Registered number: 09364895

SIMPLYCOOK LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2020

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note		2020 £		2019 £
Fixed assets					
Intangible assets	4		**121,577**		65,605
Tangible assets	5		**98,818**		35,140
			220,395		100,745
Current assets					
Stocks	6	**792,388**		833,743	
Debtors: amounts falling due within one year	7	**450,810**		417,867	
Cash at bank and in hand	8	**563,116**		2,516,422	
		1,806,314		3,768,032	
Creditors: amounts falling due within one year	9	**(2,913,819)**		(2,027,235)	
Net current (liabilities)/assets			**(1,107,505)**		1,740,797
Total assets less current liabilities			**(887,110)**		1,841,542
Creditors: amounts falling due after more than one year	10		**(1,350,000)**		(1,513,990)
Net (liabilities)/assets			**(2,237,110)**		327,552
Capital and reserves					
Called up share capital	12		**150,327**		150,319
Share premium account			**9,920,482**		9,920,482
Profit and loss account			**(12,307,919)**		(9,743,249)
			(2,237,110)		327,552

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf.

Oliver Ashness
Director

Date: 29 September 2021

The notes on pages 5 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	150,319	9,920,482	(9,743,249)	327,552
Comprehensive income for the year				
Loss for the year	-	-	(2,564,670)	(2,564,670)
Total comprehensive income for the year	-	-	(2,564,670)	(2,564,670)
Shares issued during the year	8	-	-	8
Total transactions with owners	8	-	-	8
At 31 December 2020	150,327	9,920,482	(12,307,919)	(2,237,110)

The notes on pages 5 to 16 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	150,287	7,667,470	(5,964,394)	1,853,363
Comprehensive income for the year				
Loss for the year	-	-	(3,778,855)	(3,778,855)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(3,778,855)	(3,778,855)
Shares issued during the year	32	2,253,012	-	2,253,044
Total transactions with owners	32	2,253,012	-	2,253,044
At 31 December 2019	150,319	9,920,482	(9,743,249)	327,552

The notes on pages 5 to 16 form part of these financial statements.

1. General information

The entity is a private company, limited by shares, incorporated in England and Wales in the UK. The registered office is 2nd Floor, 96 Leonard Street, London, EC2A 4RH.

The company's principal activity during the year continued to be that of developing and retailing ready-to-cook recipe kits.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

The company has a net loss of £2,564,670 (2019 - £3,778,855) with net liabilities of £2,237,110 (2019 - net assets of £327,552) and total liabilities of £4,263,819 (2019 - £3,541,225).

During the year ended 31 December 2020 the coronavirus pandemic struck the United Kingdom.

During the height of the pandemic there were some delays for customers receiving their products. This was in part due to packing capacity and also longer delivery times from the postal operator. Detailed contingency plans were put in place and changes monitored, with necessary actions taken in a timely manner.

The retail side of the business remained active throughout the period though with reduced promotional activity in stores.

The company has therefore traded throughout this period and the pandemic has not had a negative effect on the performance of the company for the year ended 31 December 2020. The directors consider the cash position and the recent sales growth of the company are sufficient to indicate no going concern issues for a period of at least 12 months from the date of approval of the financial statements.

The company has been acquired post year end by Nestle UK Ltd who have confirmed their willingness and ability to provide support to the company for at least a period of 12 months from the date of approval of the financial statements.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution pension plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.8 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.9 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Accounting policies (continued)

2.10 Intangible assets

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis with an estimated useful economic life of 3 to 6 years for development expenditure.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its estimated useful economic life and is fully amortised at 31 December 2020.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are 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.

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	20%	straight line
Plant and machinery	-	20%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans

2. Accounting policies (continued)

2.16 Financial instruments (continued)

and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

3. Employees

The average monthly number of employees, including directors, during the year was 46 (2019 - 37).

4. Intangible assets

	Development expenditure £	Goodwill £	Total £
Cost			
At 1 January 2020	68,449	108,524	176,973
Additions - internal	85,651	-	85,651
Disposals	(19,150)	-	(19,150)
At 31 December 2020	134,950	108,524	243,474
Amortisation			
At 1 January 2020	2,844	108,524	111,368
Charge for the year	10,529	-	10,529
At 31 December 2020	13,373	108,524	121,897
Net book value			
At 31 December 2020	121,577	-	121,577
At 31 December 2019	65,605	-	65,605

5. Tangible fixed assets

	Short-term leasehold property	Plant and machinery	Total
	£	£	£
Cost or valuation			
At 1 January 2020	**22,663**	**20,841**	**43,504**
Additions	**-**	**73,047**	**73,047**
At 31 December 2020	**22,663**	**93,888**	**116,551**
Depreciation			
At 1 January 2020	**2,787**	**5,577**	**8,364**
Charge for the year	**4,527**	**4,842**	**9,369**
At 31 December 2020	**7,314**	**10,419**	**17,733**
Net book value			
At 31 December 2020	**15,349**	**83,469**	**98,818**
At 31 December 2019	19,876	15,264	35,140

6. Stocks

	2020	2019
	£	£
Goods for resale	**792,388**	833,743
	792,388	833,743

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7. Debtors

	2020 £	2019 £
Trade debtors	**123,173**	179,589
Other debtors	**144,786**	109,217
Prepayments and accrued income	**182,851**	129,061
	450,810	417,867

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	**563,116**	2,516,422
	563,116	2,516,422

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Loans	**83,333**	250,000
Trade creditors	**2,046,570**	1,333,279
Other taxation and social security	**43,107**	47,078
Other creditors	**40,092**	34,099
Accruals and deferred income	**700,717**	362,779
	2,913,819	2,027,235

The loan of £83,333 (2019 - £250,000) is secured on the assets of the company under a fixed & floating charge. The loan is repayable in three instalments and interest is payable on the balance at a rate of 4% per annum.

10. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Loans	**1,350,000**	1,350,000
Accruals and deferred income	**-**	163,990
	1,350,000	1,513,990

The loan of £1,350,000 (2019 - £1,350,000) is unsecured and is payable in full within 5 years. Interest is payable on the balance at a rate of 13/15% per annum.

11. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Loans	**83,333**	250,000
	83,333	250,000
Amounts falling due 2-5 years		
Loans	**1,350,000**	1,350,000
	1,350,000	1,350,000
	1,433,333	1,600,000

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
12,678,127 (2019 - 12,678,000) Ordinary shares of £0.00001 each	**127**	127
5,233,522 (2019 - 5,234,000) Ordinary A shares of £0.00001 each	**52**	52
150,000 (2019 - 150,000) Ordinary B shares of £1.00000 each	**150,000**	150,000
790,000 (2019 - NIL) Ordinary C shares of £0.00001 each	**8**	-
10,151,025 (2019 - 10,151,000) Seed shares of £0.00001 each	**102**	102
828,000 (2019 - 828,000) Deferred shares of £0.00001 each	**8**	8
2,997,129 (2019 - 2,997,000) Ordinary A2 shares of £0.00001 each	**30**	30
	150,327	150,319

During the year the company issued 790,000 Ordinary C shares for a total consideration of £7.90.

Rights attached to shares

On a distribution of assets on a liquidation or a return of capital the surplus assets of the Company remaining shall be applied as follows:

First, in paying the holders of the Deferred shares, second to the holders of the A and A2 Ordinary shares, third to holders of the seed shares, fourth to holders of the B Ordinary shares and finally to holders of the Ordinary shares in line with the terms of the company's articles.

The Deferred shares, B Ordinary and C Ordinary shares have no voting rights attached.

13. Share based payments

At 31 December 2020 there were unexercised share options of 3,091,790 (2019 - 2,289,156) on ordinary shares of £0.00001 (2019 - £0.00001) each. The options relate to an Enterprise Management Investment scheme and were granted between June 2016 and August 2020 at a range of exercise prices, with each option taking four years to vest from date of grant.

The total fair value of these options at the balance sheet date was considered trivial and as such not included in the financial statements.

14. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund in the year and amounted to £23,869 (2019 - £17,565).

15. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	2019
	£	£
Not later than 1 year	52,495	111,728
Later than 1 year and not later than 5 years	-	52,495
	52,495	164,223

16. Related party transactions

There were no related party transactions that required disclosure under FRS 102 Section 1A.

17. Post balance sheet events

Parent entity

The parent entity from 1 March 2021 is Nestle UK Ltd who have confirmed their willingness and ability to provide support to the company for at least a period of 12 months from the date of approval of the financial statements.

18. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 29 September 2021 by Georgette Alicia Crisp BSc Hons FCA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.