. The Directors' Remuneration Policy was put to a binding shareholder vote at our 2022 Annual General Meeting and took formal effect from that date. The Policy will formally apply for three years unless a new policy is presented to shareholders before then.

The Committee has ensured that the Directors' Remuneration Policy and practices are consistent with the six factors set out in Provision 40 of the Corporate Governance Code:

Clarity
Our Directors' Remuneration Policy is well understood by our senior Executive team and is clearly articulated to our shareholders and representative bodies.

Simplicity
The Committee is mindful of the need to avoid overly complex remuneration structures, which can be misunderstood and deliver unintended outcomes. Therefore, a key objective of the Committee is to ensure that our Directors' Remuneration Policy and practices are straightforward to communicate and operate.

Risk
Our Directors' Remuneration Policy has been designed to ensure that inappropriate risk taking is discouraged and will not be rewarded via (i) the balanced use of both annual incentives and long-term incentives, which employ a blend of targets; (ii) the significant role played by shares in our incentive plans (together with bonus deferral and shareholding guidelines); and (iii) malus/clawback provisions within all our incentive plans.

Predictability
Our incentive plans are subject to individual caps, with our share plans also subject to standard dilution limits. The use of shares within our incentive plans results in actual pay received being highly aligned to the experience of our shareholders.

Proportionality
There is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by variable pay, together with the composition of the Executive Directors' service contracts, ensures that poor performance is not rewarded.

Alignment to culture
Our Executive pay policies are fully aligned to the Group's culture through the use of metrics in both the annual bonus and PSP that measure how we perform against key aspects of our strategy, which has the objective of delivering sustainable growth in profitability.

Executive Directors

The following table summarises the key aspects of the Executive Directors' Remuneration Policy:

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Base salary To provide competitive fixed remuneration, which attracts and retains Executives of a superior calibre.	Base salaries will be reviewed each year by the Committee. The Committee does not strictly follow data but uses market data for similar roles in comparable companies as a reference point in considering, in its judgement, the appropriate level of salary having regard to other relevant factors including corporate and individual performance and any changes in an individual's role and responsibilities.	While there is no prescribed maximum salary or increase, it is anticipated that salary increases will normally be in line with increases to the wider workforce salaries. However, in certain circumstances (including, but not limited to, changes in role and responsibilities, market levels, individual and Group performance), the Committee may make larger salary increases to ensure they are market competitive. The rationale for any such increase will be disclosed in the relevant Annual Report on Remuneration.	n/a
Benefits To provide competitive fixed remuneration, which attracts and retains Executives of a superior calibre.	Executive Directors are entitled to benefits, including life assurance. Executive Directors will be eligible for any other benefits, which are introduced for the wider workforce on broadly similar terms, and for other benefits that might be provided based on individual circumstances, if the Committee decides it is appropriate. For external and internal appointments or relocations, the Group may pay certain relocation or incidental expenses as appropriate (for up to two years from recruitment). Any reasonable business-related expenses can be reimbursed (and any related tax met if determined to be a taxable benefit). Executive Directors can also participate in all-employee share plans on the same basis as other employees.	As it is not possible to calculate in advance the cost of all benefits, a maximum is not pre-determined. The maximum level of participation in all-employee share plans is subject to the limits imposed by the relevant tax authority.	n/a

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Pension To provide all colleagues, including Executive Directors, with long-term savings to allow for retirement planning.	Executive Directors can receive a contribution to a pension arrangement or a cash payment in lieu.	The maximum defined contribution or cash allowance in lieu of pension is limited to the contribution level available to most other employees, which is currently 3% of base salary.	n/a
Annual Bonus Plan Rewards achievement of annual financial and business targets aligned with the Group's strategy and KPIs. Bonus deferral encourages long-term shareholding, supports retention and discourages excessive risk taking.	Awards are based on performance, typically measured over one year. Pay-out levels are determined by the Committee after the year-end based on performance against pre-set targets. Bonus is normally paid in cash, except not less than 25% of any bonus, which is deferred into an award under the Deferred Bonus Plan ("DBP"), typically for a two-year period. The level of deferral and period for deferral may change in relation to future financial years. Dividend equivalents may accrue on deferred shares. The vesting of deferred shares is not subject to any additional performance conditions. Provisions are included, which enable the Committee (in respect of both the cash and the deferred elements of bonuses) to recover or withhold value in the event of certain defined circumstances (that is, in cases of misconduct, material misstatement of financial results, error in calculation of a bonus payment and reputational damage).	The normal maximum level of Annual Bonus Plan outcomes is 100% of base salary per annum. The normal maximum will only be exceeded in exceptional circumstances and is subject to an overall limit of 200% of salary in a financial year.	Targets are set annually with measures linked to our strategy and aligned with key financial, strategic and/or individual targets. The performance measures for FY25 are set out on page 107. The performance measures applied may be financial or non-financial, corporate, divisional or individual, and in such proportions as the Committee considers appropriate. A graduated scale of targets is set for each measure, with no pay-out for performance below the threshold level. The Committee has the discretion to amend the pay-out should any formulaic outcome not reflect its assessment of overall business performance.

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Long-term incentives To incentivise and retain Executive Directors through long-term performance-related pay, with a clear line of sight for Executives and direct alignment with shareholders' interests.	Awards will be in the form of nil-cost share options. Awards will be granted with vesting dependent on the achievement of performance conditions set by the Committee, with performance normally measured over at least three years. Awards will be subject to a two-year holding period following the end of the performance term, with options typically not being exercisable by participants until the end of the holding period. Dividend equivalents may accrue on awards, to the extent they vest. The PSP includes provisions that enable the Committee to recover or withhold value in the event of certain defined circumstances (that is, in cases of misconduct, material misstatement of financial results, error in calculation of a vesting level and reputational damage).	The normal maximum PSP award is 100% of salary in a financial year. The normal maximum will only be exceeded in exceptional circumstances and is subject to an overall limit of 200% of salary in a financial year.	PSP performance measures may include financial and shareholder value metrics as well as strategic, non-financial measures. The performance measures for 2024 awards are set out on pages 103 to 104. The Committee retains the discretion to set alternative measures and weightings for awards over the life of the policy. Targets are set and assessed by the Committee on its discretion. A maximum of 25% of any element vests for achieving the threshold target, with 100% for maximum performance. The Committee has the discretion to amend the vesting level should any formulaic outcome not reflect its assessment of overall business performance.

Directors' Remuneration Policy
Continued

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Share ownership guidelines To align with shareholders' interests and to foster a long-term mindset.	Executive Directors are required to retain all shares that vest, net of any tax liability, under the PSP and DBP awards until the guideline is met. Any share plan awards that have vested but are subject to a holding period and any shares subject to awards under the DBP will be credited for the purpose of the guidelines (discounted for anticipated tax liabilities). Executive Directors will be required to maintain a shareholding in the Company for a two-year period after stepping down from that position, being the full value of the shareholding requirement or the Executive Director's actual relevant shareholding at leaving this position if lower.	200% of base salary for all Executive Directors.	n/a
All-employee share plans To encourage share ownership by employees, thereby allowing them to share in the long-term success of the Group and align their interests with those of the shareholders.	These are all-employee share plans established under HMRC tax-advantaged regimes and follow the usual form for such plans. Executive Directors will be able to participate in all-employee share plans on the same terms as other Group employees.	The maximum participation levels for all-employee share plans will be the limits for such plans contained in their rules, which are set by HMRC from time to time.	Consistent with normal practice, such awards will not be subject to performance conditions.

Chair and Non-Executive Directors

The following table summarises the key aspects of the Chair and Non-Executive Directors' Remuneration Policy:

Purpose and link to strategy	Operation	Maximum opportunity	Performance measures
Chair and Non- Executive Director fees To enable the Group to recruit and retain Chairs and Non-Executive Directors of the highest calibre, at an appropriate cost.	The fees paid to the Chair and Non-Executive Directors aim to be competitive with other fully listed companies of equivalent size and complexity. The fees payable to the Non-Executive Directors are determined by the Board, with the Chair's fees determined by the Committee. The Chair and Non-Executive Directors will not participate in any cash or share incentive arrangements. The Group reserves the right to provide benefits (including travel and office support) to the Chair and Non-Executive Directors where appropriate. Should any assessment to tax be made on such reimbursement, the Group reserves the ability to settle such liability on behalf of the Chair or Non-Executive Director.	The aggregate fees (and any benefits) of the Chair and Non-Executive Directors will not exceed the limit from time to time prescribed within the Company's Articles of Association. If the Chair and/or Non-Executive Directors devote special attention to the business of the Group, or otherwise perform services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, they may be paid such additional remuneration as the Directors or any Committee authorised by the Directors may determine.	n/a

Notes to the policy table

Legacy arrangements

In approving this Remuneration Policy, the Company has the authority to honour any previous commitments entered into with current or former Directors (such as the payment of a pension or the unwinding of legacy share schemes or historic share awards) that remain outstanding.

As set out in the Prospectus, the Group has various legacy IPO arrangements, some of which remain subject to time vesting post-IPO. Incentive awards granted prior to the introduction of this Policy will continue to operate in line with the terms agreed at grant, including the IPO Employee Share Plan awards granted to the Executive Directors that are outlined on page 104.

Summary of decision-making process

In determining the Directors' Remuneration Policy, the Committee followed a robust process, which included discussions on the content of the Policy at Remuneration Committee meetings during the year. The Committee considered the input from management and independent advisors, as well as considering views of shareholders and proxy advisory services.

Explanation of performance measures

Annual bonus performance measures are selected annually to align with the Group's KPIs and strategic imperatives and the interests of shareholders and other stakeholders. Financial measures will normally influence most of the bonus with any remainder based on key strategic and/or personal objectives designed to ensure Executive Directors are incentivised across a range of objectives. Target performance is typically set in line with the year's business plan, with the threshold to stretch targets set around the plan, based on a sliding scale that reflects relevant commercial factors. Only modest rewards are available at threshold performance levels, with rewards at stretch requiring material outperformance of the business plan. Details of the specific measures used for the annual bonus are set out in the Annual Report on Remuneration.

PSP performance measures will be selected to provide a robust and transparent basis on which to measure the Group's performance; link remuneration outcomes to delivery of the business strategy over the longer term; and provide strong alignment between senior management and shareholders. The Policy provides for Committee discretion to alter the PSP measures and weightings from year to year. This is to ensure that it can continue to measure performance appropriately, if the Group's strategic ambitions evolve over the life of the Policy.

When setting performance targets for the Annual Bonus and PSP, the Committee will consider a number of different factors. These may include the Group's business plans and strategy, external forecasts and the wider economic environment.

The Committee retains the discretion to amend the bonus pay-out and the PSP vesting level if any formulaic outcome does not reflect its assessment of overall business performance over the relevant period.

Flexibility, discretion and judgement

The Remuneration Committee operates the Annual Bonus, DBP and PSP according to the rules of each respective plan which, consistent with market practice, include discretion in a number of respects to the operation of each plan. Discretions include but are not limited to:

- Who participates in the plan, the quantum of an award and/or payment, and the timing of awards and/or payments.
- Whether dividend equivalents will apply to the awards.
- Determining the extent of vesting.
- Treatment of awards and/or payments on a change of control or restructuring of the Group.
- Whether an Executive Director or senior manager is a good/bad leaver for incentive plan purposes and if the proportion of awards that vest do so at the time of leaving or at the normal vesting date(s).
- How and whether an award may be adjusted in certain circumstances (for example, for a rights issue, a corporate restructuring or special dividends).
- What the weighting, measures and targets should be for the annual bonus plan and PSP awards from year to year.
- The ability, within the policy, to adjust targets and/or set different measures or weightings for the applicable annual bonus plan and PSP awards, if the Committee determines that the original conditions are no longer appropriate or do not fulfil their initial purpose. Such changes would be explained in the subsequent Directors' Remuneration Report and, if appropriate, be discussed with our major shareholders.
- The ability to override formulaic outcomes in line with the Policy.

All assessments of performance are ultimately subject to the Committee's judgement. Any discretion exercised, and the rationale, will be disclosed in the Annual Remuneration Report.

The Committee may make minor amendments to the policy set out above (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Stating maximum amounts for the Remuneration Policy

The DRR regulations and related investor guidance encourages companies to disclose a cap within which each element of the Directors' Remuneration Policy will operate. Where maximum amounts for elements of remuneration have been set within the Directors' Remuneration Policy, these will operate simply as caps and are not indicative of any aspiration.

Travel and hospitality

While the Committee does not consider it to form part of benefits in the normal usage of that term, it has been advised that corporate hospitality (whether paid for by any Group company or a third party) and business travel for Directors (and exceptionally their families) may technically come within the applicable rules and so the Committee expressly reserves the right for the Committee to authorise such activities within its agreed policies.

Differences between the policy on remuneration for Directors and remuneration of other employees

While the appropriate benchmarks vary by role, the Group seeks to apply the philosophy behind this Policy across the Group as a whole. Where the Group's pay policy for Directors differs from its pay policies for groups of employees, this reflects the appropriate market rate position and/or typical practice for the relevant roles. The Group considers pay levels, bonus opportunity and share awards applied across the Group as a whole when setting the Executive Directors' Remuneration Policy.

Recruitment Remuneration Policy

The Company's Recruitment Remuneration Policy aims to give the Committee sufficient flexibility to secure the appointment and promotion of high-calibre Executives to strengthen the management team and secure the skill sets to deliver our strategic aims.

In terms of the principles for setting a package for a new Executive Director, the starting point for the Committee will be to apply the general Policy for Executive Directors as set out above and structure a package in accordance with that Policy. Any caps contained within the Policy for fixed pay do not apply to new recruits, although the Committee would not envisage exceeding these caps in practice.

The Annual Bonus Plan, DBP and PSP will operate (including the maximum award levels) as detailed in the general Policy in relation to any newly appointed Executive Director. For an internal appointment, any variable pay element awarded in respect of the prior role may either continue on its original terms or be adjusted to reflect the new appointment as appropriate.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation expenses as it considers appropriate.

For external candidates, it may be necessary to make additional awards in connection with the recruitment to buy out awards forfeited by the individual on leaving a previous employer.

For the avoidance of doubt, buy-out awards are not subject to a formal cap. Any recruitment-related awards, which are not buy-outs, will be subject to the limits for Annual Bonus Plan and PSP as stated in the general policy. Details of any recruitment-related awards will be appropriately disclosed.

For any buy-outs the Company will not pay more than is, in the view of the Committee, necessary and will in all cases seek, in the first instance, to deliver any such awards under the terms of the existing Annual Bonus Plan, DBP or PSP. It may, however, be necessary in some cases to make buy-out awards on terms that are more bespoke than the existing Annual Bonus Plan, DBP or PSP.

All buy-outs, whether under the Annual Bonus Plan, DBP, PSP or otherwise, will take due account of the service obligations and performance requirements for any remuneration relinquished by the individual when leaving a previous employer. The Committee will seek to the extent possible to provide any buy-out award on a broadly like-for-like basis.

A new Chair/Non-Executive Director would be recruited on the terms explained above in respect of the main policy for such Directors.

Service contracts

Executive Directors

The Committee's Policy is that each Executive Director's service agreement should be of indefinite duration, subject to termination upon no more than six months' notice by either party. The service agreements of the Executive Directors comply with that Policy. Contracts contain provisions allowing the Company to make payments in lieu of notice (albeit not including bonus or benefits) but do not contain change of control provisions.

The Committee reserves flexibility to alter these principles, if necessary, to secure the recruitment of an appropriate candidate and, if appropriate, introduce a longer initial notice period (of up to two years) reducing over time.

The date of each Executive Director's appointment was:

Lee Tappenden	19 September 2023
Dan Walden	19 October 2021

Chair and Non-Executive Directors

The Chair and each Non-Executive Director is engaged for an initial period of three years. These appointments can be renewed following the initial three-year term. These engagements can be terminated by either party on three months' notice.

Neither the Chair nor any Non-Executive Directors can participate in the Company's incentive plans, are not entitled to any pension benefits and are not entitled to any payment in compensation for early termination of their appointment beyond the three months' notice referred to above.

Name	Date of appointment	Term
Greg Hodder	29 October 2021	3 years
Daniel O'Neill[1]	15 October 2023	3 years
David Stead	29 October 2021	3 years
Luke Kingsnorth[2]	29 October 2021	3 years
Meg Lustman	25 June 2024	3 years

1 Daniel O'Neill transitioned into a Non-Executive role effective 15 October 2023 having previously served as CEO and Executive Director of the Group since 19 October 2021

2 Luke Kingsnorth notified the Board in March 2024 of his intention not to seek re-election to the Board at the Annual General Meeting in September 2024 and resigned on 25 June 2024

The Directors' service agreements and letters of appointment are available for shareholders to view from the Group Company Secretary on request.

Termination/change of control policy summary

It is appropriate for the Committee to consider treatments on a termination having regard to all of the relevant facts and circumstances available at that time. This policy applies both to any negotiations linked to notice periods on a termination and any treatments that the Committee may choose to apply under the discretions available to it under the terms of the Annual Bonus Plan, DBP and PSP.

The Company is entitled to terminate the Executive Directors' employment by payment of a cash sum in lieu of notice equal to salary during what would otherwise have been the notice period. A payment in lieu of notice can, at the Company's discretion, be paid as a lump sum, or in equal monthly instalments, over the notice period. There is a mechanism in the service agreement to reduce the instalments where the Executive Director commences alternative employment during the notice period. The Company may also terminate the Executive Directors' employment with immediate effect and with no liability to make any further payments in certain prescribed circumstances (e.g. in the case of a serious or repeated breach of the Executive Directors' obligations).

The potential treatments for the various incentive arrangements if there is a termination of employment or a change of control before the awards have vested are summarised in the table below:

Incentives	If a leaver is deemed to be a "good leaver"; for example, leaving through injury, ill-health, disability, redundancy, sale of business or otherwise at the discretion of the Committee	If a leaver is not a "good leaver"	Change in control
Annual bonus	Bonuses remain payable on the normal payment date and will be determined on such basis as the Committee may decide, which can include pro-rating for time. Bonuses are not subject to deferral under the DBP.	Annual bonus not generally paid.	Payment is accelerated to the date of the Change of Control. The Committee has discretion to determine the extent to which performance targets are achieved as at the Change of Control, or can waive performance targets. Bonuses are pro-rated for time unless the Committee determines otherwise. Bonuses are not subject to deferral under the DBP.
DBP	Upon death, awards become exercisable on the date of death. Awards are not normally subject to pro-rating unless the Committee determines otherwise. For other "good leavers", awards become exercisable on the vesting date, unless the Committee exercises discretion to allow them to be exercisable from the cessation date. Awards are not normally subject to pro-rating unless the Committee determines otherwise.	All awards will normally lapse.	Awards vest in full.

Incentives	If a leaver is deemed to be a "good leaver"; for example, leaving through injury, ill-health, disability, redundancy, sale of business or otherwise at the discretion of the Committee	If a leaver is not a "good leaver"	Change in control
PSP	Upon death, awards become exercisable on the date of death. If the date of death is during the vesting period, the Committee would need to determine the extent to which the performance targets are achieved on such modified basis as it may consider appropriate and the Awards would be subject to pro-rating, unless the Committee determines otherwise. If the date of death is during the holding period, the Awards are not normally subject to pro-rating, unless the Committee determines otherwise. For other "good leavers" during the vesting period, awards become exercisable on the vesting date (subject to performance), unless the Committee exercises discretion to allow them to be exercisable from the cessation date (in which case the Committee would need to determine the extent to which the performance targets are achieved on such modified basis as it may consider appropriate). The Awards would be subject to pro-rating unless the Committee determines otherwise. For other "good leavers" during the holding period, awards become exercisable on the cessation date. The Awards are not normally subject to pro-rating unless the Committee determines otherwise.	All awards will normally lapse, unless the Committee determines otherwise, in which case the Committee has broad discretion to determine the extent to which the Award can be exercised and the timing of exercise.	Awards become exercisable on the Change of Control. If the Change of Control is during the vesting period, the Committee would need to determine the extent to which the performance targets are achieved on such modified basis as it may consider appropriate and the Awards would be subject to pro-rating, unless the Committee determines otherwise. If the Change of Control is during the holding period, the Awards are not normally subject to pro-rating, unless the Committee determines otherwise.
All-employee share plans	As per HMRC regulations.	As per HMRC regulations.	As per HMRC regulations.

The Company has the power to enter into settlement agreements with Directors and to pay compensation to settle potential legal claims. In addition, and consistent with market practice, in the event of the termination of an Executive Director, the Company may contribute towards that individual's legal fees and fees for outplacement services as part of a negotiated settlement. Any such fees will be disclosed as part of the detail of termination arrangements. For the avoidance of doubt, the Policy does not include an explicit cap on the cost of termination payments.

External appointments

The Company's Policy is to permit an Executive Director to serve as a Non-Executive Director elsewhere when this does not conflict with the individual's duties to the Company, and where an Executive Director takes such a role, they will be entitled to retain any fees which they earn from that appointment (unless the Committee determines otherwise).

Statement of consideration of employment conditions elsewhere in the Group

Pay and employment conditions generally in the Group are considered when setting Executive Directors' remuneration. The Committee receives regular updates on overall pay and conditions in the Group, including (but not limited to) changes in base pay and any staff bonus pools in operation.

Although the Committee has not, to date, formally consulted with employees on matters of remuneration policy, the Committee will ensure there is appropriate liaison with the People and ESG Director to discuss any remuneration matters that should be considered as part of its annual cycle. Employee engagement scores and other internal surveys will be considered as appropriate.

Statement of consideration of shareholder views

When determining Executives' remuneration, the Committee considers views of shareholders and best practice guidelines issued by institutional shareholder bodies. The Committee is always open to feedback from shareholders on remuneration policy and arrangements, and commits to undergoing shareholder consultation in advance of any significant changes to remuneration policy.

The Committee will continue to monitor trends and developments in corporate governance and market practice to ensure that the structure of the Executive remuneration remains appropriate.

Illustrations of application of remuneration policy (£'000)

The chart above aims to show how the Remuneration Policy for Executive Directors will be applied in FY25 using the assumptions in the table below:

Minimum	• Consists of base salary, benefits and pension • Base salary is the salary to be paid with effect from 1 April 2024 • Estimated value of a full year's benefits. • Pension measured as Company contributions (or cash in lieu) at 3% of salary				
	£'000	**Base salary**	**Benefits**	**Pension**	**Total fixed**
	Lee Tappenden - CEO	£400,000	£1,000	£12,000	£413,000
	Dan Walden - CFO	£270,400	£1,000	£8,112	£279,512
Target	• Annual bonus: consists of an assumed payment of 50% of maximum opportunity • Long-term incentives: consists of the threshold level of vesting (25% vesting) under the PSP				
Maximum	• Based on the maximum remuneration receivable (excluding share price appreciation and dividends) • Annual bonus: consists of maximum bonus of 100% of base salary • Long-term incentives: consists of the maximum level of vesting under the PSP of 100% of base salary				
Maximum with share price growth	As per the maximum but with a 50% share price growth assumption for the PSP awards				

Annual Report on Remuneration

The Committee

The Remuneration Committee was established with effect from Admission. It was chaired by Luke Kingsnorth up to and including 25 June 2024, when Luke stepped down from the Board, and Meg Lustman was appointed as Non-Executive Director and Chair of the Remuneration Committee. The Committee's other members are Greg Hodder and David Stead.

The Committee's principal responsibilities are to:

- Recommend to the Board the over-arching principles, parameters and governance framework of the Group's Remuneration Policy;.
- Determine, within that framework, individual remuneration and benefits packages of each of the Chair, Executive Directors and senior management; and
- Review the design of all share incentive plans for approval by the Board and, where required, shareholders.

The Chief Executive Officer is invited to attend meetings of the Committee, except when his own remuneration is being discussed, and the Chief Financial Officer attends meetings by invitation as required. Greg Hodder takes no part in any discussions relating to his own remuneration.

The Committee met twice during the year for scheduled meetings with four additional ad-hoc meetings completed, with all members of the Committee present at these meetings.

The Committee has formal Terms of Reference which can be viewed on the Corporate Governance section of the Group's website www.procookgroup.co.uk.

Key activities during the year

During FY24, the Committee carried out the following activities:

- Agreeing the performance against the targets and pay-out for the FY23 annual bonus awards
- Agreeing Executive Director and senior management base salaries from 3 April 2023
- Setting the performance targets for the FY24 annual bonus
- Agreeing the award levels and appropriate targets for the 2023 PSP awards
- Overseeing the operation of the Group's Save as You Earn scheme
- Reviewing the Committee Terms of Reference
- Agreeing remuneration packages for the incoming CEO and other new senior management roles

External adviser

FIT Remuneration Consultants LLP ("FIT"), signatories to the Remuneration Consultants Group's Code of Conduct, were appointed by the Committee following a competitive tender process and provide advice to the Committee on all matters relating to remuneration, including best practice. FIT provided no other services to the Group and, accordingly, the Committee was satisfied that the advice provided by FIT was objective and independent. FIT's fees in respect of FY24 were £13,328 (excluding VAT). FIT's fees were charged on the basis of the firm's standard terms of business for advice provided.

Annual Report on Remuneration
Continued

Single total figure table (audited)

The remuneration for the Chair, Executive and Non-Executive Directors of the Group who performed qualifying services during the financial year is detailed below. The Chair and Non-Executive Directors received no remuneration other than their annual fee.

For the year ended 31 March 2024:

Director	Salary/ fees £'000	Taxable benefits[1] £'000	Pension £'000	Bonus £'000	Long-term incentives £'000	Total fixed remuneration £'000	Total variable remuneration £'000	Total remuneration £'000
Daniel O'Neill[2]	185	11	5	–	–	201	–	201
Lee Tappenden[3]	215	9[4]	–	42[5]	–	224	42	266
Dan Walden	260	1	8	100	–	269	100	369
Greg Hodder	95	–	–	–	–	95	–	95
David Stead	45	–	–	–	–	45	–	45
Luke Kingsnorth	40	–	–	–	–	40	–	40
Total	**840**	**21**	**13**	**142**	**–**	**874**	**142**	**1,016**

For the year ended 2 April 2023:

Director	Salary/ fees[6] £'000	Taxable benefits[1] £'000	Pension £'000	Bonus £'000	Long-term incentives £'000	Total fixed remuneration £'000	Total variable remuneration £'000	Total remuneration £'000
Daniel O'Neill	219	11	7	–	–	237	–	237
Steve Sanders[7]	188	–	5	–	–	194	–	194
Dan Walden	238	–	7	–	–	245	–	245
Greg Hodder	108	–	–	–	–	108	–	108
David Stead	50	–	–	–	–	50	–	50
Gillian Davies[7]	37	–	–	–	–	37	–	37
Luke Kingsnorth	43	–	–	–	–	43	–	43
Total	**883**	**11**	**19**	**–**	**–**	**914**	**–**	**914**

1 Taxable benefits comprise life assurance and car allowance
2 Transitioned from CEO Executive Director role to NED role on 15 October 2023
3 Appointed 19 September 2023
4 Taxable benefits includes a one-off £8k contribution to relocation expenses
5 Bonus includes a £42k payment in respect of the buy-out of awards forfeited on joining ProCook
6 Salary/ Fees were subject to a temporary reduction between October 2022 and April 2023
7 Stepped-down from the Board on 14 December 2022

Further information on the FY24 annual bonus (audited)

In FY24, the annual bonus financial and strategic metrics related to performance against financial targets for 90% of the award (revenue, underlying profit before tax and free cash flow) with 10% of the award being based on colleague engagement. The threshold for pay-out of any award was set at a minimum underlying profit before tax of £2.5m.

Specifically, the targets were as follows:

£m	Threshold	Target	Maximum	Actual	Pay-out (% of max)
Revenue (30% of award)	£67.1m	£70.5m	£73.8m	£62.6m	0%
Underlying profit before tax (30% of award)	£2.5m	£3.8m	£5.1m	£1.0m	0%
Free cash flow (30% of award)	£4.4m	£6.6m	£8.8m	£2.0m	0%
Colleague engagement score (10% of award)	70%	75%	80%	66%	0%

In light of the changes occurring at the Group during the year, both within the Leadership Team and at an operational level, an additional element based on personal performance was incorporated in the annual bonus for the CFO. The Remuneration Committee concluded that this element should pay out in full due to the excellent performance during the year, including the exceptional support provided during the CEO transition and additional responsibilities and functional leadership duties assumed by the CFO during the year including but not limited to logistics, purchasing and quality assurance, property, and social marketing. This resulted in the Remuneration Committee approving an award of £100,000 (38.5% of salary) to the CFO).

Share awards vesting in respect of FY24

Long-term incentives for Executive Directors issued in November 2021 under the Performance Share Plan are due to vest in November 2024, however these awards are expected to lapse as the attached performance conditions have not been achieved.

	Threshold	Maximum	Actual	Pay-out (% of max)
Cumulative Underlying PBT for the 3 years ending FY24 (100% of award)	£36m	£44m	Below threshold	0%

Statement of Directors' shareholding and share interests (audited)

The table below details for each Director, the total number of Directors' interests in shares as at 31 March 2024:

Director	Beneficially owned 2 April 2023[1]	Beneficially owned 31 March 2024	Vested but unexercised awards	Unvested DBP	Unvested PSP[2]	Unvested ESP[3]	Shareholding Guideline (% of salary)[4]	Shareholding Guideline met?[4]
Daniel O'Neill	38,736,902	**38,846,902**	–	–	473,933	–	–	n/a
Lee Tappenden	–	**228,799**	–	–	1,623,815	–	200%	No
Dan Walden	50,000	**50,000**	–	–	1,992,724	862,068	200%	No
Greg Hodder	39,137	**39,137**	–	–	–	–	–	n/a
David Stead	34,482	**34,482**	–	–	–	–	–	n/a
Luke Kingsnorth	10,344	**10,344**	–	–	–	–	–	n/a

1 The beneficial shareholdings set out above include those held by Directors and their respective connected persons as at 31 March 2024
2 Performance-based share awards granted as nil cost options
3 Options subject to continued service
4 Shareholding guidelines for Executive Directors are 200% of salary. The value of the shares has been calculated using the closing ProCook Group plc share price as at 31 March 2024, which was 27p. Executive Directors will be required to retain all shares that vest, net of any tax liability under the DBP and PSP until the guideline is met

PSP awards granted in FY24

The following awards were granted as nil-cost options under the PSP in FY24:

Director	Date of grant	Basis of award (% salary)	Share price[1]	Number of shares	Face value of award	Exercise period
Lee Tappenden	19 September 2023	100%	24.6p	1,623,815	£400,000	September 2028 to September 2033
Dan Walden	6 September 2023	100%	24.6p	1,055,480	£260,000	September 2028 to September 2033

1 Based on the share price of 24.63p being the average mid-market closing share price on three working days prior to award grant

The performance conditions, applying to the awards made in September 2023 relate to Earnings Per Share (EPS). More specifically:

Adjusted EPS for FY26 financial year	Portion of award vesting
Above 5p	100%
Between 4p and 5p	Pro rata on straight-line between 50% and 100%
4p	50%
Between 3p and 4p	Pro rata on straight-line between 25% and 50%
3p	25%
Below 3p	0%

DBP awards granted in FY24

No DBP awards were granted during the year.

Outstanding share plan awards

Details of all outstanding share awards made to Executive Directors are set out below:

Executive	Award type	Exercise price (p)	Grant date	Interest at 2 April 2023	Awards granted in the year	Awards lapsed in the year	Awards exercised in the year	Interest at 31 March 2024	Exercise period	Notes
Daniel O'Neill	PSP	0	12/11/21	206,896	–	(206,896)	–	**–**	Nov 26 – Nov 31	1
	PSP	0	08/08/22	710,900	–	(236,967)	–	**473,933**	Aug 27 – Aug 32	2
Lee Tappenden	PSP	0	19/09/23	–	1,623,815	–	–	**1,623,815**	Sep 28 – Sep 33	3
Dan Walden	PSP	0	12/11/21	344,827	–	–	–	**344,827**	Nov 26 – Nov 31	1
	PSP	0	08/08/22	592,417	–	–	–	**592,417**	Aug 27 – Aug 32	2
	PSP	0	19/09/23	–	1,055,480	–	–	**1,055,480**	Sep 28 – Sep 33	3
	IPO ESP	0	12/11/21	172,413	–	–	–	**172,413**	Nov 24 – Nov 31	4
	IPO ESP	145	12/11/21	689,655	–	–	–	**689,655**	Nov 24 – Nov 31	4

Notes:

1 See "PSP Awards Granted in FY22" section in the 2022 Directors' Remuneration Report
2 See "PSP Awards Granted in FY23" section in the 2023 Directors' Remuneration Report
3 See "PSP Awards Granted in FY24" section above
4 See "IPO ESP Awards Granted in FY22" section in the 2022 Directors' Remuneration Report

During the year ended 31 March 2024, the highest mid-market price of the Company's shares was 34p and the lowest mid-market price was 18p. At 31 March 2024, the share price was 27p.

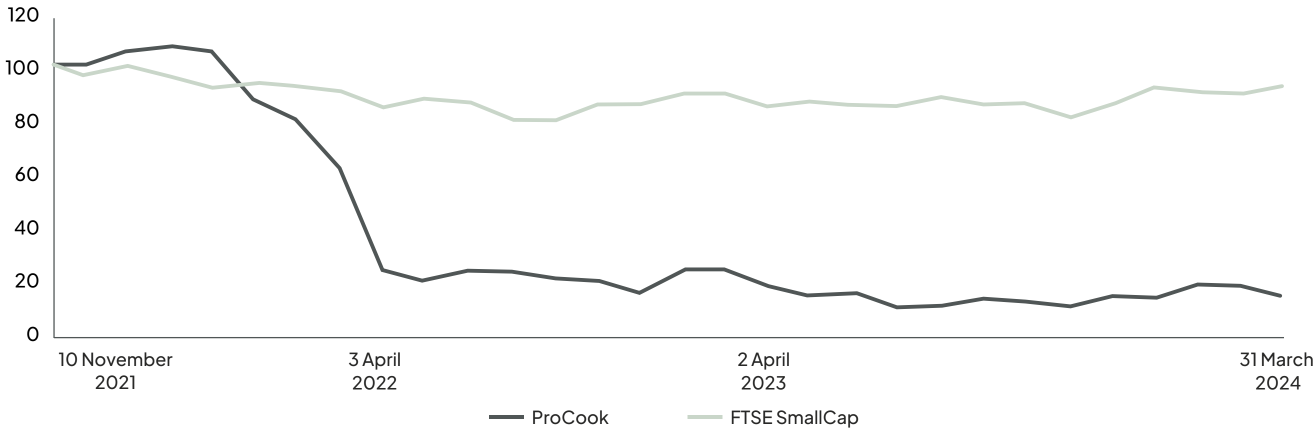
The aggregate gains by all Directors during FY24 was £nil.

Payments to past Directors and in respect of loss of office (audited)

Daniel O'Neill transitioned to a Non-Executive Director role on 15 October 2023. He received his salary, pension entitlement and contractual benefits as usual up until the 15 October 2023 after which he is entitled to a fee of £50,000 per annum for his Non-Executive role. Daniel did not receive a payment for loss of office. The Committee determined that Daniel O'Neill should be treated as a good leaver for the purposes of his awards under the PSP based on his service to the Group. His outstanding awards will continue and vest on the original timescales with the PSP awards remaining subject to the original performance conditions and being pro-rated for time such that one-third of his 2022 PSP award would lapse. Given the impending transition to his Non-Executive role Daniel was not granted any options under the 2023 PSP award.

Performance graph and CEO remuneration table (unaudited)

The following graph shows the Total Shareholder Return ("TSR") performance of an investment of £100 in ProCook Group plc's shares from its listing in November 2021 to 31 March 2024, compared with a £100 investment in the FTSE SmallCap Index over the same period. The FTSE SmallCap Index was chosen as a comparator because it represents a broad equity market index of similar-sized companies.



Source: Datastream (a Refinitiv product)

The table below details certain elements of the CEO's remuneration over the same period as presented in the TSR Index graph.

Year	CEO	Single figure of total remuneration (£'000)	Annual Bonus pay-out against maximum %	Long-term incentive vesting rates against maximum opportunity %
FY24	Lee Tappenden[1]	**266**	**0%**	**n/a**
FY24	Daniel O'Neill[1]	201	0%	0%
FY23	Daniel O'Neill	237	0%	n/a
FY22	Daniel O'Neill	129	0%	n/a

1 Lee Tappenden was appointed CEO on 19 September 2023, with Daniel O'Neill transitioning to a Non-Executive Director role following a transition period on 15 October 2023

Annual change in Directors' remuneration compared with other employees

The table below presents the year-on-year percentage change in remuneration for each Director and all employees of the Group.

	% Change from FY23 to FY24		
Name	Salary/Fee	Annual Bonus	Taxable Benefits
Daniel O'Neill[1]	0.0%	n/a	n/a
Lee Tappenden[1]	n/a	n/a	n/a
Dan Walden	4.0%	n/a	n/a
Greg Hodder	0.0%	-	-
David Stead	0.0%	-	-
Luke Kingsnorth	0.0%	-	-
All employees	8.3%	n/a	n/a

1 Lee Tappenden was appointed CEO on 19 September 2023, with Daniel O'Neill transitioning to a Non-Executive Director role following a transition period on 15 October 2023.

CEO to employee pay ratio

The table below shows the CEO to employee pay ratio.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY24	**Option A**	**18.0 : 1**	**17.2:1**	**14.3 : 1**
FY23	Option A	11.5 : 1	10.8 : 1	8.3 : 1
FY22	Option A	6.2 : 1	5.7 : 1	4.6 : 1

Notes to the CEO to employee pay ratio:

1. Option A takes into consideration the full-time equivalent basis of all employees and provides a representative result of employee pay conditions across the Group.
2. The ratios shown are representative of the FTE 25th percentile, median and 75th percentile pay for UK employees within the Group during the financial year. Full year pay data each financial year shown has been used to calculate the ratios.
3. The pay for part-time employees has been grossed-up to one FTE employee.
4. The Committee has reviewed the employee data and believes the median pay ratio to be consistent with the pay, reward and progression policies for the Group's employees over the period.
5. The CEO's pay is based on the single figure of remuneration. As required by the regulations, due to the change of CEO during the year, the CEO single figure used to determine the FY24 pay ratios is based on the sum of the relevant proportions of total single figures of remuneration for Daniel O'Neill and Lee Tappenden for the relevant period where they undertook the role of CEO. This gives a total of £414,578 (which includes Lee Tappenden's buyout award).The total pay and benefits and the salary component of total pay and benefits for the employee at each of the 25th percentile, the median and the 75th percentile are shown below:

	Salary £'000			Total pay and benefits £'000		
Year	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
FY24	**22.7**	**23.0**	**27.4**	**23.0**	**24.1**	**29.0**

Relative importance of spend on pay (unaudited)

The table below details the spend on total employee pay in FY24 as detailed in Note 7 of the Financial Statements, compared with distributions to shareholders by way of dividend, share buybacks or any other significant distributions or payments.

£'m	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Total gross employee pay	**14.7**	14.4
Dividends/share buybacks	**–**	0.3

Statement of shareholding voting

The following table shows the results of the binding Remuneration Policy vote at the 20 September 2022 AGM and the advisory Directors' Remuneration Report vote at the 19 September 2023 AGM.

	(Binding Vote – 20 September 2022) Approval of the Directors' Remuneration Policy		(Advisory Vote – 19 September 2023) Annual Report on Remuneration	
	Total number of votes	% of votes cast	Total number of votes	% of votes cast
For (including discretionary)	96,065,973	99.986%	**81,637,556**	**99.977%**
Against	13,567	0.040%	**17,225**	**0.021%**
Votes withheld	3,564	–	**1,968**	**0.002%**

Implementation of policy for FY25 (unaudited information)

Base salary

Base salaries for FY25 are as follows: £400,000 for Lee Tappenden (FY24: £400,000) and £270,400 for Dan Walden (FY24: £260,000).

Pension

Maximum contribution rates for Executive Directors are 3% of salary. This rate is aligned with the general workforce rate.

Benefits

Details of the benefits received by Executive Directors are set out in the Single Total Figure Table on page 102. There is no intention to introduce additional benefits in FY25.

Annual bonus

The annual bonus opportunity for FY25 will be structured in a broadly similar manner to FY24. The maximum bonus will be 100% of salary and will be payable based on 30% underlying profit before tax performance, 30% revenue, 30% operating cash flow and 10% colleague engagement score.

These targets are set in light of internal and external forecasts and will require significant outperformance to generate higher levels of pay-out.

Given the competitive nature of the Group's sector, the specific performance targets for FY25 are considered to be commercially sensitive and, accordingly, are not disclosed at this time, although the targets will be disclosed in next year's report in relation to the bonus outturn.

Long-term incentives

Awards are expected to be made under the PSP in 2024 to the Executive Directors. The structure of the awards is being finalised and details will be included in the RNS announcing the awards at the time of their grant.

Chair and Non-Executive Directors' fees

The fees of the Chair and Non-Executive Directors for FY25 will remain in line with the reduced fees which were implemented from October 2022 onwards as outlined in the Chair's Remuneration Committee Report, for a further year, before returning to their previous levels in FY26 onwards.

Greg Hodder will, therefore, receive a fee of £95,000 as Chair for FY25. Daniel O'Neill will receive a fee of £50,000 as Deputy Chair for FY25.

The other Independent Non-Executive Directors each receive a fee for FY25 of £35,000 with an additional fee of £5,000 for each of the Chair of the Audit and Risk Committee and Chair of the Remuneration Committee and an additional fee of £5,000 for the Senior Independent Director.

Directors' report

This report contains the additional information the Directors are required to include in the Annual Report and Accounts in accordance with the Companies Act 2006 and the Listing Rules.

Disclosures required under Listing Rule 9.8.4R

The information required to be disclosed under Listing Rule 9.8.4R, where applicable to the Group, can be found in this Annual Report and Accounts at the references provided below:

Listing Rule requirement	Annual Report location
Interest capitalised	Not applicable
Publication of unaudited financial information	Not applicable
Details of long-term incentive schemes	Pages 103 to 104
Waiver of emoluments by a Director	Not applicable
Waiver of future emoluments by a Director	Not applicable
Non-pre-emptive issues of equity for cash	Not applicable
Non-pre-emptive issues of equity for cash by a major subsidiary	Not applicable
Parent participation in a placing by a listed subsidiary	Not applicable
Contracts of significance	Not applicable
Provision of services by a controlling shareholder	Page 111
Dividend waivers	Page 143
Agreements with controlling shareholders	Page 111

Results and dividends

The Group's underlying profit after tax for the year ended 31 March 2024 was £1.0m; details are shown in the Consolidated Income Statement on page 122. The Directors are not recommending a final dividend for shareholder approval at the 2024 Annual General Meeting.

Directors

The Directors who held office during the year and up to the date of the signing of this report (unless otherwise indicated) are:

- Greg Hodder
- Daniel O'Neill
- Lee Tappenden (appointed 19 September 2023)
- Dan Walden
- David Stead
- Luke Kingsnorth (resigned 25 June 2024)
- Meg Lustman (appointed 25 June 2024)

Biographies for the current Directors are set out on pages 70 to 71.

Information on the Directors' remuneration, employee share schemes and service contracts are set out in the Directors' Remuneration Policy on pages 90 to 100.

Appointment and replacement of Directors

The rules about the appointment and replacement of Directors are contained in the Company's Articles of Association ('Articles'). They provide that the Directors may be appointed by ordinary resolution of the shareholders or by the Board. Directors appointed by the Board may only hold office until the next AGM of the Company and then shall be eligible for election. The Company may remove a Director by ordinary resolution where special notice has been given and the necessary statutory procedures are complied with. In line with best practice corporate governance, all Directors (with the exception of Luke Kingsnorth who has given notice of his intention to step down from the Board) will seek re-election at the 2024 AGM.

Re-election

In accordance with the Code and Articles, all Directors are subject to annual re-election by the shareholders at the AGM.

Time commitment

Each Director's other commitments are disclosed and, in the case of significant appointments, approved by the Board in advance. The Board reviews a schedule of Directors' interests at each Board meeting. The Board is satisfied that the other commitments of the Chair and the independent NEDs do not prevent them from devoting sufficient time to the Group. The Executive Directors work solely for the Group and do not hold any significant external directorships.

Access to advice

All Directors have access to the advice and services of the Company Secretary, who is responsible for advising the Board on corporate governance matters. The Directors are able to take independent, professional advice to assist them, if necessary, at the Company's expense.

Powers of Directors

The general powers of the Directors are set out in article 128 of the Company's Articles. This article provides that the business of the Company shall be managed by the Directors, who may exercise all the powers of the Company, subject to any limitations imposed by applicable legislation, the Articles and any directions given by special resolution of the shareholders of the Company.

Compensation for loss of office

The Company does not have arrangements with any Director that would provide compensation for loss of office or employment resulting from a takeover.

Future developments

In accordance with s414C(11) of the Companies Act 2006, the Group has disclosed information about future developments within the Strategic Report on pages 2 to 65.

Additionally, this Directors' Report, Strategic Report and the Financial Statements contain certain forward-looking statements with respect to the financial condition, performance and business of the Group. All forward-looking statements involve risk and uncertainty because they relate to events and circumstances that may or may not occur in the future. There are a number of factors that could cause actual outcomes to differ from those expressed or implied by any forward-looking statements. Nothing in this Governance Report, or Strategic Report or in these Financial Statements should be construed as a profit forecast.

Corporate governance

A report on corporate governance and the Company's compliance with the UK Corporate Governance Code is set out on page 67 and forms part of this report by reference.

Post balance sheet events

On 19 April 2024, the Group executed its agreement with HSBC to extend and amend its existing Revolving Credit Facility agreement, taking the expiry date out an additional twelve months to April 2026, and amending the terms in respect of the fixed charge covenant. The revised covenant test requires EBITDAR to be no less than 1.30x fixed charges for the FY24 Q4 and FY25 Q1 and Q2 test dates, and 1.40x thereafter. The leverage covenant remains unchanged.

Research and Development

R&D expenditure for the year was £nil (FY23: £nil).

Asset values

Property, plant and equipment is disclosed in Note 15 of the Consolidated Financial Statements. The Directors do not believe there is any material difference between the carrying value and market value.

Financial instruments

An analysis of the Group's financial instruments, risk management objectives and its exposure to credit and liquidity risk are disclosed in Note 25 of the Consolidated Financial Statements.

Global operations

The Group's Store Support Centre, accounting, domestic sales and support functions are based in the UK. The Group has 58 stores nationwide as at the date of this Annual Report.

Political donations

No political donations were made and no political expenditure was incurred during the year.

Charitable donations

Charitable donations of £40k were made during the year.

Stakeholder engagement

Information relating to how the Directors have engaged with employees and other stakeholders, and had regard to the Group's relationships with suppliers, communities and customers when taking key decisions, are set out in the Strategic Report on pages 2 to 65. Our s172(1) Companies Act 2006 statement can be found on page 8.

Colleague involvement

The Group is committed to colleague involvement in the activities and development of our business. Colleagues are kept informed through regular newsletters and town hall events, and their feedback is sought through surveys and the Colleague Advisory Panel.

Read more:

Engaging with stakeholders – pages 8 to 9

Sustainability: Our People – pages 23 to 27

Colleague advisory panel - page 76

Share incentive schemes in which employees participate are described in the Annual Report on Remuneration on pages 101 to 107 and in the Consolidated Financial Statements. The Company operates an all-employee SAYE scheme, and also issued shares to qualifying colleagues on IPO.

Equal opportunities

The Group is committed to providing equal opportunities for all existing and potential colleagues, and has established policies and procedures around diversity, inclusivity and equality.

Read more:

Diversity, equality and inclusion policy: see www. procookgroup.co.uk

Non-financial information and sustainability statement – pages 43

Sustainability: Our people – pages 23 to 27

Employees with disabilities

The Group is committed to providing equal opportunities for all, including existing and potential colleagues with health conditions, visible and non-visible, who meet the criteria to perform the duties required of a role. Where required, ProCook adjusts working environments or provides other flexible means of working to support colleagues.

Directors' report
Continued

Greenhouse gas emissions

The information set out below is that required by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and Companies (Directors' Report and Limited Liability Partnerships (Energy and Carbon Report)) Regulations 2018.

Greenhouse Gas emissions (tCO_2e)

	FY19	FY20	FY21	FY22	FY23	FY24
Scope 1 – Direct emissions from gas and fuel	564.3	575.4	177.7	90.6	70.2	**9.8**
Scope 2 – Indirect emissions from electricity	432.6	440.2	252.0	357.1	299.7	**421.0**
Total Scope 1 and 2 GHG emissions	**996.9**	**1,015.6**	**429.7**	**447.7**	**369.9**	**430.8**
Revenue £m	27.8	38.9	53.4	69.2	62.3	**62.6**
CO_2 emissions intensity (tCO_2 / £1m revenue)	**35.9**	**26.1**	**8.0**	**6.5**	**5.9**	**6.9**

The reduction in direct emissions (Scope 1) in FY24 is due to the Group's continued focus on energy reduction initiatives and transition towards non-gaseous green energy supply and the adoption of electric vehicles. Indirect emissions from electricity consumption increased in FY24 as our property estate grew including the overlapping use of the two pre-existing distribution centres and the Group's new Store Support Centre (which itself is larger than the previous two combined).

Streamlined Energy and Carbon Reporting ("SECR")

Energy (Gigawatt hours)[1]	FY19	FY20	FY21	FY22	FY23	FY24
Electricity	1.7	1.7	1.1	1.7	1.5	**2.1**
Gas	0.3	0.3	0.1	0.1	–	**–**
Fuel	2.2	2.2	0.7	0.3	0.3	**–**
Total	**4.1**	**4.1**	**1.8**	**2.1**	**1.8**	**2.1**
Revenue £m	27.8	38.9	53.4	69.2	62.3	62.6
Gigawatt hours/ £1m revenue	**0.15**	**0.11**	**0.03**	**0.03**	**0.03**	**0.03**

1 The analysis presented above reflects the Group's operations in the UK. Operations in the EU in previous financial periods were through a third-party provider. The location-based methodology has been adopted by the Group

Consumption of energy increased by +16.7% to 2.1 Gigawatt hours during FY24 driven by the factors set out above relating to our larger property estate.

Directors' interests and share options

During the year ended 31 March 2024, no Director had an interest in any significant third-party contract between the Company or any of its subsidiaries. Directors' shareholdings are disclosed in the Annual Report on Remuneration on pages 101 to 107. Details of Directors' share options are set out in Note 27 of the Consolidated Financial Statements.

Directors' conflicts of interest

In accordance with the Companies Act 2006 and the Articles, the Company has arrangements in place to consider and, where appropriate, authorise any Directors' direct or indirect interests, which may conflict with those of the Company. Authorisation is only effective where the matter is put to a vote, excluding the Director who is subject to the conflict authorisation. If a Director becomes aware that they or a connected party have an interest in an existing or proposed transaction with the Company, they should notify the Company Secretary as soon as possible. Directors have a continuing obligation to update any changes to potential conflicts and the Board formally reviews any such conflicts periodically. A register of conflicts or potential conflicts is maintained by the Company Secretary and is available to all Directors.

Directors' liability and indemnity insurance

The Group maintains Directors' and Officers' liability insurance, which gives appropriate cover for legal action brought against its Directors. In addition, third-party qualifying indemnity provisions (as defined in s234 of the Act) for its Directors and Officers were in force during the year ended 31 March 2024 and remain in force. There were no qualifying pension scheme indemnity provisions.

Articles of Association

A copy of the Articles of Association can be obtained from the Company's registered office and is also available on the Group's website and the Companies House website. The Articles may only be amended by special resolution of the shareholders.

Share capital and waiver of pre-emption rights

The Company has one class of share in issue. The rights attached to each share are identical and each share carries equal rights to dividends, return of capital on the winding up of the Company and one vote at general meetings of the Company. There are no securities carrying special rights. There are no restrictions on the transfer of shares in the Company (other than following a service of notice under s793 of the Act) and there are no restrictions on any voting rights or deadlines, other than those prescribed by law.

As at 31 March 2024, the Company had 108,956,624 fully paid ordinary shares of 1p each in issue, which are traded on the London Stock Exchange. Details of the share capital at 31 March 2024 are disclosed in note 7 of the Company Financial Statements.

Authority for the Company to purchase its own shares

In line with the approval granted in the 2023 AGM, a new resolution will be proposed at the 2024 AGM that the Company be authorised to purchase up to approximately 10% of its ordinary shares at the Directors' discretion. If the resolution is passed, the authority will lapse at the conclusion of the 2025 AGM or, if earlier, 15 months from the date of the resolution being passed.

Substantial shareholdings

At 31 March 2024 the Company had been notified of the following disclosable interests of 3% or more in the Company's ordinary share capital:

	As at 31 March 2024	
Shareholder	**No. of shares held**	**% voting rights**
Michael O'Neill	**36,257,024**	**33.28**
Daniel O'Neill	**16,648,725**	**15.28**
Sarah O'Neill	**14,798,785**	**13.58**
Fackelmann GmbH + Co. KG	**14,548,944**	**13.35**
Daniel O'Neill and Sarah O'Neill as trustees of the O'Neill 2021 Discretionary Settlement	**7,399,392**	**6.79**
Canaccord Genuity Wealth Limited	**4,210,344**	**3.86**

Between the period year-end date and 21 June 2024 (being the latest practicable date prior to the date of this report), the Company had not been notified of and changes in substantial shareholdings.

Provision of services by substantial shareholders

Daniel O'Neill is the Company's Deputy Chair and Founder and holds a Non-Executive Director position on the Board. Daniel has a beneficial interest in 36.02% of the Company's issued share capital. This includes shares held by Sarah O'Neill, and by Daniel O'Neill and Sarah O'Neill as trustees of the O'Neill 2021 Discretionary Settlement.

Significant agreements

Daniel O'Neill, Sarah O'Neill, Michael O'Neill, Richard O'Neill, and Daniel and Sarah O'Neill as trustees of the O'Neill 2021 Discretionary Settlement (together, the "Controlling Shareholders") collectively exercise or control 69.30% of the Company's voting rights. The Company has entered into a Relationship Agreement with the Controlling Shareholders to ensure that the Company is managed for the benefit of its shareholders as a whole and (save in respect of any duties, responsibilities and actions of Daniel O'Neill as a Non-Executive Director of the Company) independently of the Controlling Shareholders, and that the principle of equality of treatment of shareholders set out in Premium Listing Principle 5 of Listing Rule 7.2.1AR is upheld and maintained. The agreement also ensures that all transactions, agreements and arrangements between the Company and any of the Controlling Shareholders is on an arm's length basis and on normal commercial terms. Both the Company and the Controlling Shareholders have complied with these provisions. The agreement remains in place until the Controlling Shareholders cease to exercise or control 20% or more in aggregate of the total voting rights of the Company. The agreement would also automatically terminate were the Company to cease to be listed on the premium segment of the Official List and admitted to trading on the main market of the London Stock Exchange.

Change of control

Change of control provisions are included in the Group's banking agreements. Should a change of control event occur, the Group's revolving credit facility would be subject to immediate cancellation and the bank may call for immediate repayment of any balance outstanding.

Viability statement

The Board has undertaken a comprehensive review and assessment of long-term viability over the period to 28 March 2027 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 over the Group's long-term viability.

The Directors consider the likelihood of such a severe downside scenario materialising to be low and recognise the range of mitigating actions available to the Group to prevent a breach occurring. The Directors note the positive and long-standing relationship which the Group has with its banking partner HSBC and consider that it is reasonably likely that the Trade Finance facility will be renewed in August 2024. 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 across all three years of the period under review.

Read more:

Assessing long-term viability – pages 64 to 65

Directors' statement regarding disclosure of information to the Auditor

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Group's Auditor is unaware. The Directors also confirm that they have taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the Group's Auditor is aware of that information.

Appointment of Auditor

On the recommendation of the Audit and Risk Committee, resolutions will be proposed at the 2024 AGM to re-appoint Forvis Mazars LLP as Auditor of the Company and Group and to authorise the Audit and Risk Committee to set the Auditor's remuneration.

Annual General Meeting

The Company's AGM will be held on 11 September 2024. Details of the resolutions to be proposed at the AGM are set out in the Notice of Meeting, which is provided to all shareholders.

The Directors' Report was approved by the Board of Directors on 25 June 2024 and signed on its behalf by:

Dan Walden
Chief Financial Officer

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Parent Company Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Parent Company Financial Statements for each financial year. Under that law they are required to prepare the Group Financial Statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law. In addition, the Group consolidated Financial Statements are required under the UK Disclosure Guidance and Transparency Rules to be prepared in accordance with UK-adopted International Financial Reporting Standards as issued by the International Accounting Standards Board.

Under company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss for that period. In preparing each of the Group and Parent Company Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable, relevant and reliable
- State whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and as regards the Group financial statements, the UK-adopted International Financial Reporting Standards as issued by the International Accounting Standards Board
- Assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations or have no realistic alternative but to do so

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its Financial Statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement, which comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility statement of the Directors in respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- The Group Consolidated Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and the UK-adopted International Financial Reporting Standards, and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Parent Company Financial Statements have been prepared in accordance with the requirements of the Companies Act 2006 and the financial reporting standards applicable in the UK and Republic of Ireland (FRS 102), and give a true and fair view of the assets, liabilities, and financial position of the Company; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation, taken as a whole, together with a description of the principal risks and uncertainties that they face.
- We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Statement of Directors' Responsibilities was approved by the Board of Directors on 25 June 2024 and signed on its behalf by:

Lee Tappenden
Chief Executive Officer

Dan Walden
Chief Financial Officer

Independent auditor's report

to the members of ProCook Group plc

Opinion

We have audited the financial statements of ProCook Group plc (the 'parent company') and its subsidiaries (the 'group') for the 52 weeks to 31 March 2024 which comprise the consolidated income statement, consolidated statement of financial position, consolidated statement of cash flows and consolidated statement of changes in equity, parent company statement of financial position and parent company statement of changes in equity and notes to the financial statements, including material accounting policy information.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards ('IFRS').

The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic or Ireland" (United Kingdom Generally Accepted Accounting Practice), as applied in accordance with the provisions of the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2024 and of the group's profit for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements;
- the group financial statements have been prepared in accordance with the requirements of the Companies Act 2006; and
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities and public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to page 126 in the financial statements, which indicates that under a severe but plausible downside scenario the Group is likely to breach its leverage covenant unless mitigating actions can be applied sufficiently in advance to prevent such a breach. A covenant breach may require agreement of a covenant waiver, new banking terms or alternative funding arrangements that are not solely executable within the ability and discretion of the Directors. As a result, the Directors acknowledge that this potential breach represents a material uncertainty which may cast significant doubt on the group's and the parent company's ability to continue as a going concern.

As stated in page 128, these events or conditions, along with the other matters as set forth in this note to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included, but was not limited to:

- Undertook an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern;
- Obtained an understanding of the relevant controls relating to the directors' going concern assessment;
- Made enquiries of the directors to understand the period of assessment considered by them, the assumptions they considered and the implication of those when assessing the group's and the parent company's future financial performance;
- Challenged the appropriateness of the directors' key assumptions in the cash flow forecasts, as described on page 127, by reviewing supporting and contradictory evidence in relation to these key assumptions and assessing the directors' consideration of severe but plausible scenarios. This included assessing the viability of mitigating actions within the directors' control;
- Reviewed the terms of loan agreements and financing facilities for covenants, and assessed the extent to which they are restrictive and have been accurately included in severe but plausible scenarios;
- Inspected the changes in the terms and conditions of financing facilities and covenants, and any changes in the terms that may impact conclusions in relation to material uncertainties;
- Confirmed the mathematical accuracy of the financial forecast prepared by the directors;
- Performed retrospective analysis to assess budgetary and forecasting accuracy, and the extent to which such performance informs the assumptions in future cash flow forecasts;
- Considered the consistency of the directors' forecasts with other areas of the financial statements and our audit; and
- Evaluated the appropriateness of the directors' disclosures in the financial statements on going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In relation to ProCook Group plc's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to:

- the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting; and
- the directors' identification in the financial statements of the material uncertainty related to the group's and the parent company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures. The matters set out below are in addition to the "Material uncertainty related to going concern" above which, by its nature, is also a key audit matter.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key Audit Matter 1

Disclosure of non-underlying items (Group)
Refer to page 131 (accounting policy) and page 138 of the financial disclosures.

The Directors have determined that non-underlying items should be disclosed separately in the Consolidated Income Statement to provide a consistent and comparable view of the underlying performance of the Group. ProCook defines non-underlying as 'transactions that, in the opinion of the Directors, should be disclosed separately from the reported Consolidated Income Statement in order to provide a consistent and comparable view of the underlying performance of the Group. This will include those items that relate to non-recurring events and are material in nature and which have been incurred outside of the normal business operations, including but not limited to restructuring and fund-raising activities.'

In current year the net impact of non-underlying expenses to the reported profit before tax is £277k comprised of the following:

- Store support centre transition related cost of £1,213k (FY23: £545k).
- Net profit on the reassignment of the leases relating to the development of and transition to the new distribution centre of £1,867k (FY23: £Nil). The significant gain on reassignment is partially due to an impairment charge of £1,101k recognised in the prior year in relation to right-of-use assets and related property, plant and equipment.
- Senior management restructuring costs of £718k (FY23: £Nil)
- Share based payment charges relating to the IPO of £81k (FY23: £1,209k).

There is a significant risk relating to the classification of expenses as adjusting items given the impact this may have on the readers of the financial statements and their view of underlying business performance.

The determination of such items as non-underlying is judgemental and subject to a higher risk of error and fraud. We attribute the fraud risk to the incentive and opportunities to inflate underlying earnings and performance.

How our scope addressed this matter

Our audit procedures included, but were not limited to:

- Testing the design and implementation of controls.
- Assessing the impact of adjusting items on director's remuneration to determine and assess possible fraud risk factors relating to adjusted performance measures.
- Inspecting the directors' assessment on the classification of non-underlying items and challenging the directors on the rationale for these items being non-underlying with reference to ESMA and FRC guidance.
- Challenging the directors' assessment, calculation and allocation of expenses and income as non-underlying, inspecting the consistency of such items against the directors' definition.
- Obtaining a breakdown of non-underlying transactions, agreeing a sample of transactions to supporting evidence such as invoices and inspecting the appropriateness of the classification against the definition.
- Challenging the directors on the extent to which the non-underlying items are presented fairly as non-IFRS Alternative Performance Measures ('APM') and are balanced and understandable in the annual report.
- Comparing APM to peers to assess the understandability and reasonableness of the disclosures.

Our observations
Based on the work performed we were satisfied that non-underlying items have been appropriately classified and disclosed.

Key Audit Matter 2	How our scope addressed this matter
Impairment of store-level CGUs (Group) *Refer to page 128 (accounting policy) and page 147 of the financial disclosures.* There is a significant risk relating to the carrying value of Right-Of-Use assets ('ROUA') and Property Plant and Equipment ('PPE') included in Cash Generating Units ('CGU') as a result of continued economic uncertainty. The Directors are required to determine the CGU and assess the CGU for impairment triggers on an annual basis. Where impairment triggers are identified, the Directors are required to calculate a Value-In-Use ('VIU') for each CGU and compare this to the carrying amount of the CGU. For the purposes of impairment assessments, the Group determines each store to be a CGU. The impairment assessment include assumptions around cash flow forecasting, growth rates, discount rates and the allocation of central costs. Our risk assessment has determined that the recoverable amount of the store assets include a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements overall.	Our audit procedures included, but were not limited to: • Testing the design and implementation of key controls; • Obtaining and inspecting the directors' judgement and assessment of impairment triggers per IAS 36; • Challenging the directors' assessment of forecasted store performance and the completeness and integrity of data used in impairment assessments; • Comparing and contrasting the directors' impairment trigger assessment to external market data and internal qualitative factors; • Assessing the completeness of the directors' impairment assessment and validation that all open stores were included in the assessment; • Inspecting that non-current assets per store have been appropriately allocated to each CGU identified; • Inspecting the contribution of individual stores and performing retrospective analyses to assess the reasonableness and historical accuracy of forecasts; • Assessing the appropriateness of the discount rates applied with the involvement of our valuations specialists and compared the rates applied with our benchmarking data; • Agreeing assumptions to supporting documentation such as board's approved budgets; • Assessing management's assumption that there is no reversal of prior period impairments; • Assessing the mathematical accuracy of the directors' impairment models where impairment triggers have been identified; • Inspecting that impairment losses are disclosed in accordance with applicable accounting standards. **Our observations** We are satisfied that the key assumptions utilised in the impairment review performed, as noted above, are appropriate. No material exceptions were noted in our testing to confirm the valuation of the store assets.

Key Audit Matter 3	How our scope addressed this matter
Valuation of investment (Company) *Refer to page 161 (accounting policy) and page 163 of the financial disclosures.* The parent company holds a material investment in subsidiaries of £69m at 31 March 2024. There is a risk of error relating to the identification of impairment triggers, and the judgement required when assessing for impairment. There is a risk of material misstatement of asset values if management's assessment does not accurately consider potential triggers. We have identified recoverability of parent company's investment in subsidiaries as a Key Audit Matter. This is based on the quantum of this balance relative to the parent company Statement of financial position (97% of total assets).	Our audit procedures included, but were not limited to: • Testing the design and implementation of key controls. • Inspecting and challenging management's impairment trigger assessment including but not limited to; – Comparing the carrying value of the investment with the year-end market capitalisation of ProCook Group plc. – Challenging the directors on the extent to which the market capitalisation when compared to the carrying value of the investment indicates an impairment trigger exists. – Assessment and challenge of external and internal triggers that may indicate an impairment trigger. – Assessing the completeness and accuracy of disclosures within the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. **Our observations** Based on the work performed, we were satisfied that the valuation of the investment is appropriate net of the impairment calculated.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality

Overall materiality	£470k
How we determined it	0.75% of revenue in the year.
Rationale for benchmark applied	Revenue is prominent to the financial statements and of principal interest to the users of the financial statements. Revenue has been selected as the most suitable benchmark due to the volatility in the profit before tax in the 52-week period ended 31 March 2024.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £305k, which represents 65% of overall materiality.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £23k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Parent company materiality

Overall materiality	£198k
How we determined it	0.3% of Total Equity
Rationale for benchmark applied	ProCook Group Plc is a holding entity, and therefore not profit or revenue focused. Total Equity is deemed to be the most appropriate benchmark for the users of the financial statements. We have selected 0.3% of Total Equity which is capped at component materiality.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £138k, which represents 70% of overall materiality.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £10k as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the group and the parent company financial statements. Based on our risk assessment, all components of the group, including the parent company, were subject to full scope audit performed by the group engagement team. Our audit scope covered 100% of the revenue, total assets and PBT. All components were audited by the same audit team.

At the parent company level, the group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The other information comprises the information included in the information included in the Annual Report and Accounts 2024 other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements;
- the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements; and
- information about the parent company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules.

Independent auditor's report

to the members of ProCook Group plc

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the:

- strategic report or the directors' report; or
- information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 of the FCA Rules.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a corporate governance statement has not been prepared by the parent company.

Corporate governance statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to ProCook Group Plc's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 126;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate, set out on page 112;
- Directors' statement on fair, balanced and understandable, set out on page 113;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 52;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 87; and;
- The section describing the work of the audit committee, set out on page 85.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 113, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation and data protection.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the group and the parent company, the industry in which they operate, and the structure of the group, and considering the risk of acts by the group and the parent company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence with relevant licensing or regulatory authorities;
- Reviewing minutes of directors' meetings in the year; and
- Discussing amongst the engagement team the laws and regulations listed above, and remaining alert to any indications of non-compliance.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the classification of non-underlying items, revenue recognition (which we pinpointed to the occurrence of store sales and cut-off on online sales) and significant one-off or unusual transactions.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Audit and Risk Committee on 22 November 2021 to audit the financial statements for the year ending 3 April 2022 and subsequent financial periods. The period of total uninterrupted engagement is 3 years, covering the years ending 3 April 2022 to 31 March 2024.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with our additional report to the audit committee.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules, these financial statements will form part of the electronic reporting format prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority. This auditor's report provides no assurance over whether the annual financial report will be prepared using the correct electronic reporting format.

Charlene Lancaster
(Senior Statutory Auditor)

for and on behalf of Forvis Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square

25 June 2024

Consolidated Financial Statements

For the 52 weeks ended 31 March 2024

£'000s	Note	52 weeks ended 31 March 2024			52 weeks ended 2 April 2023 (restated)[1]		
		Underlying	Non-underlying	Reported	Underlying	Non-underlying	Reported
Revenue	1	**62,585**	**–**	**62,585**	62,340	–	62,340
Cost of sales		**(21,486)**	**–**	**(21,486)**	(23,994)	–	(23,994)
Gross profit		**41,099**	**–**	**41,099**	38,346	–	38,346
Operating expenses	2	**(39,025)**	**(145)**	**(39,170)**	(37,645)	(6,159)	(43,804)
Other income	6	**49**	**–**	**49**	51	–	51
Operating profit/(loss)		**2,123**	**(145)**	**1,978**	752	(6,159)	(5,407)
Finance expense	9	**(1,230)**	**(132)**	**(1,362)**	(861)	(204)	(1,065)
Other gains/(losses)	10	**114**	**–**	**114**	(55)	–	(55)
Profit/(loss) before tax		**1,007**	**(277)**	**730**	(164)	(6,363)	(6,527)
Tax (expense)/credit	11	**(165)**	**45**	**(120)**	11	424	435
Profit/(loss) for the period		**842**	**(232)**	**610**	(153)	(5,939)	(6,092)
Total comprehensive income/ (loss)		**842**	**(232)**	**610**	(153)	(5,939)	(6,092)
Earnings per ordinary share - basic	13	**0.77p**		**0.56p**	(0.14)p		(5.59)p
Earnings per ordinary share - diluted	13	**0.73p**		**0.53p**	(0.14)p		(5.59)p

1 The tax (expense)/credit and earnings per share, 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 tax restatement is set out in note 11, and the impact on earnings per share is set out in note 13.

Consolidated Statement of Financial Position

As at 31 March 2024

£'000s	Note	As at 31 March 2024	As at 2 April 2023 (restated)[1]	As at 3 April 2022 (restated)[1]
Assets				
Non-current assets				
Intangible assets	14	**104**	235	363
Property, plant, and equipment	15	**8,232**	7,781	5,801
Right-of-use assets	16	**20,522**	25,450	20,985
Deferred tax asset	11	**655**	894	702
Total non-current assets		**29,513**	34,360	27,851
Current assets				
Inventories	17	**9,716**	11,515	16,759
Trade and other receivables	18	**3,742**	2,240	1,975
Current tax asset		**145**	611	271
Cash and cash equivalents	19	**2,005**	1,962	3,782
Total current assets		**15,608**	16,328	22,787
Total assets		**45,121**	50,688	50,638
Liabilities				
Current liabilities				
Trade and other payables	20	**10,431**	7,276	8,278
Lease liabilities	16	**3,347**	2,836	2,844
Provisions	21	**253**	200	173
Borrowings	22	**2,754**	4,716	5,540
Total current liabilities		**16,785**	15,028	16,835
Non-current liabilities				
Trade and other payables	20	**48**	954	816
Lease liabilities	16	**19,295**	26,430	19,605
Provisions	21	**565**	612	444
Total non-current liabilities		**19,908**	27,996	20,865
Total liabilities		**36,693**	43,024	37,700
Net Assets		**8,428**	7,664	12,938
Equity and reserves attributable to Shareholders of ProCook Group plc				
Share capital	26	**1,090**	1,090	1,090
Share option reserve	27	**4,099**	6,891	5,811
Share Premium	26	**1**	1	1
Retained earnings	26	**3,238**	(318)	6,046
Total equity and reserves		**8,428**	7,664	12,938

1 The deferred tax and current tax assets in the financial years ending 3 April 2022 and 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 note 11, and the impact on earnings per share is set out in note 13.

The financial statements on pages 122 to 157 were approved by the Board of Directors on 25 June 2024 and were signed on its behalf by:

Dan Walden
Chief Financial Officer

Consolidated Statement of Cash Flow

For the 52 weeks ended 31 March 2024

£'000s	Note	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Cash flows from operating activities			
Profit/(Loss) before tax		**730**	(6,527)
Adjustments for:			
Depreciation of property, plant, and equipment	15	**936**	967
Amortisation of Intangible assets	14	**131**	128
Loss on disposal of property, plant, and equipment	2	**457**	37
Gain on disposal of leases	2	**(2,301)**	(75)
Depreciation of right-of-use assets	16	**3,945**	4,034
Impairment of non-current assets	2	**–**	4,405
Unrealised FX (gains)/losses	10	**(411)**	518
Share Based Payments	27	**514**	1,090
Cash outlay on exercise of share options	27	**(360)**	–
Finance expense	9	**1,362**	1,065
Operating cash flows before movements in working capital		**5,003**	5,642
Decrease/(Increase) in inventories	17	**1,799**	5,244
Increase in trade and other receivables		**(1,459)**	(413)
Increase/(Decrease) in trade and other payables		**3,255**	(1,233)
Increase in provisions	21	**5**	195
Income taxes paid		**(9)**	(97)
Net cash flows from operating activities		**8,594**	9,338
Investing activities			
Purchase of property, plant, and equipment	15	**(1,844)**	(4,928)
Lease inception costs		**(71)**	(460)
Lease incentives received		**60**	204
Net cash used in investing activities		**(1,855)**	(5,184)
Financing activities			
Interest paid on borrowings		**(367)**	(294)
Interest paid on lease liabilities	9	**(982)**	(771)
Proceeds from borrowings		**23,974**	18,689
Repayment of borrowings		**(25,923)**	(19,701)
Lease principal payments	16	**(3,398)**	(3,625)
Dividends paid	12	**–**	(272)
Net cash (used in) financing activities		**(6,696)**	(5,974)
Net movement in cash and cash equivalents		**43**	(1,820)
Cash and cash equivalents at beginning of the period		**1,962**	3,782
Cash and cash equivalents at end of period		**2,005**	1,962

Consolidated Statement of Changes in Equity

For the 52 weeks ended 31 March 2024

£'000s	Note	Share capital	Share Premium	Share Option Reserve	Retained earnings	Total equity
As at 3 April 2022 (restated)[1]		1,090	1	5,801	6,046	12,938
Total comprehensive loss for the period (restated)		–	–	–	(6,092)	**(6,092)**
Employee Share Based Payment Awards	27	–	–	1,090	–	**1,090**
Ordinary dividends paid	12	-	-	-	(272)	**(272)**
As at 2 April 2023 (restated)[1]		**1,090**	**1**	**6,891**	**(318)**	**7,664**
Total comprehensive profit for the period		–	–	–	610	**610**
Employee Share Based Payment Awards	27	–	–	514	–	**514**
Exercise of share options	27	–	–	(3,306)	2,946	**(360)**
As at 31 March 2024		**1,090**	**1**	**4,099**	**3,238**	**8,428**

1 The deferred tax asset in the financial years ending 3 April 2022 and 2 April 2023 has been restated in relation to deferred tax on share based payments, with resulting decreases in retained earnings in each period. Further information relating to this restatement is set out in note 11, and the impact on earnings per share is set out in note 13.

Consolidated Financial Statements Accounting Policies

General Information

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

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, 10 St. Modwen 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.

Basis of preparation

These 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. 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.

The material accounting policies adopted in the preparation of the financial information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Prior period restatement

The deferred tax asset in the financial years ending 3 April 2022 and 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 note 11, and the impact on earnings per share is set out in note 13.

Going concern

The financial statements have been prepared on a going concern basis. The Group has reported a profit before tax of £0.7m after non-underlying items for the financial year ended 31 March 2024 (FY23: loss before tax of £6.5m) and had a net asset position of £8.4m as at 31 March 2024 (2 April 2023 restated: £7.7m), with a net current liabilities position of £1.2m (2 April 2023: net current assets of £1.3m). The Group had net debt (cash and cash equivalents less borrowings) of £0.7m at 31 March 2023 (2 April 2023: £2.8m) with available liquidity headroom of £15.3m.

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 recent fall in inflation, and anticipated decline in interest rates, 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 and the associated covenants are set out in the CFO's Review within this annual report and include a committed £10m 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.
- Shortly after the year-end, on the 19 April 2024, the Group successfully arranged a one-year extension to the RCF which extends the expiry date out to April 2026. Additionally, the terms in respect of the fixed charge cover covenant were amended, in order to provide additional headroom against that covenant in light of the Group's performance over the last two financial years. The revised covenant test requires EBITDAR to be no less than 1.30x fixed charges for the FY24 Q4 and FY25 Q1 and Q2 test dates, and 1.40x thereafter. The leverage coverage remains unchanged with net debt to 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 extends from the Group's annual budget plan that was approved by the Board in March 2024 and updated in its most recent forecast during quarter one and approved by the Board in June 2024. Forecasts for FY26 are based on the Group's strategic objectives and its five year financial plan, which projects forwards from the latest FY25 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, both of which are heightened as a result of the current macro-environment and geo-political tensions.

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, and additional cost impacts driven by continued supply chain disruption associated with the Suez Canal diversions. The impacts of these factors have been reflected in an 8% lower revenue performance in the FY25 year compared to base case, increasing to a 16% decrease in FY26 and a 22% decrease in FY26, combining to reflect a 22% reduction in Group revenue growth over the twelve month assessment period compared to the base case.
- Included within this lower sales scenario, are fewer new store openings in FY26 on the basis that there would be lower management confidence of positive return on investment from such openings.
- A reduction in gross margins in FY26 compared to the base case by 100bps to reflect heightened supply chain costs.

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 FY25 test date given the level of planned and committed inventory intake and new store openings during the first half of FY25.

The Board has also reviewed a reverse stress test which has been applied to the base case model to determine the level of sales decline which would result in a breach of financial covenants. A reduction in revenue, with no mitigations applied, of approximately 8% from Q2 FY25 onwards would be required to breach fixed charge covenants at that quarter-end test date. A further reduction in revenue of 22% in FY26 would be required to breach fixed charge covenants in that year.

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 (as set out on page 40 to 42). 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 and the reverse stress test 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.

Consolidated Financial Statements Accounting Policies

Continued

The Directors consider the likelihood of such a severe downside scenario materialising to be low and recognise the range of mitigating actions available to the Group to prevent a breach occurring. The Directors note the positive and long-standing relationship which the Group has with its banking partner HSBC and consider that it is reasonably likely that the Trade Finance facility will be renewed in August 2024. 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.

Further information regarding the Group's business activities, together with the factors likely to affect its future development, performance and position is set out in the Strategic Report on pages 2 to 65.

Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key estimates and judgements that are used within the financial statements are set out below:

Judgement: Deferred tax asset

The Group has recognised a deferred tax asset of £0.7m on the Consolidated Statement of Financial Position as at 31 March 2024 (2 April 2023 as restated: £1.0m). In recognising this asset, the Group has applied judgement in its consideration of recoverability. In assessing recoverability, the Group has reviewed its base case financial projections which extend from the annual budget plan that was approved by the Board in March 2024. Forecasts for FY26 and beyond are based on the Group's strategic objectives and its five year financial plan, which projects forwards from the FY25 budget.

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.

The recognition of the deferred tax asset in relation to the carried forward losses is judged to be appropriate given there being projections of sufficient future taxable profits against which such deferred tax assets could be offset (as prescribed in IAS 12.24).

The Group has also considered upside and downside scenario projections alongside the base case scenario. Even under the downside scenario projections, there were sufficient future profit expectations, against which the deferred tax asset could be recovered. In all cases, the projections indicated that the deferred tax asset could be recovered within a two year time period.

Judgement: Lease terms and expiries

Judgement is exercised in determining the lease term and expiry date of the lease. IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee were reasonably certain to exercise that option, or when either the lessee or the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty. At the inception of any lease, the Group assesses whether it is more likely than not to continue utilisation of the leased asset subsequent to any option to terminate, assessing the likelihood of exercising a break option by considering current economic and market conditions, current trading performance, forecast profitability, the significance of any fees payable, and the level of capital investment in the property, as well as the status of any open dialogue with Landlords. Subsequent adjustments are made to the lease terms where break options are reassessed, the results of which could be to extend or reduce recognised lease terms.

Judgement: Indicators of Impairment

The Group has determined that only stores that have been open and trading for at least 24 months would be assessed for impairment triggers. However, where maturing stores are not yet on track to meet their original business case performance (or projected to be), we have determined it is appropriate to include such stores in any such assessment.

After an assessment of both internal and external indicators of impairment, including macro-economic factors, the Group has determined that there is no overall indicator of impairment of the retail business and therefore a full review of all CGUs is not required. In prior year, due to the difficult macro-economic environment at that time, and lower than budgeted profitability of the business, a full impairment review was carried out of all retail CGUs.

The Group has then reviewed recent financial performance of individual CGUs and a range of other potential factors including any site-specific circumstances, to identify any indicators of impairment. Where individual CGUs have indicators of impairment, or potential reversal of previously recognised impairment, the recoverable value of has been determined as at 31 March 2024 and an impairment assessment has been performed.

Estimate: Impairment Provision

In the year ended 2 April 2023 the Group completed an impairment assessment in respect of Retail CGUs, due to the difficult macro-economic environment and lower than budgeted profitability, and former warehouses which became disused when the Group consolidated operations in its new Store Support Centre at the end of the year. This assessment resulted in an impairment charge of £4.4m.

The Group has performed an impairment assessment in respect of all CGUs which have indicators of impairment or reversal of previous impairment. To perform the impairment assessment, the Group has determined the value-in-use of each CGU over its remaining useful life. In doing this, estimates have been made on future financial performance in order to determine a reasonable estimate for the value-in-use of each CGU. The forecast financial performance based on the Group's five year plan, has been prepared utilising both historical experience as well as a forward-looking estimates with respect to trading conditions and performance, together with allocations of central overheads and an estimate of Ecommerce contribution attributable to customers first acquired in retail stores, reflecting the omnichannel nature of our business. In the year ended 31 March 2024 this assessment has not resulted in any impairment charge to the Consolidated Income Statement.

Other accounting estimates and judgements

The consolidated financial statements include other areas of judgement and accounting estimates. Other areas of estimation are those containing estimation on material assets, but where the range of reasonably possible outcomes would not result in a material change to the financial statements.

Estimate: Discount rates

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

Judgement: Guarantees relating to assigned leases

The Group has assigned leases of warehouse premises formerly occupied for operational purposes under a tripartite licence agreement agreed with the landlord. The assignee entities are wholly responsible for fulfilling all future obligations under the terms of the leases. ProCook Limited has however entered into a guarantee contract with the landlord whereby if the assignees default on rents (which total £682,994 per annum) payable under the terms of the leases, then the landlord may recover any rent default as that rent falls due from ProCook Limited and has the option in the event of default, by giving six months' notice, to require ProCook Limited to enter into a new lease on terms no more onerous than the existing lease for the remainder of the lease term.

The Group is required to recognise expected credit loss provision ("ECL") based on unbiased forward-looking information in relation to these financial guarantee contracts provided to the landlord. At the reporting date, an allowance is required for the 12-month (Stage 1) ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECLs.

The measurement of ECL is calculated using two main components: probability of default and loss given default. The probability of default for both assignees has been assessed by the Directors by reference to credit ratings provided by an external credit rating agency on the basis that credit risk had not increased significantly since the guarantees were granted to the landlord.

The loss given default is based on the Directors' assessment of the guaranteed rental and other costs, including business rates and re-marketing costs that would be incurred by the Group in the event of default by the assignees under the terms of the guarantee contract. The Directors consider that a 12-month period represents a prudent assessment of the period that rental and related costs would be incurred in the case of default, and this has been reflected in their calculation of the loss given default.

Applying the assumptions set out above, the resultant ECL provision that would be required is trivial and therefore no cost in relation to the contract and no ECL provision has been reflected in these financial statements.

Basis of consolidation

Group companies included in the consolidated financial statements for FY24 include ProCook Group plc and all subsidiary undertakings, which are those entities which 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 to one or more of the elements of control indicators listed above.

Consolidated Financial Statements Accounting Policies

Continued

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

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.

Revenue recognition

The Group records customer transactions through its store point of sale systems and its Ecommerce platforms. Revenue is recognised at the point in time when the Group delivers a product or service to a customer, whether this be at the point of sale in store, or later upon delivery to a customer. Payment of the transaction price is due immediately when the customer purchases the product in store or upon ordering online.

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

Deferred revenue

Sales made through the Group's website are recognised at the point the product is delivered to the customer. Deferred revenue is recognised as a creditor at the point where the order has been received and not yet despatched, or where the goods have been despatched but are yet to be delivered to the customer.

Deferred revenue arises in respect of gift cards as payment has been received for a performance obligation which will be performed at a later point in time, when the gift card is redeemed or expired. No estimate for breakage has been recognised in revenue.

Refunds and returns

At the point at which goods are supplied, the Group provides customers with a right to return goods within a 30-day period for a full refund subject to certain terms and conditions. The Group has established a refunds and returns other payables balance within the Consolidated Statement of Financial Position to provide for the expected level of returns on sales made before the period end but returned after the period end. The provision for returns is calculated based on estimated refund and return rates using historical trends. The associated estimated value of cost of sales related to the returned items is also reflected within inventory.

Expenses

Share-based payments

The Group operates a number of shared based compensation plans which are all equity settled, in exchange for services received from employees. The fair value of these compensation plans is calculated at the grant date using the Black-Scholes model. The resulting cost is expensed to the Consolidated Income Statement over the vesting period. The value of the expense is adjusted to reflect expected and actual levels of vesting, considering any performance conditions which may apply to individual plans.

Social security contributions payable in connection with the grant of the share options are considered an integral part of the grant itself and the expense is treated as a cash-settled transaction.

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

Employee benefits

The costs of short-term employee benefits are recognised as an expense in the Consolidated Income Statement as incurred. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

Pensions

The Group operates a defined contribution pension scheme using an external pensions partner. Contributions to the scheme are expensed to the Consolidated Income Statement in the period to which the contributions relate. The assets of the scheme are held separately from those of the Group.

During the period the Group transitioned to a new third party provider of defined contribution pension schemes, offering colleagues the opportunity to contribute via salary sacrifice which was not previously available.

Non-underlying items

Non-underlying items are defined as transactions that, in the opinion of the Directors, should be disclosed separately from the reported Consolidated Income Statement in order to provide a consistent and comparable view of the underlying performance of the Group. This will include those items that relate to non-recurring events and are material in nature and which have been incurred outside of the normal business operations, including but not limited to restructuring and fund-raising activities.

Finance income and expenses

Finance income comprises interest on bank deposits.

Finance expense comprises of interest payable on the Group's finance facilities and lease liability interest which are expensed to the Consolidated Income Statement in the period in which they are incurred.

Foreign currency translation

Transactions in foreign currencies are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, are retranslated at the rate of exchange prevailing at the end of the reporting period. Any exchange gains or losses are recognised in the Consolidated Income Statement.

Current and deferred taxation

Taxation, comprising current and deferred taxation, is recognised in the Consolidated Income Statement, except where a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

Current tax on profits or losses for the period, is calculated based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK where the Group operates and generates taxable income.

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

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

Dividends

Ordinary dividends proposed by the Board of Directors are only recognised in the Consolidated Statement of Financial Position when they have been approved by the shareholders, and the Company is obliged to make payment.

Intangible assets

Intangible assets with finite useful lives that are either acquired separately or internally developed are carried at cost less accumulated amortisation and accumulated impairment losses.

Directly attributable costs associated with software development by the Group's own IT experts, in respect of customised IT programmes and systems controlled by the Group are capitalised as intangible assets, provided they meet the following recognition requirements:

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

Software development costs not meeting these criteria are classified as research or maintenance expenditure and are expensed to the Consolidated Income Statement as they are incurred. Directly attributable costs include employee costs incurred on software development and external developer costs.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Consolidated Financial Statements Accounting Policies

Continued

Intangible assets are amortised on a straight-line basis over their estimated useful lives. Assets under construction are capitalised as expenditure is incurred, with amortisation commencing from the point at which the asset starts being utilised by the Group. Annual impairment assessments are undertaken to ensure the valuations remain appropriate. Amortisation is provided on the following basis:

- Intangibles (Software) 3 years, straight line

Property plant and equipment

Property, plant, and equipment acquired and owned by the Group is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets under construction are capitalised as expenditure is incurred and tested for impairments annually. Depreciation is expensed to the Consolidated Income Statement to allocate the cost of assets, less any residual value, over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis, from the point at which the asset starts being utilised by the Group:

- Land and buildings 5 – 10 years, straight line
- Plant and machinery 10 – 20 years, straight line
- Fixtures and fittings 3 – 10 years, straight line (or over term of the lease)
- Motor vehicles 5 years, straight line

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

The recoverable amount is the higher of the asset's fair value less any costs to sell and its value in use. If the recoverable amount of an asset is estimated to be less than it's carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised immediately in the Consolidated Income Statement.

Gains and losses on disposals are determined by comparing any proceeds on disposal with the carrying amount and are recognised in the Consolidated Income Statement.

Leased assets

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

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

Leases are recognised in the Consolidated Statement of Financial Position as a right-of-use asset with a corresponding lease liability except for:

- Leases of low value assets (less than £5,000); or
- Leases with a duration of 12 months or less.

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

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

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

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

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

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

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

Dilapidations

The value of any provision for contractually committed future costs to dismantle, remove or restore a leased asset are included in the initial measurement of a right-of-use asset.

Inventories

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

Inventory in transit at the period end is included within inventory at cost, where ownership of legal title by the Group can be readily determined.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventory over its estimated selling price less costs to sell is recognised as an impairment loss in the Consolidated Income Statement. In the current period, the Group has determined that it should reduce the carrying value of inventory to recognise the estimated exposure to writing off damaged items held at cost within inventory at the year end, which will subsequently be disposed of by the Group when identified as damaged of faulty after the year end. Reversals of impairment losses are also recognised in Consolidated Income Statement.

Trade and other receivables

Trade receivables are initially recognised when they are originated.

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

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

Cash and cash equivalents

Cash and cash equivalents are liquid financial assets and include cash in hand, deposits held on call with banks, cash in transit to the Group in respect of debit and credit card receipts, and other short-term liquid investments with original maturities of three months or less.

Trade and other payables

Trade and other payables are recognised at fair value on the Consolidated Statement of Financial Position.

Financial instruments

Financial instruments are all financial assets and financial liabilities that comprise a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity and are detailed in note 25.

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

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. A financial asset is derecognised when the rights to receive cash flows from the asset have expired.

The fair values of financial instruments measured at amortised cost and derivative instruments recognised at fair value are disclosed in note 25.

Financial assets

Financial assets are subsequently classified into the following categories:

- Financial assets at fair value through profit or loss;
- Fair value through other comprehensive income; or
- Amortised cost.

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

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

Financial assets not held at amortised cost or fair value through other comprehensive income are held at fair value through profit or loss. At present the Group only has financial assets held at amortised cost, apart from derivatives which are measured at fair value through profit or loss.

Financial liabilities

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

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

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities at amortised cost, which are measured using the effective interest method. At present the Group only has financial liabilities held at amortised cost, apart from financial guarantees and derivatives which are measured at fair value through profit or loss.

Financial guarantees

The Group recognises financial guarantees where it has an obligation to reimburse another party for a loss should a specified debtor does not make payment to them in line with contractual requirements. These guarantees, relating to the assignment of previously occupied warehouses, are measured at fair value through profit or loss based on the Expected Credit Losses model and a remeasured at each reporting date in accordance with the requirements of IFRS 9.

Impairment of financial assets

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

Derivatives

Derivatives are initially recognised in the Consolidated Statement of Financial Position at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in the Consolidated Income Statement within other gains/(losses) immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Consolidated Income Statement depends on the nature of the hedge relationship.

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

Provisions

Provisions are recognised in the Consolidated Statement of Financial Position where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into consideration the risks and uncertainties surrounding the obligation. The timing of cash outflows are by their nature uncertain and are therefore best estimates. A contingent liability is disclosed where the existence of the obligations will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in the Consolidated Income Statement in the period in which it arises.

Warranties

All ProCook products are offered with a warranty ranging from 12 months to 25 years. This warranty provides the customer with the right to return the product, should it not be performing in the manner as described when the product was purchased. The customer is then entitled to a replacement product free of charge.

All warranties in the Group are assurance type warranties as the Group assures that the product will perform as expected. The Group's warranties do not provide any additional services to the customer and are not able to be purchased separately; the warranties provide a guarantee to the customer that the product will perform as expected.

The Group maintains a warranty provision in respect of future expected cost of claims outstanding at the year-end, based on sales which are accompanied by product warranties made prior to the financial year-end and historical return rate trends.

Dilapidations

The Group maintains a dilapidations provision in respect of its future restoration cost obligations in respect of leasehold properties occupied by or previously occupied by the Group as at the financial year-end, based on historical average costs incurred to vacate and make good a property, and any specific contractual requirements detailed within lease contracts.

Borrowings

Interest-bearing loans are initially recorded at their fair value and subsequently held at amortised cost. Arrangement and transaction fees incurred are amortised over the term of the loan. Borrowings are classed as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after date of the Consolidated Statement of Financial Position.

Share Capital

Changes in the share capital structure are recognised within equity on the Consolidated Statement of Financial Position, with any excess over the nominal share price being recognised within Share premium. Where the Company purchases its own equity share capital (treasury shares) the consideration paid, including any directly attributable incremental costs, is deducted from the equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Impairment of non-financial assets

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

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

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

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

Consolidated Financial Statements Accounting Policies

Continued

Segmental reporting

The Group's operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors. The Board is identified as the Chief Operating Decision-Maker ('CODM') for the business and is responsible for making strategic decisions, allocating resources, and assessing performance of the operating segments. The Group is considered to have two operating segments: Ecommerce and Retail.

Revenues and underlying operating profits for both segments are generated from the sale of kitchenware and related products. Each segment has separate operational characteristics and are identifiable by way of where the customer completes their transaction; either in a retail store, or via one of the ecommerce website platforms the Group has operated during the year.

New standards, amendments, and interpretations

New standards impacting the Group that have been adopted for the financial year ending 31 March 2024 are as follows:

- IFRS 17 (including the June 2020 amendments to IFRS 17) Insurance Contracts
- Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies
- Amendments to IAS 8 Definition of Accounting Estimates
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 International Tax Reform – Pillar Two Model Rules

Following an assessment, the Group have determined that these standards do not have a material impact upon the Group's Consolidated Financial Statements.

New standards, amendments and interpretations not yet adopted

There are several standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The following amendments are effective for the period beginning 1 April 2024:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Non-current Liabilities with Covenants
- Amendments to IFRS 16 Sale and Leaseback
- Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements
- Amendments to IAS 21 Lack of Exchangeability

The Group do not expect these standards to have a material impact on its Consolidated Financial Statements in future reporting periods.

Notes to the Consolidated Financial Statements

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.

During the financial year ended 31 March 2024, all of the Group's operations were carried out in the UK, the Group ceased its trading operations in the European Union during the financial year ended 2 April 2023. All revenue is from external customers.

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
United Kingdom	**62,585**	61,550
European Union	**–**	790
Total revenue	**62,585**	62,340

2. Operating expenses

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

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Depreciation of tangible fixed assets	**936**	967
Amortisation of Intangible assets	**131**	128
Depreciation of right-of-use assets	**3,945**	4,034
Impairment of tangible fixed assets	**–**	1,944
Impairment of right-of-use assets	**–**	2,461
Variable lease payments	**637**	785
Gain on disposal of leases	**(2,301)**	(75)
Loss on disposal of property, plant, and equipment	**457**	37

Total R&D expenditure included in operating expenses for the 52 weeks ended 31 March 2024 was £nil (52 weeks ended 2 April 2023: £nil).

Notes to the Consolidated Financial Statements Continued

3. Non-underlying items

Consistent with prior years, 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 into FY25 up to the third anniversary of the IPO in November 2024.

During FY24, the Group completed the final elements of consolidation of warehouse operations into its new Store Support Centre ("SSC"), with subsequent assignment of the two pre-existing warehouse leases to new tenants later in the year. Operating and finance expenses associated with the costs of transitioning into the new site, dual occupancy of the new or previous sites, and exit costs associated with the disposal of the two previous sites of £1.2m in FY24 (FY23: £0.5m) have been presented as non-underlying costs as these items are non-recurring, dual-running and transition-related. Non-underlying finance expenses relate to interest on lease liabilities relating to the disused warehouses.

Assignment of the leases, resulting in derecognition of the related right-of-use assets and liabilities and disposal of related fixed assets, resulted in gains of £1.9m, including the reversal of £1.1m of prior year impairment provisions against these two sites which were treated as non-underlying costs. The prior year impairment assessment considered a number of estimation factors at that time, including the length of time each property would remain vacant. The reversal in current year reflects the leases being assigned to new tenants in shorter timescales than those previously assumed.

During the year, there was a significant amount of change in the Group's senior management team, following the announcement that the Group's Founder Daniel O'Neill would step down from his role as CEO and transition to a Non-Executive Director role. The one-off costs associated with recruiting a new CEO and a subsequent restructuring of the senior management team totalling £0.7m have been treated as non-underlying given their material and one-off nature.

Management considers that separate disclosure of this restructuring cost as non-underlying provides additional useful information to the users of the financial statements around the day to day trading performance of the Group.

The Group carried out an impairment assessment as at 31 March 2024 which did not result in any expense (or reversal of previous expense) to the Consolidated Income Statement. (2023: £3.3m in respect of Retail CGU impairment and £1.1m in respect of the Group's two pre-existing distribution / head office sites).

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
SSC transition-related costs	**1,213**	545
Net profit on reassignment of leases	**(1,867)**	–
Senior management restructuring costs	**718**	–
Share based payments	**81**	1,209
Impairment expense	**–**	4,405
Non-underlying operating expenses	**145**	6,159
Non-underlying finance expense	**132**	204
Non-underlying loss before tax	**277**	6,363

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 31 March 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	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Revenue		
Ecommerce	**22,695**	25,653
Retail	**39,890**	36,687
Total revenue	**62,585**	62,340
Operating profit/(loss)		
Ecommerce	**5,325**	4,588
Retail	**8,220**	5,319
Central costs	**(11,422)**	(9,155)
Non-underlying operating costs[1]	**(145)**	(6,159)
Operating profit/(loss)	**1,978**	(5,407)
Finance costs	**(1,230)**	(861)
Other (losses)/gains	**114**	(55)
Non-underlying finance costs[2]	**(132)**	(204)
(Loss)/profit before tax	**730**	(6,527)

1 Included in non-underlying costs for the 52 weeks ended 2 April 2023 is an impairment charge of £3.3m in respect of Retail and £1.1m in respect of the central segment).

2 Non-underlying finance costs are the interest costs on the lease liabilities for the disused warehouses which were disposed of in the year.

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

5. Auditor remuneration

The Group's total fees paid or payable to its auditor in respect of the audit of the Group's financial statements and for other services provided to the Group:

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Audit of Consolidated Financial Statements	**48**	39
Audit of the Parent Company and Group subsidiary entities	**269**	355
Other services[1]	**–**	10
Total auditor remuneration	**317**	404

1 The Group engaged the auditor to undertake certain agreed upon procedures in respect of the interim financial statements.

6. Other income

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Other income	**49**	51
Total other income	**49**	51

Other income relates solely to rental income.

7. Employee numbers and costs

The average monthly number of colleagues employed by the Group including Directors was:

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Retail and distribution staff	**513**	564
Support staff	**118**	121
Total	**631**	685

The total remuneration of all employees including Directors includes:

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Wages and salaries	**13,416**	12,952
Social security contributions and similar taxes	**1,049**	1,139
Other pension costs	**281**	305
Total	**14,746**	14,396

Details of Directors' remuneration including base pay, short and long-term incentive schemes and pension entitlements are disclosed in the Directors' Remuneration Policy and Annual Report on Remuneration on pages 90 to 100.

8. Retirement benefit plan

The Group operates a defined contribution retirement benefit scheme for all qualifying employees. The scheme is administered and managed by a separate third-party specialist pension scheme provider. The total expense recognised in the Consolidated Income Statement for the 52 weeks ended 31 March 2024 was £281k (2 April 2023: £305k) and represents contributions payable to these plans by the Group at rates specified in the rules of the plans.

9. Finance expense

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Unwinding of discounted provisions	**13**	11
Interest on borrowings and other interest	**367**	283
Interest on lease liabilities	**982**	771
Total finance expense	**1,362**	1,065

10. Other gains and losses

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Unrealised FX gains/(losses)	**411**	(518)
Exchange rate (losses)/gains	**(297)**	463
Total gains / (losses)	**114**	(55)

Unrealised FX gains/(losses) relate to fair value movements on derivatives.

11. 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 31 March 2024	52 weeks ended 2 April 2023 (restated)
Current taxation		
Corporate income tax charge for the period	**–**	–
Adjustments in respect of previous years	**(119)**	(243)
	(119)	(243)
Deferred tax		
Origination and reversal of temporary differences	**336**	(479)
Impact of change in tax rate	**–**	–
Adjustments in respect of prior periods	**(97)**	287
Total tax (credit)/expense	**120**	(435)

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

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023 (restated)
Profit on ordinary activities before tax	**730**	(6,527)
UK Corporate income tax at standard rate of 25% (2023: 19%)	**183**	(1,240)
Factors effecting the charge in the period:		
Tax effect of expenses that are not deductible for tax purposes	**153**	(20)
Adjustments in respect of prior years	**(119)**	(243)
Other permanent differences	**(128)**	–
Fixed asset differences	**9**	–
Adjustments in respect of prior periods (deferred tax)	**(97)**	287
Adjustments to brought forward values	**(13)**	–
Remeasurement of deferred tax	**132**	781
Total taxation expense/(credit)	**120**	(435)

The taxation expense for the period as a percentage of underlying profit before tax (the effective tax rate) was 16.4% (2023: 6.7%).

The standard rate of UK corporate income tax was 25% for the 52 weeks ended 31 March 2024 (2 April 2023: 19%). Deferred tax balances reflect future corporation tax rates of 25%.

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

The deferred tax assets recognised as at 3 April 2022 and 2 April 2023 have been restated. Both financial years showed an overstated deferred tax asset due to the deferred tax on future-vesting share based payments having previously been recognised based on the fair value of the options granted instead of the available future tax relief (the available tax relief being based on the difference between exercise price and market value as at the reporting date, accruing over the time period from grant until vest date).

11. Tax expense continued

Restated brought forward movements:

£'000	Short-term timing differences	Accelerated capital allowances	Share based payments	Carried forward losses	Total
Deferred tax asset as at 3 April 2022 (as reported)	–	(479)	1,654	–	1,175
Remeasurement of deferred tax on share options	–	–	(473)	–	(473)
Deferred tax asset as at 3 April 2022 (restated)	**–**	**(479)**	**1,181**	**–**	**702**
(Debit)/Credit to profit and loss	–	(601)	(838)	1,631	192
Deferred tax asset as at 2 April 2023 (restated)	**–**	**(1,080)**	**343**	**1,631**	**894**

Movement in the year:

£'000	Short-term timing differences	Accelerated capital allowances	Share based payments	Carried forward losses	Total
Deferred tax asset as at 2 April 2023 (restated)	–	(1,080)	343	1,631	894
(Debit)/Credit to profit and loss	112	(516)	(132)	297	(239)
Deferred tax asset at 31 March 2024	**112**	**(1,596)**	**211**	**1,928**	**655**

Carried forward tax losses arise from the tax losses incurred during the previous financial year. As set out in the Critical Accounting Estimates and Judgements section on page 128, the recognition of the deferred tax asset in relation to the carried forward losses is judged to be appropriate given the Group's projections of sufficient future taxable profits against which such deferred tax assets could be offset.

12. Dividends

£'000	52 weeks ended 31 March 2024	Dividend per share (pence)	52 weeks ended 2 April 2023	Dividend per share (pence)
Final dividend for the period ended 3 April 2022	–	–	272	0.9 pence
Interim dividend for the period ended 2 April 2023	–	–	–	–

The FY22 final dividend of £1.0m was declared representing 0.9 pence per share, however £0.7m of this dividend was waived by certain shareholders. The final dividend was paid to the shareholders on the register at close of business on 2 September 2022. No dividends were declared or paid in the 52 weeks to 31 March 2024.

13. 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 31 March 2024	**52 weeks ended 2 April 2023**
Weighted average number of shares	**108,956,624**	108,956,624
Impact of share options	**7,072,398**	9,126,940
Number of shares for diluted earnings per share	**116,029,022**	118,083,564

			Restated[3]	
£'000	**52 weeks ended 31 March 2024 Underlying[1]**	**52 weeks ended 31 March 2024 Reported**	**52 weeks ended 2 April 2023 Underlying[1]**	**52 weeks ended 2 April 2023 Reported**
Profit/(loss) for the period	**842**	**610**	(153)	(6,092)
Earnings per ordinary share – basic	**0.77p**	**0.56p**	(0.14)p	(5.59)p
Earnings per ordinary share – diluted[2]	**0.73p**	**0.53p**	(0.14)p	(5.59)p

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

2 In the 52 weeks ended 2 April 2023 the impact of share options was anti-dilutive

3 The deferred tax asset in the financial years ending 3 April 2022 and 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 note 11.

14. Intangible assets

£'000	**Software**	**Assets under construction**	**Total**
Cost			
At 3 April 2022	257	158	415
Additions	–	–	–
Transfers out of Assets under construction	158	(158)	–
At 2 April 2023	415	–	415
Additions	–	–	–
31 March 2024	**415**	**–**	**415**
Accumulated amortisation			
At 3 April 2022	52	–	52
Charge for the period	128	–	128
At 2 April 2023	180	–	180
Charge for the period	131	–	131
31 March 2024	**311**	**–**	**311**
Net book value			
At 3 April 2022	205	158	363
At 2 April 2023	235	–	235
31 March 2024	**104**	**–**	**104**

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

15. Property, plant, and equipment

£'000	Land and Buildings	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Assets under Construction	Total
Cost						
At 3 April 2022	12	487	8,462	29	425	9,415
Additions	–	–	1,112	–	3,816	4,928
Transfers	175	21	2,418	–	(2,614)	–
Disposals	–	–	(241)	–	–	(241)
At 2 April 2023	**187**	**508**	**11,751**	**29**	**1,627**	**14,102**
Additions	–	153	1,327	–	364	1,844
Transfers	–	–	1,532	–	(1,532)	–
Disposals	–	(296)	(615)	–	(35)	(946)
31 March 2024	**187**	**365**	**13,995**	**29**	**424**	**15,000**
Accumulated depreciation and impairment						
At 3 April 2022	3	63	3,541	7	–	3,614
Charge for the period	3	34	925	5	–	967
Disposals	–	–	(204)	–	–	(204)
Impairment	1	101	1,838	4	–	1,944
At 2 April 2023	**7**	**198**	**6,100**	**16**	**–**	**6,321**
Impairment reallocation[1]	132	(10)	(121)	(1)	–	–
Charge for the period	–	29	903	4	–	936
Disposals	–	(130)	(359)	–	–	(489)
31 March 2024	**139**	**87**	**6,523**	**19**	**–**	**6,768**
Net book value						
At 3 April 2022	9	424	4,921	22	425	5,801
At 2 April 2023	180	310	5,651	13	1,627	7,781
At 31 March 2024	**48**	**278**	**7,472**	**10**	**424**	**8,232**

1 A detailed review of prior year impairment allocation to individual assets was performed during the period, resulting in a revised allocation of the charge across the different asset classes, As the overall effect of the reallocation is immaterial to the financial statements, retrospective application has not been required.

Assets under construction includes retail store equipment and fixtures acquired but not yet in use.

Impairment tests have been carried out where appropriate, with no impairment charges recognised in the 52 weeks ended 31 March 2024 (FY23: £1.9m).

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

16. 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 fixed and 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 31 March 2024	As at 2 April 2023
Number of active leases	**70**	71

The Group's leases include leasehold properties for commercial and head office use, motor vehicles and plant equipment. The leases range in length from 2 to 15 years and vary in length depending on lease type. Leasehold properties hold the longest-term length of up to 15 years, plant and equipment of up to 5 years, and motor vehicles of up to 5 years.

Notes to the Consolidated Financial Statements Continued

16. Leased assets continued

Extension, termination, and break options

The Group occasionally negotiates extension, termination, or break clauses in its leases. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

On a case-by-case basis, the Group will consider whether the absence of a break clause would expose the Group to excessive risk. Typically, factors considered in deciding to negotiate a break clause include:

- The length of the lease term;
- The economic stability of the environment in which the property is located; and
- Whether the location represents a new area of operations for the Group.

Incremental borrowing rate

The Group has adopted a rate with a range of 2% - 7% as its incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security, and conditions. This rate is used to reflect the risk premium over the borrowing cost measured by reference to the Group's financing facilities.

Short term or low value lease expense

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

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 3 April 2022	26,225	236	68	26,529
Additions	16,336	–	–	16,336
Re-measurement[1]	(4,371)	–	–	(4,371)
Disposals	(1,706)	(54)	(29)	(1,789)
At 2 April 2023	36,484	182	39	36,705
Additions	2,712	–	53	2,765
Re-measurement[1]	1,021	–	–	1,021
Disposals	(8,876)	(57)	–	(8,933)
At 31 March 2024	**31,341**	**125**	**92**	**31,558**
Accumulated depreciation and impairments				
At 3 April 2022	5,430	87	27	5,544
Charge for the period	3,959	64	11	4,034
Disposals	(701)	(54)	(29)	(784)
Impairment	2,461	–	–	2,461
At 2 April 2023	11,149	97	9	11,255
Charge for the period	3,874	54	17	3,945
Disposals	(4,107)	(57)	–	(4,164)
Impairment	–	–	–	–
At 31 March 2024	**10,916**	**94**	**26**	**11,036**
Net Book Value				
At 3 April 2022	20,795	149	41	20,985
At 2 April 2023	25,335	85	30	25,450
At 31 March 2024	**20,425**	**31**	**66**	**20,522**

1 Remeasurements have arisen where rentals have been subject to indexation or rent reviews, or where store lease rental terms and lease expiry dates have been renegotiated.

16. Leased assets continued

For impairment testing purposes, the Group has determined that each store is a separate CGU. Each CGU is tested for impairment at the balance sheet date if any indicators of impairment exist.

The value in use of each CGU is calculated based on the Group's latest budget and forecast cash flows, covering a three-year period, which have regard to historic performance and knowledge of the current market, together with the Group's views on the future achievable growth. Cash flows beyond this three-year period are extrapolated using a longer-term growth rates based on management's future expectations. These have been prepared utilising both historical experience as well as a forward-looking estimates with respect to trading conditions and performance, together with allocations of central overheads and an estimate of Ecommerce contribution attributable to customers first acquired in retail stores, reflecting the omnichannel nature of our business, based on historical sales data.

The key assumptions in the value in use calculations are the growth rates of sales and gross profit margins, changes in the operating cost base, long-term growth rates and the risk-adjusted pre-tax discount rate.

The pre-tax discount rates are derived from the Group's weighted average cost of capital, which has been calculated using the capital asset pricing model, the inputs of which include a country risk-free rate, equity risk premium, Group size premium and a risk adjustment (beta) along with the cost of debt. The resulting pre-tax discount rate used was 13.4% (FY23: 12.8%). Impairment tests have been carried out where appropriate, with no impairment charges recognised in the 52 weeks ended 31 March 2024 (2023: total impairment charge of £4.4m, being £2.5m relating to Right-of-use assets and £1.9m relating to Property, plant, and equipment).

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

£'000	Leasehold Property	Motor Vehicles	Plant and Equipment	Total
At 3 April 2022	22,269	141	39	22,449
Additions	15,893	–	–	15,893
Remeasurement[1]	(4,371)	–	–	(4,371)
Interest expense	768	2	1	771
Lease payments	(4,318)	(67)	(11)	(4,396)
Disposals[2]	(1,080)	–	–	(1,080)
At 2 April 2023	**29,161**	**76**	**29**	**29,266**
Additions	2,665	–	53	2,718
Remeasurement[1]	1,126	–	–	1,126
Interest expense	978	1	3	982
Lease payments	(4,311)	(48)	(21)	(4,380)
Disposals[2]	(7,070)	–	–	(7,070)
At 31 March 2024	**22,549**	**29**	**64**	**22,642**

1 Remeasurements have arisen where rentals have been subject to indexation or rent reviews, or where store lease rental terms and lease expiry dates have been renegotiated.

2 Disposals in the year predominantly related to the assignment of leases relating to two distribution centres which were surplus to requirements after the transition to the new Store Support Centre at the beginning of FY24. In the prior year impairment charges of £0.9m were recognised against these leases based on a Value In Use assessment which considered a number of estimation factors at that time, including the length of time each property would remain vacant.

16. Leased assets continued

The remaining contractual maturities of the lease liabilities, which are gross and undiscounted, and a reconciliation to their present value are as follows:

£'000	As at 31 March 2024	As at 2 April 2023
Within 1 year	**4,177**	4,147
After 1 year and less than 2 years	**3,920**	4,404
After 2 years and less than 5 years	**8,008**	9,660
After 5 years and less than 10 years	**7,024**	9,860
After 10 years	**3,987**	7,206
Total including interest cash flows	**27,116**	35,277
Less: interest cash flows	**(4,474)**	(6,011)
Total principal cash flows	**22,642**	29,266

Reconciliation of current and non-current lease liabilities:

£'000	As at 31 March 2024	As at 2 April 2023
Current	**3,347**	2,836
Non-current	**19,295**	26,430
Total	**22,642**	29,266

At the beginning of FY24 the Group completed the transition into the new Store Support Centre, making the two pre-existing distribution centres surplus to requirements. During FY24 the leases on both pre-existing distribution centres were assigned to separate third parties for the full remainder of the lease terms. The Group acts as a guarantor on the leases should the new tenants default on their obligations, however we have assessed the value of the financial guarantee to be trivial.

17. Inventories

£'000	As at 31 March 2024	As at 2 April 2023
Finished goods and goods for resale	**9,716**	11,515

The cost of Group inventories recognised as an expense in the period to 31 March 2024 amounted to £21.5m (2 April 2023: £24.0m). This is included in cost of sales.

Within inventory the Group has recognised a provision relating to damaged stock of £68k as at 31 March 2024 (2 April 2023: £123k).

18. Trade and other receivables

£'000	As at 31 March 2024	As at 2 April 2023
Trade receivables	**–**	–
Other receivables	**711**	840
Derivative financial instruments	**42**	–
Prepayments	**2,989**	1,400
Total	**3,742**	2,240

All trade and other receivables are due within one year from the end of the reporting period. No impairment was incurred on trade and other receivables during the period and the expected credit loss provision held at period end is nil (2 April 2023: nil). No material amounts are overdue as at the reporting date (2 April 2023: nil). The Directors consider that the carrying value of trade and other receivables approximates to their fair value.

Included in other receivables at the period end is supplier deposits of £373k (2 April 2023: £512k).

19. Cash and cash equivalents

£'000	As at 31 March 2024	As at 2 April 2023
Cash at bank available on demand	**854**	1,180
Cash in transit	**1,151**	782
Total	**2,005**	1,962

20. Trade and other payables

£'000	As at 31 March 2024	As at 2 April 2023
Amounts falling due within one year:		
Trade payables	**2,889**	1,796
Other payables	**1,003**	477
Accruals	**4,132**	2,768
Deferred income	**167**	81
Derivative financial instruments	**–**	369
Other taxation and social security	**2,240**	1,785
	10,431	7,276
Amounts falling due after one year:		
Accruals	**48**	954
Total	**10,479**	8,230

The Directors consider that the carrying value of trade and other payables approximates to their fair value. Trade payables are non-interest bearing and are typically settled monthly. The accruals falling due after one year relate solely to the Employers National Insurance contributions payable on Share Schemes.

21. Provisions

£'000	As at 31 March 2024	As at 2 April 2023
Amounts falling due within one year:		
Warranties	**147**	116
Dilapidations	**106**	84
	253	200
Amounts falling due after one year:		
Warranties	**77**	7
Dilapidations	**488**	605
	565	612
Total	**818**	812

Provisions for warranties are largely short term in nature given the Group's experience of the timing of such claims being largely made within the first year of purchase. The estimated costs to service these claims have minimal uncertainty as they are based on the cost of the Group's products.

Provisions for dilapidations are based on the Group's past experience of existing leasehold property sites. It is estimated that all dilapidations provisions will occur at the end of the term of the lease.

21. Provisions continued

£'000	Dilapidations	Warranties	Total
At 2 April 2023	689	123	812
Additions during the year	26	149	175
Remeasurement	(105)	–	(105)
Unwinding of discount rate	13	–	13
Utilised during the year	(29)	(48)	(77)
At 31 March 2024	**594**	**224**	**818**

22. Borrowings

£'000	As at 31 March 2024	As at 2 April 2023
Current		
Bank loans	**2,754**	4,716
Total borrowings	**2,754**	4,716

As at 31 March 2024 the Group has access to an uncommitted trade finance facility which expires on 31 August 2024, although is expected to be renewed at that date, with a maximum limit of £6.0m. 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. The following amounts had been drawn down and were outstanding at 31 March 2024: £2.8m (2 April 2023: £4.7m).

The Group has access to a committed £10m Revolving Credit Facility (RCF) to provide additional cash headroom to support operational and investment activities. Additionally, the RCF agreement provides an accordion option, subject to the lender's approval, to extend the facility by a further £5m. No amounts were drawn on this facility at the year end date (2 April 2023: nil).

Shortly after the year-end, on the 19 April 2024, the Group successfully finalised a one-year extension to the RCF which extends the expiry date out to April 2026. Additionally, the terms in respect of the fixed charge cover covenant were amended, in order to provide additional headroom against that covenant in light of the Group's performance over the last two financial years. The revised covenant test requires EBITDAR to be no less than 1.30x fixed charges for the FY24 Q4 and FY25 Q1 and Q2 test dates, and 1.40x thereafter. The leverage coverage remains unchanged with net debt to 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 has a debenture in place during the year which related to a fixed charge over all present freehold and leasehold property provided as security to the Group's Revolving Credit Facility which will remain in place throughout the term of the facility agreement.

23. Derivatives

The Group's local currency is Pounds Sterling 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 31 March 2024, the outstanding contracts all mature within 24 months of the period end, with committed purchases of $20.8m (2 April 2023: $21.5m).

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. The fair value movement of the foreign currency contracts are detailed in note 10 above.

There were no designated hedges in place during the current or proceeding financial year.

24. Changes in liabilities arising from financing activities

£'000	At 2 April 2023	Repayments	Interest	New borrowings	Other gains and losses	At 31 March 2024
Short-term borrowings	4,716	(26,290)	367	23,974	(13)	**2,754**
Lease liabilities	29,266	(4,380)	982	2,718	(5,944)	**22,642**
Total liabilities from financing activities	33,982	(30,670)	1,349	26,692	(5,957)	**25,396**

25. 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.

For further information on the Group's Capital allocation and dividend policy, please see page 49.

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 from A- to A+.

Interest rate risk

As at 31 March 2024 the Group's only drawn borrowings are through its trade finance facility with a floating interest rate linked to the United States Federal funds rate. This is 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 also has a £10m RCF with a floating interest rate linked to the Bank of England base rate. 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.

During the period, if interest rates had been 100 basis points higher with all other variables held constant, pre-tax profit would have been £48k lower (2023: £47k lower).

Foreign exchange risk

Foreign exchange risk arises when the Group enter transactions in a currency other than their functional currency. The Group's policy is, where possible, to settle liabilities denominated in a currency other than its functional currency with cash already denominated in that currency.

The Group 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 outflows. All the Group's foreign exchange contracts are designated to settle the corresponding liability.

25. Financial risk management continued

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 available cash to meet support its operational and investment activities.

Financial assets

Financial assets measured at amortised cost, which approximates to fair value, comprise trade receivables, other receivables, and cash.

£'000	As at 31 March 2024	As at 2 April 2023
Trade receivables	**–**	–
Other receivables	**711**	840
Cash at bank and on hand	**854**	1,180
Total	**1,565**	2,020

Financial assets measured at fair value include derivative financial assets:

£'000	As at 31 March 2024	As at 2 April 2023
Derivatives	**42**	–
Total	**42**	–

In the 52 weeks ended 31 March 2024, derivatives assets were included within the balance sheet under trade and other receivables and were recognised under level 2 of the fair value hierarchy.

Financial liabilities

Financial liabilities measured at amortised cost comprise trade and other payables, accruals, borrowings, and lease liabilities:

£'000	As at 31 March 2024	As at 2 April 2023
Trade payables	**2,889**	1,796
Other payables	**1,003**	477
Accruals	**4,132**	2,768
Borrowings	**2,754**	4,716
Lease liabilities	**22,642**	29,266
Total	**33,420**	39,023

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

	As at 31 March 2024	As at 2 April 2023
Derivatives	**–**	369
Total	**–**	369

In the 52 weeks ended 31 March 2024, derivatives liabilities are included within the balance sheet under trade and other payables and are recognised under level 2 of the fair value hierarchy.

25. Financial risk management continued

A maturity analysis of the Group's financial liabilities is shown below. With the exception of lease liabilities (whose payment schedule spans the term of the respective lease agreements, please see Note 16 for further details) and national insurance contributions on share based payments, the Groups' other liabilities as at 31 March 2024 are all due within less than one year:

£'000	As at 31 March 2024	As at 2 April 2023
Due within one year:		
Trade payables	**2,889**	1,796
Other payables	**1,003**	477
Accruals	**4,084**	2,768
Borrowings	**2,754**	4,716
Lease liabilities	**3,347**	2,836
Total	**14,077**	12,593

	As at 31 March 2024	As at 2 April 2023
Due within one year:		
Derivatives	**–**	369
Total	**–**	369

£'000	As at 31 March 2024	As at 2 April 2023
Due after one year:		
Accruals	**48**	954
Lease liabilities	**19,295**	26,430
Total	**19,343**	27,384

Further maturity of the Group's lease liabilities is set out in note 16. All other liabilities which are due after one year are due to be settled within five years.

The currency profile of the Group's cash and cash equivalents is as follows:

£'000	As at 31 March 2024	As at 2 April 2023
Sterling	**1,601**	1,531
US Dollar	**383**	249
Euro	**21**	182
Total	**2,005**	1,962

Notes to the Consolidated Financial Statements Continued

25. Financial risk management continued

Foreign denominated asset and liability balances held at the year-end are as follows:

£'000	As at 31 March 2024	As at 2 April 2023
Current assets		
Cash and cash equivalents	**404**	431
Current liabilities		
Trade and other payables	**1,279**	1,134
Borrowings	**2,754**	4,716
Total	**4,437**	6,281

Substantially all of the trade and other payables positions and borrowings positions shown above are denominated in US Dollars.

Further information relating to the Group's hedging of these assets and liabilities is set out in note 23. A $0.01 change in the Sterling to USD exchange rate would result in a £40k increase/ decrease in the Consolidated Income Statement.

Capital disclosures

The capital structure of the business consists of cash and cash equivalents, debt, and equity. Equity comprises share capital and retained profit and is equal to the amount shown as 'Equity' in the balance sheet. As at 31 March 2024 debt comprised solely of the borrowings on the Group's trade finance facility which is set out in further detail above and in the notes to the accounts.

The Group's objectives when maintaining capital are to:

- Safeguard the Group's ability as a going concern so that it can continue to pursue its growth plans.
- Provide a reasonable expectation of future returns to shareholders.
- Maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

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

During the periods presented the Group maintained compliance with all relevant facility covenants.

26. Share capital and reserves

£	As at 31 March 2024	As at 2 April 2023
Allotted, called up and fully paid		
108,956,624 Ordinary Shares of 1p each	**1,089,566**	1,089,566
Total	**1,089,566**	1,089,566

Only one class of shares have been issued which have full voting, dividend, and capital distribution rights.

Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium account: Proceeds received in excess of the nominal value of shares issued, net of any transaction costs

Share option reserve: Used to recognise the value of equity-settled share-based payments expenses. See note 27 for further details on share-based payment plans.

Retained earnings: All other accumulated net gains and losses and transactions with shareholders not recognised elsewhere.

27. Share based payments

The Group operates several equity-settled share based compensation plans for employees. The vesting date for each scheme is the last day of the contractual life of the scheme. The terms and conditions of the grants are detailed below:

IPO Awards

Upon listing, a number of equity-settled schemes were set up, with options awarded to both the Leadership Team and eligible employees with employment pre-dating March 2021. There are no performance conditions attached to these schemes, except that the employee is required to be in employment with ProCook Group plc on the vest date, with the exception of the Leadership IPO award which does not include this condition.

IPO Awards	As at 31 March 2024	WAEP (£)	As at 2 April 2023	WAEP (£)
Outstanding at beginning of period	**6,931,594**	**0.23**	7,632,008	0.27
Granted during the period	**–**	**–**	–	–
Forfeited/lapsed during the period	**(365,773)**	**0.29**	(700,414)	0.29
Exercised during the period	**(2,119,203)**	**–**	–	
Outstanding at period end	**4,446,618**	**0.39**	6,931,594	0.23
Available to exercise at end of period	**1,054,673**	**–**	–	–

Available to exercise at end of period refers to all options not exercised which have passed their vesting date but have not reached any expiry date, if applicable.

Options outstanding at 31 March 2024 are exercisable at prices ranging from nil to £1.45 (2 April 2023: nil to £1.45) and the weighted average remaining vest period for the IPO Awards is 7 months as at 31 March 2024 (2 April 2023: 19 months):

IPO Awards Exercise Price (pence):	As at 31 March 2024	Weighted Average Remaining Months	As at 2 April 2023	Weighted Average Remaining Months
nil	**1,227,086**	**7**	3,346,289	19
145.0	**689,655**	**7**	689,655	19
44.0	**843,350**	**7**	965,258	19
29.0	**843,350**	**7**	965,258	19
14.5	**843,177**	**7**	965,134	19
	4,446,618	**7**	6,931,594	19

Long-Term Incentive Plans (LTIPs)

The Group operates an equity-settled LTIP for Executive Directors and the Senior Leadership Team, with performance conditions which are set out in the Remuneration Report. Performance conditions for the Senior Leadership Team are consistent with those disclosed for Executive Directors. The movements in nil-cost LTIP awards during the year were as follows:

LTIPs	As at 31 March 2024	As at 2 April 2023
Outstanding at beginning of period	**3,325,374**	706,893
Granted during the period	**4,292,960**	2,618,481
Forfeited/lapsed during the period	**(2,622,709)**	–
Exercised during the period	**–**	–
Outstanding at period end	**4,995,625**	3,325,374
Available to exercise at end of period	**–**	–

The weighted average remaining contractual life of these options is 2.2 years (2023: 2.0 years).

27. Share based payments continued

Save As You Earn Scheme

All colleagues are invited to participate in Save As You Earn Schemes each year up to a monthly maximum savings amount of £500 per month, with options granted at the Company share price at the date of award less a discount of 20%. The Save As You Earn schemes are HMRC 'approved' schemes and are administered by a specialist third party provider. All schemes carry a contractual vest period of 3 years from the scheme inception date, with a six month exercise period after the completion of each scheme.

SAYE	As at 31 March 2024	WAEP (£)	As at 2 April 2023	WAEP (£)
Outstanding at beginning of period	**1,395,228**	**0.31**	435,255	1.12
Granted during the period	**405,633**	**0.26**	1,330,364	0.27
Forfeited/lapsed during the period	**(487,467)**	**0.31**	(370,391)	1.12
Exercised during the period	**–**	**–**	–	
Outstanding at period end	**1,313,394**	**0.21**	1,395,228	0.31
Available to exercise at end of period	**–**	**–**	–	–

Exercisable at end of period refers to all options not exercised which have passed their vesting date but have not reached any expiry date, if applicable.

Options outstanding at 31 March are exercisable at prices ranging from £0.26 to £1.12 (2023: £0.27 to £1.12) and the weighted average remaining vest period for the SAYE Awards is 25 months as at 31 March 2024 (2023: 33 months):

SAYE Exercise Price (pence):	As at 31 March 2024	Weighted Average Remaining Months	As at 2 April 2023	Weighted Average Remaining Months
44.0	**41,120**	**10**	64,864	22
29.0	**866,641**	**22**	1,130,364	34
14.5	**405,633**	**34**	–	–
	1,313,394	**25**	1,395,228	33

Fair Value calculations

The fair value of all share options granted are calculated at the date of grant using a Black-Scholes option pricing model. Given the Group's admission to the London Stock Exchange in November 2021, at the date of issue, volatility remains relatively unknown and cannot be measured historically for the typical three year vest period attached to awards made in the year. A reasonable volatility expectation has therefore been applied by the Group, based on a review of similar businesses' historical share price volatility and the Group's share price history.

Detail of inputs to Fair Value calculations for options granted in the year are shown below:

LTIPs	2024	2023
Share price at date of grant	**25 pence**	43 pence
Exercise Price	**0 pence**	0 pence
Volatility	**49.3%**	50%
Expected life	**3 years**	3 years
Risk Free rate	**4.81%**	2.46%
Dividend yield	**0.88%**	1.98%
Fair value per option	**24 pence**	40 pence

27. Share based payments continued

SAYE	2024	2023
Share price at date of grant	**32 pence**	41 pence
Exercise Price	**26 pence**	27 pence
Volatility	**50.7%**	76.0%
Expected life	**3 years**	3 years
Risk Free rate	**4.15%**	2.29%
Dividend yield	**0.00%**	3.10%
Fair value per option	**14 pence**	22 pence

A corresponding charge to the Consolidated Income Statement of £0.5m (2023: £1.1m) has been made in respect of these share options in the period. In total, including movements of National Insurance accruals, £0.1m has been recognised as a non-underlying cost and £0.1m as an underlying cost during the year ending 31 March 2024 (2 April 2023: £1.2m non-underlying cost, £0.1m underlying credit).

Exercises of IPO awards which vested in the year, which at the point of exercise were included in the share option reserve at a value of £3.3m, were satisfied by either cash settlement or transfers of shares from the Employee Benefit Trust. Including withholding taxes paid on the employees' behalf, total cash outflows relating to these exercises were £0.4m. Excess balances in the share option reserve totalling £2.9m, where the market price on exercise was lower than the accrued fair value of the related options, have been transferred within equity to retained earnings. The Weighted Average Share Price at the dates of these exercises was 21.3p.

28. Contingent liabilities

The Company had no contingent liabilities at the year-end date (2023: none).

29. 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 Quella Bicycle Limited, a related party by virtue of one of the Group's Directors (Daniel O'Neill) holding a financial interest, relate to logistics costs incurred on Quella's behalf. During the year, Quella Bicycle Limited were charged £1k (2 April 2023: £7k). Payments from Quella totalled £1k during the year (2 April 2023: £7k). The amount receivable at 31 March 2024 was nil (2 April 2023: £7k).

Transactions with Life's a Beach, a related party by virtue of one of the Group's Directors (Daniel O'Neill) being a trustee of the charity, relate to charitable donations made on ProCook sales and other associated transactions. During the year, ProCook sales generated £40k of donations payable to Life's a Beach (2 April 2023: £52k). During the year, ProCook made no payments to Life's a Beach (2 April 2023: £52k). The amount payable at 31 March 2024 was £47k (2 April 2023: £7k).

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 year, Conway House Limited provided services totalling £45k (2 April 2023: nil). Payments to Conway House totalled £38k during the year (2 April 2023: nil). The amount payable at 31 March 2024 was £7k (2 April 2023: nil).

Key management personnel

The key management personnel of the Group comprise members of the Board.

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Wages and salaries	**995**	878
Post-employment benefits	**14**	18
Share-based payments (including NI)	**300**	172
Total	**1,309**	1,068

Details of the remuneration of the Board can be found on pages 90 to 100.

Parent Company Financial Statements

As at 31 March 2024

£'000s	Note	As at 31 March 2024	As at 2 April 2023 (restated)	As at 3 April 2022 (restated)
Assets				
Non-current assets				
Investment in subsidiary	4	**69,091**	69,091	117,300
Deferred tax asset		**1,044**	706	1,181
Total non-current assets		**70,135**	**69,797**	**118,481**
Current assets				
Other receivables	5	**127**	169	111
Total current assets		**127**	169	111
Total assets		**70,262**	**69,966**	**118,592**
Liabilities				
Current liabilities				
Trade and other payables	6	**5,360**	3,254	1,370
Corporation tax payable		**–**	76	76
Total current liabilities		**5,360**	**3,330**	**1,446**
Non-current liabilities				
Trade and other payables	6	**48**	749	816
Total non-current liabilities		**48**	749	816
Total liabilities		**5,408**	**4,079**	**2,262**
Net assets		**64,854**	**65,887**	**116,330**
Equity and reserves attributable to Shareholders of ProCook Group plc				
Share capital	7	**1,090**	1,090	1,090
Share Option Reserve	8	**4,099**	6,891	5,801
Share Premium	7	**1**	1	1
Retained earnings	7	**59,664**	57,905	109,438
Total equity and reserves		**64,854**	65,887	116,330

The Company made a loss after tax of £1.2m in the 52 week period to 31 March 2024 (2 April 2023: £51.3m loss).

The deferred tax asset in the financial years ending 3 April 2022 and 2 April 2023 has been restated in relation to share based payments.

The financial statements for ProCook Group Plc, Company Registration No. 13679248 (England and Wales), on pages 158 to 165 were approved by the Board of Directors on 25 June 2024 and signed on its behalf by:

Dan Walden
Chief Financial Officer

25 June 2024

Parent Company Statement of Changes in Equity

As at 31 March 2024

£'000	Note	Share capital	Share Premium	Share Option Reserve	Retained earnings	Total equity
As at 3 April 2022 (as reported)		1,090	1	5,801	109,896	116,788
Deferred tax restatement		–	–	–	(458)	(458)
As at 3 April 2022 (restated)[1]		**1,090**	**1**	**5,801**	**109,438**	**116,330**
Total comprehensive loss for the period (as reported)		–	–	–	(50,133)	(50,133)
Employee Share Based Payment Awards		–	–	1,090	–	1,090
Ordinary dividends paid	3	–	–	–	(272)	(272)
Deferred tax restatement		–	–	–	(1,128)	(1,128)
As at 2 April 2023 (restated)[1]		**1,090**	**1**	**6,891**	**57,905**	**65,887**
Total comprehensive loss for the period		–	–	–	(1,187)	(1,187)
Employee Share Based Payment Awards		–	–	514	–	514
Exercise of options		–	–	(3,306)	2,946	(360)
As at 31 March 2024		**1,090**	**1**	**4,099**	**59,664**	**64,854**

1 The deferred tax asset in the financial years ending 3 April 2022 and 2 April 2023 has been restated in relation to tax on share based payments.

Parent Company Financial Statements Accounting Policies

General Information

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, 10 St. Modwen Park, Gloucester, GL10 3EZ. The Company financial statements on pages 158 to 165 present financial information about the Company as a separate legal entity, and not about the Group as a whole.

The principal activity of the Company is that of a holding company. The principal activities of its subsidiaries are set out in note 4 to the financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and FRS 102 "The financial reporting standard applicable in the UK and Republic of Ireland" (FRS 102"). In accordance with the exemption allowed by Section 408(3) of the Companies Act 2006, the Company has not presented its own income statement or statement of comprehensive income. The financial statements are presented in Pounds Sterling, 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 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.

The principal accounting policies adopted in the preparation of the financial information are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

The Group has taken the following permissible disclosure exemptions under FRS 102:

- Exemption from presenting a Statement of Cash Flow and related notes
- Partial exemption from share-based payment disclosures
- Exemption from disclosing related party transactions entered into between wholly owned subsidiaries

Prior period restatement

The deferred tax asset in the financial years ending 3 April 2022 and 2 April 2023 has been restated in relation to share based payments.

Going concern

In their consideration of going concern of ProCook Group plc, 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 scenario, and in the other 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 is likely to breach its leverage covenant, unless mitigating actions can be applied sufficiently in advance to prevent such a breach, requiring agreement of 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 Directors consider the likelihood of such a severe downside scenario materialising to be low and recognise the range of mitigating actions available to the Group to prevent a breach occurring. The Directors note the positive and long-standing relationship which the Group has with its banking partner HSBC and consider that it is reasonably likely that the Trade Finance facility will be renewed in August 2024. 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.

Further information regarding the Directors approach to assessing going concern is set out on pages 126 to 128 of the consolidated financial statements.

Critical accounting estimates and judgements

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

Judgement – Indicators of impairment (investment in subsidiaries)

In the year ended 2 April 2023 the Group completed an impairment assessment in respect of investment in subsidiaries following a decline in the Group's share price, and lower profitability than in previous financial years. This assessment resulted in an impairment charge of £48.2m, reducing the carrying value of the investment as at that date to £69.1m.

As at 31 March 2024, management has considered whether there are indicators of impairment for the investment in subsidiaries which reflect the trading entities of the Group. While the brought forward carrying value of the investment in subsidiaries remains greater than the Group's market capitalisation at 31 March 2024, the market capitalisation has not deteriorated significantly year on year, and in light of the Group's improved financial performance year on year, the Directors have determined that there are no current indicators of impairment, nor are there indicators of permanent reversal of prior impairment, and as a result no impairment assessment has been undertaken.

Further detail on investment in subsidiaries can be found in note 4.

Expenses

Share-based payments

The Company operates a number of shared based compensation plans which are all equity settled, in exchange for services received from employees. The fair value of these compensation plans is calculated at the grant date using the Black-Scholes model. The resulting cost is expensed to the Income Statement over the vesting period. The value of the expense is adjusted to reflect expected and actual levels of vesting, considering any performance conditions which may apply to individual plans.

Social security contributions payable in connection with the grant of the share options are considered an integral part of the grant itself and the expense will be treated as a cash-settled transaction.

Employee benefits

The costs of short-term employee benefits are recognised as an expense in the Income Statement as incurred. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

Pensions

The Company operates a defined contribution pension scheme using an external pensions partner. Contributions to the scheme are expensed to the Income Statement in the period to which the contributions relate. The assets of the scheme are held separately from those of the Company.

During the period the Group transitioned to a new third party provider of defined contribution pension schemes, offering colleagues the opportunity to contribute via salary sacrifice which was not previously available.

Current and deferred taxation

Taxation, comprising current and deferred taxation, is recognised in the Income Statement, except where a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

Current tax on profits or losses for the period, is calculated based on tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK where the Company operates and generates taxable income.

Parent Company Financial Statements Accounting Policies
Continued

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

Where applicable the Company makes claims for Research and Development (R&D) tax reliefs in accordance with the Research and Development Expenditure Credit (RDEC) scheme. Qualifying projects are assessed to ensure the claims made fit the criteria and definitions set out by the UK HM Revenue and Customs. R&D tax relief claims are recognised in the tax expense line of the Income Statement.

Dividends

Ordinary dividends proposed by the Board of Directors are only recognised in the financial statements when they have been approved by the shareholders, and the Company is obliged to make payment.

Investment in subsidiaries

Investment in subsidiaries are recognised at cost less accumulated impairments. Each reporting period an impairment assessment is undertaken to ensure the valuation remains appropriate. All impairment losses will reduce the carrying value of the investment and be charged to the Income statement during the year in which the impairment is recognised.

Trade and other receivables

Trade and other receivables are initially measured at the transaction price less transaction costs and are subsequently carried at amortised cost using the effective interest method.

The Company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics based on grouping debt by days overdue. The Company also considers the potential for default or any other failure to make payment to the Company. Trade and other receivables are only derecognised when the right to the contractual cash flows from the asset expire or are settled.

Trade and other payables

Trade and other payables are initially recognised at the transaction price and are subsequently carried at amortised cost. They are recognised as current liabilities if payment is due within 12 months. Otherwise, they are recognised as non-current.

Share Capital

Changes in the share capital structure are recognised within equity on the Statement of Financial Position, within any excess over the nominal share price being recognised within the share premium reserve. Where the Company purchases its own equity share capital (treasury shares) the consideration paid, including any directly attributable incremental costs, is deducted from the equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently sold or reissued, any consideration received net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Notes to the Parent Company Financial Statements

For the 52 weeks to 31 March 2024

1. Employee numbers and costs

The Company's employees are the Chairman, three Non-Executive directors and two Executive directors (the Group Board). Full details of the Directors' remuneration and interests are set out in the Remuneration Report on pages 101 to107. Share-based payments details are set out in note 8.

The Company operates a defined contribution retirement benefit scheme for all qualifying employees. The scheme is administered and managed by a separate third-party specialist pension scheme provider. The total expense recognised in the Income Statement for the 52 weeks ended 31 March 2024 was £14k (2 April 2023 £16k) representing contributions payable to these plans by the Company at rates specified in the rules of the plans.

2. Auditors remuneration

£'000	52 weeks ended 31 March 2024	52 weeks ended 2 April 2023
Fee payable for the audit of the Company's financial statements	74	8
Total audit remuneration	**74**	8

3. Dividends

£'000	52 weeks ended 31 March 2024	Dividend per share (pence)	52 weeks ended 2 April 2023	Dividend per share (pence)
Final dividend for the period ended 3 April 2022	–	–	272	0.9 pence
Interim dividend for the period ended 2 April 2023	–	–	–	–

The FY22 final dividend of £1.0m was declared representing 0.9 pence per share, however £0.7m of this dividend was waived by certain shareholders. The final dividend was paid to the shareholders on the register at close of business on 2 September 2022.

4. Investment in subsidiaries

ProCook Group plc owns 100% of the shares in ProCook Limited. Management determined the valuation of ProCook Limited at the acquisition date and has performed an impairment assessment at the reported date further details of which are set out in the above "critical accounting estimates and judgements". In the year ended 31 March 2024 no impairment charge (or reversal of the previous impairment) was deemed necessary (2 April 2023: impairment charge of £48.2m).

ProCook Group plc substantially owns directly or indirectly the whole of the issued and fully paid ordinary share capital of its subsidiary undertakings. The subsidiary undertakings of ProCook Group plc are presented below:

Subsidiary undertaking	% of ordinary shares held	Principal activity
ProCook Limited	100%	Retail of kitchenware
ProCook (Kitchens) Limited	100%[1]	Property holding company
ProCook (Steamer Trading) Limited	100%[1]	Property holding company
ProCook B.V (Registered in The Netherlands)[2]	100%[1]	Retail of kitchenware

1 Share capital held by ProCook Limited

2 ProCook B.V. was liquidated on 10 November 2023

For the year ended 31 March 2024, ProCook (Kitchens) Limited (company number 11816559) and ProCook (Steamer Trading) Limited (company number 11749708) have taken advantage of s479A-479C of the Companies Act 2006 (Act) which allows companies to claim exemption from audit. The ultimate parent company, ProCook Group plc guarantees all outstanding liabilities to which the subsidiary companies are subject at the end of the financial year to which the guarantee relates, until they are satisfied in full.

ProCook Group plc, the Company, and its subsidiaries (excluding ProCook B.V) are incorporated and domiciled in the UK. The registered office is ProCook, 10 St. Modwen Park, Gloucester, GL10 3EZ.

Notes to the Parent Company Financial Statements

For the 52 weeks to 31 March 2024 continued

5. Other receivables

£'000	As at 31 March 2024	As at 2 April 2023
Other receivables	**115**	159
Prepayments	**12**	10
Total	**127**	169

All receivables are due within one year from the end of the reporting period. No impairment was incurred on trade receivables during the period. No material amounts are overdue.

6. Trade and other payables

£'000	As at 31 March 2024	As at 2 April 2023
Amounts falling due within one year:		
Accruals	**998**	512
Amounts owed to group undertakings	**4,612**	2,742
Total	**5,610**	3,254

£'000	As at 31 March 2024	As at 2 April 2023
Amounts falling due after one year:		
Accruals	**48**	749
Total	**48**	749

The Directors consider that the carrying value of trade and other payables approximates to their fair value. Trade payables are non-interest bearing and are normally settled monthly. Amounts owed to group undertakings are non-interest bearing and repayable on demand.

7. Share capital and reserves

£	As at 31 March 2024	As at 2 April 2023
Allotted, called up and fully paid		
108,956,624 Ordinary Shares of 1p each	**1,089,566**	1,089,566
Total	**1,089,566**	1,089,566

Only one class of shares have been issued which have full voting, dividend, and capital distribution rights.

Reserves

The following describes the nature and purpose of each reserve within equity:

Share premium account: Proceeds received in excess of the nominal value of shares issued, net of any transaction costs

Share option reserve: Recognises the value of equity-settled share-based payments expenses. See note 8 below and note 27 in the Group's consolidated financial statements for further details on share-based payment plans.

Retained earnings: All other accumulated net gains and losses and transactions with shareholders not recognised elsewhere.

8. Share based payments

The Group operates several equity-settled share based compensation plans for employees:

IPO Awards

Upon listing, a number of equity-settled schemes were set up, with options awarded to both the Leadership Team and eligible employees with employment pre-dating March 2021. There are no performance conditions attached to these schemes, except that the employee is required to be in continuing employment with the Group on the vest date, with the exception of the Leadership IPO award which does not include this condition.

Long-Term Incentive Plans (LTIPs)

The Group operates an equity-settled LTIP for Executive Directors and the Senior Leadership Team, with performance conditions which are set out in the Remuneration Report. Performance conditions for the Senior Leadership Team are consistent with those disclosed for Executive Directors.

Save As You Earn Scheme

Employees are invited annually to participate in Save As You Earn Schemes up to a monthly maximum savings amount of £500, with options granted at the market rate less a discount of 20%. These schemes are HMRC 'approved' and are administered by a specialist third party provider. All schemes carry a contractual vest period of 3 years from the scheme inception date, with a six month exercise period after the completion of each scheme.

Further detail on the various schemes is provided on pages 155 to 157.

9. Contingent liabilities

The Company had no contingent liabilities at the year-end date (2 April 2023: none).

Alternative Performance Measures (APMs)

The Group monitors a range of measures to track financial and operational performance. These include alternative performance measures which may not be defined in accordance with statutory measures (IFRS) and are therefore prone to varying calculations and as such may not be comparable between different companies, although they may be similarly titled.

The Group considers these alternative performance measures to be helpful in providing stakeholders with additional information on the performance of the business, although recognises that they should not be considered a substitute for, or superior to, IFRS measures.

To support the understanding of these APMs, details and definitions of the Group's measures are provided as follows:

APM	Rationale	Closest equivalent IFRS measure	Reconciliation to IFRS measure	Definition and reconciliation
Like for like ("LFL") revenue growth %	Provides an understanding of the performance of the existing and continuing business on a consistent basis year on year before the effect of new store or ecommerce launches	Movement in revenue year on year in the Consolidated Income Statement	Revenue from non Like for like stores and ecommerce channels	LFL revenue growth % is a revenue performance measure which reflects: • Retail YoY: Continuing Retail stores which were trading for at least one full financial year prior to the 2 April 2023, inclusive of any stores which may have moved location or increased/ decreased footprint within a given retail centre. • Ecommerce YoY: ProCook direct website channel only.
Gross Margin %	This measures our success in sourcing high quality products which offer customers great value, while still achieving strong gross margins to support our business model.	Gross profit	Not applicable	Gross profit presented as a percentage of revenue. Gross profit represents revenue less cost of goods sold inclusive of costs incurred to get inventory to its final selling location and condition.

Year on Year	FY24 £'000	FY23 £'000	Var %
LFL Revenue	**58,466**	59,641	(2.0%)
LFL Ecommerce	**22,709**	24,872	(8.7%)
LFL Retail	**35,757**	34,769	2.8%
Non LFL Revenue	**4,119**	2,699	
Non LFL Ecommerce	**(13)**	780	
Non LFL Retail	**4,133**	1,919	
Total Revenue	**62,585**	62,340	0.4%
Total Ecommerce	**22,695**	25,653	(11.5%)
Total Retail	**39,890**	36,687	8.7%

£'000/%	FY24	FY23
Revenue	**62,585**	62,340
Gross Profit	**38,346**	38,346
Gross Margin %	**61.5%**	61.5%

APM	Rationale	Closest equivalent IFRS measure	Reconciliation to IFRS measure	Definition and reconciliation
Non-underlying items	Excluding these items from profit measures provides readers helpful additional information about the underlying performance of the Group, consistent with how performance is planned, and reported to the Board.	None	See Note 3 in the consolidated financial statements	Non-underlying items are defined as transactions that, in the opinion of the Directors, should be disclosed separately from the reported Consolidated Income Statement in order to provide a consistent and comparable view of the underlying performance of the Group. This will include those items that relate to non-recurring events and are material in nature and which have been incurred outside of the normal business operations, including but not limited to restructuring and fund-raising activities.
Underlying operating profit **Underlying profit before tax** **Underlying profit after tax**	The Group consider these to be important measures of profit performance, helpful to the readers, and consistent with how Group performance is planned and reported to the Board.	Operating profit Profit before tax Profit after tax	Non-underlying items (see note 3 in the consolidated financial statements)	Statutory IFRS profit measures before the impact of non-underlying items. Treatment is consistent between financial periods.
Underlying and Reported EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation)	The Group consider these to be important measures of cash-generative profit performance, helpful to the readers	Operating profit	Not applicable	See FY24 and FY23 tables below

FY24

£'000	Underlying	Non-underlying	Reported
Profit/(Loss) before tax	**1,007**	**(277)**	**730**
Finance expense	**1,230**	**132**	**1,362**
Other gains / losses	**(114)**	**–**	**(114)**
Depreciation, Amortisation, gains/ (losses) on disposal, Impairments	**5,287**	**(1,920)**	**3,367**
EBITDA	**7,410**	**(2,065)**	**5,345**

FY23

£'000	Underlying	Non-underlying	Reported
Profit/(Loss) before tax	(164)	(6,363)	(6,527)
Finance expense	861	204	1,065
Other gains / losses	55	–	55
Depreciation, Amortisation, gains/ (losses) on disposal, Impairments	4,846	4,499	9,345
EBITDA	5,598	(1,660)	3,938

Alternative Performance Measures (APMs)

Continued

APM	Rationale	Closest equivalent IFRS measure	Reconciliation to IFRS measure	Definition and reconciliation
Effective tax rate	This measure is useful to understand the tax expense recognised in the Income Statement compared to the headline tax rate in force for the financial year.	None	Not applicable	Tax expense in the Consolidated Income Statement taken as a percentage of profit before tax.

£'000/%	FY24	FY23
Underlying profit / (loss) before tax	**1,007**	(164)
Tax credit/ (expense)	**(165)**	11
Effective tax rate %	**16.4%**	6.7%

APM	Rationale	Closest equivalent IFRS measure	Reconciliation to IFRS measure	Definition and reconciliation
Net capital expenditure	This measure is useful to highlight the net cash investment made by the Group in long-term assets which will provide economic benefits over a longer time frame.	Net cash used in investing activities	See Consolidated statement of cash flows	Calculated as capital expenditure in respect of purchases of Property, Plant and Equipment, Intangible assets, and costs associated with lease arrangements, less proceeds from sale of fixed assets.

£'000	FY24	FY23
Purchase of property, plant, and equipment	**1,844**	4,928
Lease inception costs	**71**	460
Lease incentives received	**(60)**	(203)
Net capital expenditure	**1,855**	5,185

APM	Rationale	Closest equivalent IFRS measure	Reconciliation to IFRS measure	Definition and reconciliation
Free cash flow	This measure is useful to understand the level of free cash generated which could be retained for future investment by the business, utilised to repay any debt or distributed to shareholders.	Net movement in cash and cash equivalents	See CFO's report	Net increase/ (decrease) in cash and cash equivalents before dividend payments, proceeds from the issue of shares, and proceeds/ (repayments) from borrowings.

£m	FY24	FY23
Net change in cash and cash equivalents	**–**	(1.8)
Add back dividends paid	**–**	0.3
Add back change in borrowings	**2.0**	1.0
Free Cash Flow	**2.0**	(0.5)

APM	Rationale	Closest equivalent IFRS measure	Reconciliation to IFRS measure	Definition and reconciliation
Net cash/ (debt)	This measure is useful to understand the financial stability of the business and as an indicator of leverage.	None	Not applicable	Net cash/ (debt) comprises of cash and cash equivalents less borrowings. This definition of net cash/ (debt) does not include lease liabilities, derivatives or any contingent consideration which may be conditional upon future events which are not yet certain at the year- end date.

£'000	FY24	FY23
Cash and cash equivalents	**2,005**	1,962
Borrowings	**(2,754)**	(4,716)
Net debt	**(749)**	(2,754)

APM	Rationale	Closest equivalent IFRS measure	Reconciliation to IFRS measure	Definition and reconciliation
12 month repeat rate %	This measure is useful to understand the Group's ability to retain customers and as an indicator of the Group's ability to increase the life time value of customers.	None	Not applicable	The 12 month repeat rate reflects the percentage of new customers who first purchased from the Group in the preceding financial year, who have made at least one subsequent purchase in the 12 months since their first purchase.

APM	Rationale	Closest equivalent IFRS measure	Reconciliation to IFRS measure	Definition and reconciliation
Number of active customers	This measure of the Group's active customer database is useful as an indicator of continued penetration into the markets we operate in. This database allows ProCook to understand shopping behaviours and better target marketing activities.	None	Not applicable	Active customers are those that have completed at least 1 purchase during the last 12 months and whose customer details are recorded on our customer database.

Contacts and Advisors

ProCook Group plc (registered office)

10 St. Modwen Park
Gloucester
GL10 3EZ
Email: investor.relations@procook.co.uk
Tel: 0330 100 1010

Corporate broker and financial advisor

Peel Hunt LLP

100 Liverpool Street
London
EC2M 2AT

Registrar

Link Group

10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitor

Eversheds Sutherland (International) LLP

115 Colmore Row
Birmingham
B3 3AL

Independent Auditor

Forvis Mazars LLP

1 St Peter's Square
Manchester
M2 3DE

Banking

HSBC UK Bank Plc

3 Temple Quay
Bristol
BS1 6DZ

Financial Public Relations

MHP Group

60 Great Portland Street
London
W1W 7RT

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jonesandpalmer.co.uk

ProCook
10 St. Modwen Park
Gloucester
GL10 3EZ

procookgroup.co.uk