

Company registration number 03289569 (England and Wales)

Peapod Limited
Annual report and financial statements
For the year ended 30 November 2022

PEAPOD LIMITED

COMPANY INFORMATION

Director	Mr J P Ridyard
Secretary	Mrs M Ridyard
Company number	03289569
Registered office	Unit 2 Sapper Jordon Rossi Park Otley Road Shipley BD17 7AX
Auditor	Azets Audit Services Limited 33 Park Place Leeds LS1 2RY

PEAPOD LIMITED

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PEAPOD LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The director presents the strategic report for the year ended 30 November 2022.

Fair Review of the Business

Peapod is a global supplier of aerospace components and assemblies. Part of the "Sharing in Growth" transformation programme for key aerospace suppliers we have won an array of awards including two best in class national aerospace awards, the national MAKE UK SME of the year and this year The Manufacturer's award for Leadership & Strategy. Pre pandemic we grew the turnover by 70% in 5 years, and in our last financial year pre pandemic posted profits of around £1m on a turnover of just under £9m. The gross profit margin for the current year has returned to pre pandemic levels demonstrating, with the current pipeline, that Peapod will return to these profitable levels.

Our people are our biggest asset, and their knowledge and enthusiasm is often commented on by multinational, blue chip customers. We are renowned for our world class engagement both within our organisation and within our community. We have a young workforce with an average age of less than 35 (a strength in today's climate) and are on a strong (albeit delayed) growth trajectory. We were recently measured as 19th in UK SMEs, by the Department of Education, for our apprenticeship programme, which we continue to invest in. Our wages costs are similar to pre-pandemic levels as we continue to resource our pipeline and invest in product development. £1m staff costs have been invested indirectly into product development during this financial year, which will reap benefits over the years to come and the associated long terms contracts.

We are certified to AS9100 for Aerospace, ISO 23001 for Business Continuity Planning, and ISO 14001 for Environmental Management System. We hold Cyber Essentials Plus, essential in the current cybercrime prevalent environment.

The company operates a quality management system audited to AS9100 rev D with the three main objectives of:

- To maintain a defect rate of less than 0.5%.
- To maintain a delivery performance of 95% or better.
- To ensure that all customer complaints are dealt with within 28 days.

The pandemic has defined the performance of aerospace companies over the last 3 years due to the slower recovery of the sector to a pre pandemic level. This recovery is expected to be complete by the end of 2024. During this time, we have diversified across aircraft platforms incorporating a large amount of work on narrow bodies; across sectors including the energy market, where we have qualified on the "Fit for Nuclear" programme, as well as onboarding work in the gas fuel cell market driven by the Net Zero agenda. We have increased the number of export markets we serve to now include US, Canada, the Philippines, Malaysia, Vietnam, Morocco, and Japan.

Peapod continues to demonstrate its strong performance in the industry using its assets and knowledge to strengthen its reserves to from £1.9m to £3.2m during 2022

The industry expects more than 40,000 new passenger and freighter aircraft to be required over the next 20 years. This is a raised forecast from 2022 due to increased demand. Recent orders have been record-breaking (Indigo Airlines, Air India) and this is reflected in our increased order book.

Principal risks and uncertainties

Peapod manages both a strategic and operational risk register, a business continuity plan, Cyber Essentials plus and comprehensive insurances

Climate change poses a risk and opportunity for Peapod. We are confident that our cutting-edge approach will secure us work on new platforms and technology for civil aerospace, of which there is increasing innovation leading to increased opportunities, and our mitigation through diversification will ensure our resilience to changes to industry legislation or government policy globally.

The work on restructuring the customer base to be less dependent on the widebody market and diversifying into non aerospace markets of Energy, Space and transport will leave the company more resilient to weather any future pandemics or black swan events.

PEAPOD LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

Plans for the future

Looking forward to next year we have already secured an order book of over £8.8m encompassing our diversified markets. Our robust forecasts show an end of year revenue of circa £8.6m. Notable wins recently include large US OEMs, a Japanese corporate and two UK multinationals. Our investment into the post processing needs of additive manufacture not only places us at the forefront of disruptive technology but has seen us make significant wins in Formula 1 and Autosport. The considerable work we have won has meant an investment of over £1m into New Product Development. This work will reap rewards going forward and is part of long-term agreements over 4 and 5 years.

Whilst we have taken advantage of all government pandemic based financial support, our success in securing new work alongside the market contraction of the last 6 months, sees us managing cash carefully. Our plans for refinancing were successful and we raised £1.5m securing our future growth plans.

Our significant investment in R&D has not only kept us at the forefront of our market, strengthening our position, but has enabled us to access valuable R&D tax credits of circa £400k.

Key performance indicators

2019 sales were 99% Aerospace

2023 sales will be 90% Aerospace

Financials	Nov 2021	Nov 2022
Sales £000	1,906	6,485
Gross Profit £000	-219	-2,100
Gross Margin %	-12	-32
EBITDA	-1,017	361
EBITDA %	-53	6
Fixed Assets £000	8,341	9,240
Capital Spend £000	19	157
Dollar Sales £000	413	1,944
Dollar Sales Ratio %	22	30

Given the straightforward nature of the business, the company's directors are of the opinion that complex & costly analysis of KPI's is not necessary for an understanding of the developments, performance, or position of the business. The directors are actively addressing the challenges generated by the pandemic and are confident of future growth and sustainability.

Total turnover is forecast to increase to £8.6m in 2023 and £13m in 2024. The business forecast will see return to 45% gross margin by the end of 2024.

The strong management team are monitoring weekly cashflow forecasts and due to the investment in Plant and equipment and the retention of key employees, is well placed to take advantage of a number of years of sustainable growth.

On behalf of the board

Mr J P Ridyard
Director

21 July 2023

PEAPOD LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The director presents his annual report and financial statements for the year ended 30 November 2022.

Principal activities

The principal activity of the company and group continued to be that of precision production engineering.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £201,722. The director does not recommend payment of a further dividend.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr J P Ridyard

Auditor

The auditor, Azets Audit Services Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr J P Ridyard

Director

21 July 2023

PEAPOD LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2022

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PEAPOD LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PEAPOD LIMITED

Opinion

We have audited the financial statements of Peapod Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2021 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 November 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements 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 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, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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 the 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, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

PEAPOD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PEAPOD LIMITED

Matters on which we are required to report by exception

In the 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 director's report.

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 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.

Responsibilities of director for the financial statements

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing 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 director either intends to liquidate the parent company or to cease operations, or has 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.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PEAPOD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PEAPOD LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.
- Performing audit work over the timing and recognition of revenue and in particular whether it has been recorded in the correct accounting period.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our 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.

Jessica Lawrence (Senior Statutory Auditor)
For and on behalf of Azets Audit Services Limited

26 July 2023

Chartered Accountants
Statutory Auditor

33 Park Place
Leeds
LS1 2RY

PEAPOD LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2022

		Year ended 30 November 2022 £	Period ended 30 November 2021 £
	Notes		
Turnover	4	6,485,452	1,905,874
Cost of sales		(4,385,766)	(2,124,978)
Gross profit/(loss)		2,099,686	(219,104)
Distribution costs		(773,896)	(381,745)
Administrative expenses		(2,008,198)	(844,622)
Other operating income		507,844	121,641
Operating loss	5	(174,564)	(1,323,830)
Interest receivable and similar income	8	-	1,051
Interest payable and similar expenses	9	(281,989)	(74,091)
Loss before taxation		(456,553)	(1,396,870)
Tax on loss	10	591,706	282,223
Profit/(loss) for the financial year		135,153	(1,114,647)
Other comprehensive income			
Revaluation of tangible fixed assets		1,277,064	-
Total comprehensive income for the year		1,412,217	(1,114,647)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Group Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

PEAPOD LIMITED

GROUP BALANCE SHEET

AS AT 30 NOVEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		9,239,825		8,341,414
Investments	14		10,000		10,000
			<u>9,249,825</u>		<u>8,351,414</u>
Current assets					
Stocks	15	2,040,673		1,389,646	
Debtors	16	2,878,653		2,237,843	
Cash at bank and in hand		396,824		394,130	
		<u>5,316,150</u>		<u>4,021,619</u>	
Creditors: amounts falling due within one year	17	(4,944,653)		(2,818,737)	
Net current assets			<u>371,497</u>		<u>1,202,882</u>
Total assets less current liabilities			<u>9,621,322</u>		<u>9,554,296</u>
Creditors: amounts falling due after more than one year	18		(5,414,182)		(6,380,645)
Provisions for liabilities	22		(1,020,994)		(1,198,000)
Net assets			<u>3,186,146</u>		<u>1,975,651</u>
Capital and reserves					
Called up share capital	25		25,000		25,000
Share premium account			650,000		650,000
Revaluation reserve			1,277,064		-
Profit and loss reserves			<u>1,234,082</u>		<u>1,300,651</u>
Total equity			<u>3,186,146</u>		<u>1,975,651</u>

The financial statements were approved and signed by the director and authorised for issue on 21 July 2023

Mr J P Ridyard
Director

PEAPOD LIMITED

COMPANY BALANCE SHEET

AS AT 30 NOVEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Investments	14		1,767,360		1,767,360
Current assets					
Cash at bank and in hand		372		755	
Creditors: amounts falling due within one year	17	(642,400)		(642,220)	
Net current liabilities			(642,028)		(641,465)
Total assets less current liabilities			1,125,332		1,125,895
Capital and reserves					
Called up share capital	25		25,000		25,000
Share premium account			650,000		650,000
Profit and loss reserves			450,332		450,895
Total equity			1,125,332		1,125,895

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £201,159 (2021 - £125,258 profit).

The financial statements were approved and signed by the director and authorised for issue on 21 July 2023

Mr J P Ridyard
Director

Company Registration No. 03289569

PEAPOD LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2022

		Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
	Notes	£	£	£	£	£
Balance at 1 June 2021		25,000	650,000	-	2,548,631	3,223,631
Period ended 30 November 2021:						
Loss and total comprehensive income for the period		-	-	-	(1,114,647)	(1,114,647)
Dividends	11	-	-	-	(133,333)	(133,333)
Balance at 30 November 2021		25,000	650,000	-	1,300,651	1,975,651
Year ended 30 November 2022:						
Profit for the year		-	-	-	135,153	135,153
Other comprehensive income:						
Revaluation of tangible fixed assets		-	-	1,277,064	-	1,277,064
Total comprehensive income for the year		-	-	1,277,064	135,153	1,412,217
Issue of share capital	25	2,500	-	-	-	2,500
Dividends	11	-	-	-	(201,722)	(201,722)
Reduction of shares	25	(2,500)	-	-	-	(2,500)
Balance at 30 November 2022		25,000	650,000	1,277,064	1,234,082	3,186,146

PEAPOD LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2022

		Share capital	Share premium account	Profit and loss reserves	Total
	Notes	£	£	£	£
Balance at 1 June 2021		25,000	650,000	458,970	1,133,970
Period ended 30 November 2021:					
Profit and total comprehensive income for the period		-	-	125,258	125,258
Dividends	11	-	-	(133,333)	(133,333)
Balance at 30 November 2021		25,000	650,000	450,895	1,125,895
Year ended 30 November 2022:					
Profit and total comprehensive income		-	-	201,159	201,159
Issue of share capital	25	2,500	-	-	2,500
Dividends	11	-	-	(201,722)	(201,722)
Reduction of shares	25	(2,500)	-	-	(2,500)
Balance at 30 November 2022		25,000	650,000	450,332	1,125,332

PEAPOD LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash absorbed by operations	30	(598,852)		(544,584)	
Interest paid		(281,989)		(74,091)	
Income taxes refunded		1,014,687		-	
Net cash inflow/(outflow) from operating activities			133,846		(618,675)
Investing activities					
Purchase of tangible fixed assets		(157,043)		(19,278)	
Interest received		-		1,051	
Net cash used in investing activities			(157,043)		(18,227)
Financing activities					
Proceeds of new bank loans/hire purchase		948,000		700,000	
Repayment of bank loans		(260,365)		(96,679)	
Payment of finance leases obligations		(535,097)		(252,549)	
Dividends paid to equity shareholders		(201,722)		(133,333)	
Net cash (used in)/generated from financing activities			(49,184)		217,439
Net decrease in cash and cash equivalents			(72,381)		(419,463)
Cash and cash equivalents at beginning of year			(382,931)		36,532
Cash and cash equivalents at end of year			(455,312)		(382,931)
Relating to:					
Cash at bank and in hand			396,824		394,130
Bank overdrafts included in creditors payable within one year			(852,136)		(777,061)

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

Company information

Peapod Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Unit 2, Sapper Jordon Rossi Park, Otley Road, Shipley, West Yorkshire, BD17 7AX.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being the parent of a group that prepares publicly available consolidated financial statements, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company has taken advantage of the disclosure exemptions of Section 33.1A of FRS102 which permit it to not present details of its transactions with members of the group where relevant group companies are all wholly owned.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Peapod Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

All financial statements are made up to 30 November 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

Management have reviewed the currently available funding sources and have arranged support from HSBC and taken facilities from the Government schemes. The directors will continue to monitor the cash position and may not use the funding available however being prudent the resources have been put in place to ensure Peapod continue to trade and is a going concern.

1.4 Reporting period

The prior period financial statements are presented for a period of 1 June 2021 to 30 November 2021.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for precision production engineering goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2% Straight line
Plant and machinery	10% Reducing balance
Fixtures and fittings	20% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and loss are recognised in profit or loss.

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.10 Cash at bank and in hand

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

1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

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

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

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

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

1 Accounting policies

(Continued)

1.19 Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

2 Change in accounting policy

During the year, the group have changed the accounting policy in relation to government grants. The government grants are now being recognised under the performance model, as this is deemed to be a more accurate recognition in the profit and loss account of the income to the spend of the grant and the conditions and monitoring period associated with it.

The change in accounting policy has led to the following adjustments:-

Other income - £323,039

Government Grants - Current Liabilities - £323,039

There has been no impact on the prior periods due the grant release value being immaterial and therefore not recorded.

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

3 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation

The depreciation policy has been set according to management's experience of the useful lives of a typical asset in each category, something which is reviewed annually. It is not considered practical to use a per unit basis to allocate depreciation without undue cost and therefore amounts are charged annually. The depreciation charged during the year was £535,696 (2021 - £297,928) which the directors feel is a fair reflection of the benefits derived from the consumption of the tangible fixed assets in use during the year.

Bad debt provision

Outstanding trade debtor balances are reviewed on a line by line basis by management to identify possible amounts where a provision is required. Management closely manage the collection of trade debtors and are therefore able to identify balances where there is uncertainty about its recoverability, and determine what provision is required (if any).

Stock provision

The company converts raw materials to finished goods as part of its production operations. Stock values include any costs such as labour and overheads attributable to generating finished goods, as management believe this is the most suitable costing method to take into account the matching concept of accounting.

At each reporting date an assessment is made for provisions required to properly recognise wastage, damaged goods and over absorbed overheads. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss and provided for in the balance sheet. Reversals of impairment losses are also recognised in profit or loss where these arise.

4 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Precision production engineering	6,485,452	1,905,874
	<u> </u>	<u> </u>
	2022 £	2021 £
Other income		
Interest income	-	1,051
Grants received	408,500	85,882
	<u> </u>	<u> </u>

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

4 Turnover and other revenue (Continued)

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	4,541,802	1,492,488
Rest of the World	1,943,650	413,386
	<u>6,485,452</u>	<u>1,905,874</u>

5 Operating loss

	2022 £	2021 £
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(184,307)	(12,966)
Government grants	(408,500)	(85,882)
Depreciation of owned tangible fixed assets	257,606	81,206
Depreciation of tangible fixed assets held under finance leases	278,090	216,722
	<u></u>	<u></u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a profit of £184,307 (2021 £12,966).

6 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and subsidiaries	12,900	7,000
	<u></u>	<u></u>

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Directors	2	2	-	-
Administration and senior management	19	15	-	-
Production	55	60	-	-
	<u></u>	<u></u>	<u></u>	<u></u>
Total	76	77	-	-
	<u></u>	<u></u>	<u></u>	<u></u>

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

7 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	2,730,293	1,450,373	-	-
Social security costs	295,820	139,133	-	-
Pension costs	56,915	26,569	-	-
	<u>3,083,028</u>	<u>1,616,075</u>	<u>-</u>	<u>-</u>

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Other interest income	-	1,051
	<u>-</u>	<u>1,051</u>

9 Interest payable and similar expenses

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	195,379	54,144
Other finance costs:		
Interest on finance leases and hire purchase contracts	86,610	19,947
Total finance costs	<u>281,989</u>	<u>74,091</u>

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	(414,700)	(236,223)
Deferred tax		
Origination and reversal of timing differences	(177,006)	(46,000)
Total tax credit	<u>(591,706)</u>	<u>(282,223)</u>

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

10 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Loss before taxation	(456,553)	(1,396,870)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(86,745)	(265,405)
Tax effect of expenses that are not deductible in determining taxable profit	-	19
Tax effect of income not taxable in determining taxable profit	(76,922)	-
Tax effect of utilisation of tax losses not previously recognised	(354,709)	-
Unutilised tax losses carried forward	-	416,870
Depreciation on assets not qualifying for tax allowances	-	7,991
Research and development tax credit	(258,850)	(411,177)
Other non-reversing timing differences	177,704	-
Deferred tax adjustments in respect of prior years	-	(46,000)
Other movement	7,816	15,479
Taxation credit	(591,706)	(282,223)

11 Dividends

	2022 £	2021 £
Recognised as distributions to equity holders:		
Interim paid	201,722	133,333

12 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 December 2021 and 30 November 2022	1,765,860
Amortisation and impairment	
At 1 December 2021 and 30 November 2022	1,765,860
Carrying amount	
At 30 November 2022	-
At 30 November 2021	-

The company had no intangible fixed assets at 30 November 2022 or 30 November 2021.

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

13 Tangible fixed assets

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 December 2021	4,205,833	9,937,421	283,507	14,426,761
Additions	-	34,265	122,778	157,043
Revaluation	899,167	-	-	899,167
At 30 November 2022	5,105,000	9,971,686	406,285	15,482,971
Depreciation and impairment				
At 1 December 2021	371,956	5,619,032	94,359	6,085,347
Depreciation charged in the year	51,050	433,697	50,949	535,696
Revaluation	(377,897)	-	-	(377,897)
At 30 November 2022	45,109	6,052,729	145,308	6,243,146
Carrying amount				
At 30 November 2022	5,059,891	3,918,957	260,977	9,239,825
At 30 November 2021	3,833,877	4,318,389	189,148	8,341,414

The company had no tangible fixed assets at 30 November 2022 or 30 November 2021.

Freehold property includes £594,039 (2021 - £594,039) of land which is not depreciated.

	Group 2022 £	2021 £	Company 2022 £	2021 £
Freehold	594,039	594,039	-	-

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2022 £	2021 £	Company 2022 £	2021 £
Plant and machinery	4,867,664	2,665,993	-	-
Depreciation charge for the year in respect of leased assets	278,090	216,722	-	-

Land and buildings with a carrying amount of £3,833,877 were revalued at 31 January 2023 by Sapper Jordan Rossi Park independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

13 Tangible fixed assets (Continued)

14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	28	-	-	1,767,360	1,767,360
Unlisted investments		10,000	10,000	-	-
		<u>10,000</u>	<u>10,000</u>	<u>1,767,360</u>	<u>1,767,360</u>

Movements in fixed asset investments Group

Investments £

Cost or valuation

At 1 December 2021 and 30 November 2022

10,000

Carrying amount

At 30 November 2022

10,000

At 30 November 2021

10,000

Movements in fixed asset investments Company

Shares in subsidiaries £

Cost or valuation

At 1 December 2021 and 30 November 2022

1,767,360

Carrying amount

At 30 November 2022

1,767,360

At 30 November 2021

1,767,360

15 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Raw materials and consumables	1,144,176	739,661	-	-
Work in progress	708,176	459,029	-	-
Finished goods and goods for resale	188,321	190,956	-	-
	<u>2,040,673</u>	<u>1,389,646</u>	<u>-</u>	<u>-</u>

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

16 Debtors

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	2,328,927	1,181,386	-	-
Corporation tax recoverable	425,160	1,025,147	-	-
Other debtors	3,691	20,435	-	-
Prepayments and accrued income	120,875	10,875	-	-
	<u>2,878,653</u>	<u>2,237,843</u>	<u>-</u>	<u>-</u>

17 Creditors: amounts falling due within one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans and overdrafts	19	1,580,145	1,170,688	180	-
Obligations under finance leases	20	636,183	545,603	-	-
Trade creditors		1,563,424	725,952	-	-
Amounts owed to group undertakings		-	-	642,220	642,220
Other taxation and social security		169,912	59,121	-	-
Government grants	23	323,039	-	-	-
Other creditors		431,895	211,616	-	-
Accruals and deferred income		240,055	105,757	-	-
		<u>4,944,653</u>	<u>2,818,737</u>	<u>642,400</u>	<u>642,220</u>

18 Creditors: amounts falling due after more than one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans and overdrafts	19	3,475,244	4,069,991	-	-
Obligations under finance leases	20	1,938,938	1,616,615	-	-
Government grants	23	-	694,039	-	-
		<u>5,414,182</u>	<u>6,380,645</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	735,176	932,955	-	-
	<u>735,176</u>	<u>932,955</u>	<u>-</u>	<u>-</u>

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

19 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	4,203,253	4,463,618	-	-
Bank overdrafts	852,136	777,061	180	-
	<u>5,055,389</u>	<u>5,240,679</u>	<u>180</u>	<u>-</u>
Payable within one year	1,580,145	1,170,688	180	-
Payable after one year	3,475,244	4,069,991	-	-
	<u>5,055,389</u>	<u>5,240,679</u>	<u>180</u>	<u>-</u>

The banking facilities are secured through cross company guarantees as noted in note 26.

At the balance sheet date, the group had in place commercial mortgage facilities which is included within bank loans and secured against the freehold property of the business. Interest of 2.10%-3.1% per annum over the Bank of England base rate.

The bank overdraft is secured by fixed and floating charges over the assets of the group.

The group entered into Coronavirus Business Interruption Loan Agreements loan agreements totalling £2,200,000, at the period end £2,137,500 (2021 - £2,200,000) had been drawn and is included in bank loans and overdrafts. Personal guarantees were provided by M & J Ridyard totalling £70,000.

20 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	755,998	636,955	-	-
In two to five years	2,141,944	1,713,705	-	-
	<u>2,897,942</u>	<u>2,350,660</u>	<u>-</u>	<u>-</u>
Less: future finance charges	(322,821)	(188,442)	-	-
	<u>2,575,121</u>	<u>2,162,218</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The lease creditor is secured against the assets leased.

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2022

21 Provisions for liabilities

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Deferred tax liabilities	22	1,020,994	1,198,000	-	-

22 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	1,020,994	1,198,000

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 December 2021	1,198,000	-
Credit to profit or loss	(177,006)	-
Liability at 30 November 2022	1,020,994	-

23 Deferred grants

	Group 2022 £	2021 £	Company 2022 £	2021 £
Arising from government grants	323,039	694,039	-	-

Deferred income is included in the financial statements as follows:

Current liabilities	323,039	-	-	-
Non-current liabilities	-	694,039	-	-
	323,039	694,039	-	-

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

23 Deferred grants

(Continued)

The group holds government grants relating to capital expenditure on the freehold property held by the group for the use in its trade and in relation to the creation of jobs in the business. The group has elected to adopt the performance basis for accounting for the grants (see change in accounting policy for details) and income is therefore released into the profit and loss account in relation to the performance conditions attached to the grant. The remaining amount of deferred government grant income at the balance sheet date is disclosed in note 17 and 18.

24 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	56,915	26,569

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

25 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	22,500	25,000	22,500	25,000
Ordinary B Shares of £1 each	2,500	-	2,500	-
	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

During the year, the company undertook a share for share exchange where 2,500 Ordinary Shares were reclassified as Ordinary B Shares,

26 Financial commitments, guarantees and contingent liabilities

The company, jointly with other group undertakings, guarantees the bank indebtedness of all group undertakings. The total contingent liability of the company relating to bank indebtedness at the balance sheet date amounted to £5,055,209 (2021 - £5,240,679).

27 Directors' transactions

Transactions in relation to loans with directors during the year are outlined in the table below:

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
Mr & Mrs Ridyard	-	9,157	51,218	(111,111)	(50,736)
		<u>9,157</u>	<u>51,218</u>	<u>(111,111)</u>	<u>(50,736)</u>

The balance is included within Creditors; Other Creditors (2021 - Debtors; Other debtors).

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

28 Subsidiaries

Details of the company's subsidiaries at 30 November 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Produmax Limited	England and Wales	Precision production engineering	Ordinary	100.00	0

The registered office address of Produmax Limited is: Unit 2 Sapper Jordan Rossi Park, Shipley, BD17 7AX.

29 Controlling party

The company is controlled by the director, Mr J P Ridyard.

30 Cash absorbed by group operations

	2022 £	2021 £
Profit/(loss) for the year after tax	135,153	(1,114,647)
Adjustments for:		
Taxation credited	(591,706)	(282,223)
Finance costs	281,989	74,091
Investment income	-	(1,051)
Depreciation and impairment of tangible fixed assets	535,696	297,928
Movements in working capital:		
Increase in stocks	(651,027)	(271,960)
(Increase)/decrease in debtors	(1,249,211)	364,863
Increase in creditors	617,215	388,415
Cash absorbed by operations	(921,891)	(544,584)

31 Analysis of changes in net debt - group

	1 December 2021 £	Cash flows £	30 November 2022 £
Cash at bank and in hand	394,130	2,694	396,824
Bank overdrafts	(777,061)	(75,075)	(852,136)
	<u>(382,931)</u>	<u>(72,381)</u>	<u>(455,312)</u>
Borrowings excluding overdrafts	(4,463,618)	260,365	(4,203,253)
Obligations under finance leases	(2,162,218)	(412,903)	(2,575,121)
	<u>(7,008,767)</u>	<u>(224,919)</u>	<u>(7,233,686)</u>

PEAPOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2022

32 Analysis of changes in net funds - company

	1 December 2021 £	Cash flows £	30 November 2022 £
Cash at bank and in hand	755	(383)	372
Bank overdrafts	-	(180)	(180)
	<hr/> 755 <hr/>	<hr/> (563) <hr/>	<hr/> 192 <hr/>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.