

**SIMPLYCOOK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**SIMPLYCOOK LIMITED**

## COMPANY INFORMATION

<b>Directors</b>	Oliver Ashness Paolo Fagnoni Halvor Knoph Richard Watson (appointed 13 March 2023) Nikhil Chand (appointed 1 August 2023)
<b>Registered number</b>	09364895
<b>Registered office</b>	Unit D, Discovery House Juniper Drive London Greater London SW18 1UY
<b>Independent auditors</b>	MHA Statutory Auditor 6th Floor 2 London Wall Place London United Kingdom EC2Y 5AU
<b>Bankers</b>	HSBC PLC 28 Borough High Street Southwark London SE1 1YB

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Introduction**

The directors present their strategic report for the year ended 31 December 2023.

**Fair review of Business**

2023 was a watershed year for the SimplyCook business as we successfully switched from growth investment to profit making for the first full financial year. We executed this with a 'right sized' plan, lower marketing investment, and a collective disciplined cost management across the business. We experienced some continued cost inflation in 2023 and mitigated this by driving very low customer acquisition costs and postage cost increase.

Having delivered profit and improved efficiencies, we are now well placed to return to growth in 2024, and beyond that, establish SimplyCook as a self-sustaining profitable growth business.

**Principal risks and uncertainties**

The key risks to the business as we move into 2024 are:

- Further cost inflation
- A drop in consumer demand – if a significant recession bites
- Competition risks in the DTC environment
- Adverse changes in retail distribution

**Development and performance**

Throughout 2023 we have invested in our tech platforms (both mobile app and web) to aid acquisition efforts, improve our ability to test and drive up usage to improve customer lifetime value. This creates an improved metric set to aid the development of the profit in 2024 and beyond.

We will continue to look at the opportunity to improve the production costs, distribution costs and overheads to remain disciplined in our approach to costs and profit levels.

**Financial key performance indicators**

The business focuses on the following financial KPIs in line with the Nestle framework:

- Revenue and year on year growth (OG)
- Gross Margin
- Net operating profit

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Non-financial key performance indicators**

The business focuses on the following non financial metrics (for the direct to consumer arm).

- Active customers
- Orders per customer per month
- Activation
- Retention and monetisation
- Long term churn metrics

The directors are confident in the ongoing long term strategy of the business to bring joy to millions of meal times and to make cooking simple for consumers.

This report was approved by the board.

**Oliver Ashness**

Director

Date: 26 March 2024

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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The directors present their report and the financial statements for the year ended 31 December 2023.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**Results**

The profit for the year, after taxation, amounted to £1,367,071 (2022 - loss £4,704,687).

**Principal activity**

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

**Directors**

The directors who served during the year were:

Oliver Ashness  
Wayne England (resigned 1 August 2023)  
Paolo Fagnoni  
Halvor Knoph  
Stefano Agostini (resigned 1 March 2023)  
Richard Watson (appointed 13 March 2023)  
Nikhil Chand (appointed 1 August 2023)

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**Developments**

The directors have considered the current and projected future financial position of the company including its ongoing financial requirements. The directors continue to consider that the preparation of the financial statements on a going concern basis is appropriate. Please refer to the going concern note for further information.

**Directors' indemnity insurance**

Directors' liability and indemnity insurance was in force throughout the year to cover the directors and officers of the company against action brought against them in their personal capacity. Neither the insurance nor the indemnity provide cover where the individual has acted fraudulently or dishonestly.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

Following a rebranding exercise on 15 May 2023, the trading name of the Company's independent auditor changed from MHA Macintyre Hudson to MHA. A resolution to reappoint MHA as independent auditor will be proposed at the next Annual General Meeting.

This report was approved by the board and signed on its behalf.

**Oliver Ashness**  
Director

Date: 26 March 2024

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLYCOOK LIMITED**

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**Opinion**

We have audited the financial statements of Simplycook Limited (the 'Company') for the year ended 31 December 2023, which comprise the Income Statement, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, 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 Financial Reporting Standard 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 Company's affairs as at 31 December 2023 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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 entity's ability to continue to adopt the going concern basis of accounting included critical review of budgets and forecasts provided.

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 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 directors with respect to going concern are described in the relevant sections of this report.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLYCOOK LIMITED (CONTINUED)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion on other matters prescribed by 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
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLYCOOK LIMITED (CONTINUED)**

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**Auditors' 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 Auditors' 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.

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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Performing audit work over the risk of management 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 bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulation.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SIMPLYCOOK LIMITED (CONTINUED)**

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**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 Auditors' 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.

**Georgette Alicia Crisp BSc (Hons) FCA (Senior Statutory Auditor)**

for and on behalf of MHA, Statutory Auditor  
London, United Kingdom

Date: 27 March 2024

MHA is the trading name of Macintyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	<b>Note</b>	<b>2023 £</b>	<b>2022 £</b>
Turnover	3	<b>13,438,086</b>	14,574,280
Cost of sales		<b>(6,449,440)</b>	(8,158,115)
<b>Gross profit</b>		<b>6,988,646</b>	6,416,165
Administrative expenses		<b>(6,750,205)</b>	(12,207,297)
<b>Operating profit/(loss)</b>		<b>238,441</b>	(5,791,132)
Interest receivable and similar income	7	-	1,886
Interest payable and similar expenses	8	<b>(165,461)</b>	(147)
<b>Profit/(loss) before tax</b>		<b>72,980</b>	(5,789,393)
Tax on profit/(loss)	9	<b>1,294,091</b>	1,084,706
<b>Profit/(loss) for the financial year</b>		<b>1,367,071</b>	(4,704,687)

There were no other comprehensive income for 2023 (2022: £Nil).

The notes on pages 14 to 29 form part of these financial statements.

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Intangible assets	10	1,778,904	1,003,028
Tangible assets	11	32,785	37,275
		<u>1,811,689</u>	<u>1,040,303</u>
<b>Current assets</b>			
Stocks	12	1,699,232	1,654,451
Debtors: amounts falling due after more than one year	13	1,629,319	1,038,644
Debtors: amounts falling due within one year	13	1,455,572	1,337,486
Cash at bank and in hand	14	1,002,341	245,452
		<u>5,786,464</u>	<u>4,276,033</u>
Creditors: amounts falling due within one year	15	(4,228,081)	(3,361,693)
<b>Net current assets</b>		<u>1,558,383</u>	<u>914,340</u>
<b>Total assets less current liabilities</b>		<u>3,370,072</u>	<u>1,954,643</u>
<b>Provisions for liabilities</b>			
Other provisions	17	(108,000)	(59,642)
		<u>(108,000)</u>	<u>(59,642)</u>
<b>Net assets</b>		<u><u>3,262,072</u></u>	<u><u>1,895,001</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	150,357	150,357
Share premium account	19	9,925,282	9,925,282
Profit and loss account	19	(6,813,567)	(8,180,638)
		<u><u>3,262,072</u></u>	<u><u>1,895,001</u></u>

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

**Oliver Ashness**  
Director

Date: 26 March 2024

The notes on pages 14 to 29 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2023	150,357	9,925,282	(8,180,638)	1,895,001
Profit for the year	-	-	1,367,071	1,367,071
<b>At 31 December 2023</b>	<b>150,357</b>	<b>9,925,282</b>	<b>(6,813,567)</b>	<b>3,262,072</b>

The notes on pages 14 to 29 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2022	150,357	9,925,282	(3,475,951)	6,599,688
Loss for the year	-	-	(4,704,687)	(4,704,687)
<b>At 31 December 2022</b>	<b>150,357</b>	<b>9,925,282</b>	<b>(8,180,638)</b>	<b>1,895,001</b>

The notes on pages 14 to 29 form part of these financial statements.

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	1,367,071	(4,704,687)
<b>Adjustments for:</b>		
Amortisation of intangible assets	336,497	23,891
Depreciation of tangible assets	16,211	16,552
Loss on disposal of tangible assets	-	65,279
Interest paid	165,461	147
Interest received	-	(1,886)
Taxation charge	(1,294,091)	(1,084,706)
(Increase)/decrease in stocks	(44,781)	73,818
Decrease/(increase) in debtors	585,330	(273,068)
Decrease in amounts owed by groups	-	3,688,620
(Decrease) in creditors	(441,564)	(731,564)
Increase in amounts owed to groups	1,307,952	1,728,452
Increase in provisions	48,358	59,642
<b>Net cash generated from operating activities</b>	<b>2,046,444</b>	<b>(1,139,510)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(1,112,373)	(939,652)
Purchase of tangible fixed assets	(11,721)	(13,562)
Sale of tangible fixed assets	-	(5,071)
Interest received	-	1,886
<b>Net cash from investing activities</b>	<b>(1,124,094)</b>	<b>(956,399)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(165,461)	(147)
<b>Net cash used in financing activities</b>	<b>(165,461)</b>	<b>(147)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>756,889</b>	<b>(2,096,056)</b>
Cash and cash equivalents at beginning of year	245,452	2,341,508
<b>Cash and cash equivalents at the end of year</b>	<b>1,002,341</b>	<b>245,452</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,002,341	245,452
	<b>1,002,341</b>	<b>245,452</b>

ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2023

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	245,452	756,889	1,002,341
	<u>245,452</u>	<u>756,889</u>	<u>1,002,341</u>

The notes on pages 14 to 29 form part of these financial statements.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**1. General information**

The entity is a private company, limited by shares, incorporated in England and Wales in the UK. The registered office address is Unit D, Discovery House, Juniper Drive, London, Greater London, SW18 1UY.

The Company's principal activity during the year continued to be that of developing and retailing ready tocook 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 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 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Nestlé S.A. as at 31 December 2023 and these financial statements may be obtained from <https://www.nestle.com/investors/annual-report>.

**2.3 Going concern**

The Company has a net profit of £1,367,071 for the year (2022 - net loss of £4,704,687) with net assets of £3,262,072 (2022 - £1,895,001) as at the year end.

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 directors therefore continue to consider that the preparation of the financial statements on a going concern basis is appropriate.

The Company was acquired on 1 March 2021 by Nestlé UK Ltd. Nestlé UK Ltd own 100% of the share capital of the company. Nestlé UK Ltd 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, should any such support be required.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. Accounting policies (continued)**

**2.4 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.

**2.5 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.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 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.

**2.8 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. Accounting policies (continued)**

**2.9 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.

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.

Capitalised development expenditure is amortised on a straight line basis with an estimated useful economic life of 5 years.

From 1 March 2021 it was determined that development expenditure will no longer be capitalised.

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 2023.

Other intangible assets - online platform

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.

**2.10 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. Accounting policies (continued)****2.10 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.

**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. 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 reporting 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 reporting 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 reporting date.

**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 reporting 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. Accounting policies (continued)**

**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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**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 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**2.17 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 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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**


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**2. Accounting policies (continued)****2.17 Financial instruments (continued)**

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2023</b>	<i>2022</i>
	<b>£</b>	<i>£</i>
E-commerce	<b>12,296,846</b>	<i>13,090,348</i>
Retail	<b>1,141,240</b>	<i>1,483,932</i>
	<u><b>13,438,086</b></u>	<u><i>14,574,280</i></u>

All turnover arose within the United Kingdom.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**


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**4. Auditors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u><b>28,400</b></u>	<u><b>20,000</b></u>
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Taxation services	<b>1,000</b>	<b>1,000</b>
All other services	<b>3,600</b>	<b>3,600</b>
	<u><b>4,600</b></u>	<u><b>4,600</b></u>

**5. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,681,371</b>	<b>1,633,353</b>
Social security costs	<b>168,635</b>	<b>176,404</b>
Cost of defined contribution scheme	<b>24,525</b>	<b>29,890</b>
	<u><b>1,874,531</b></u>	<u><b>1,839,647</b></u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2023</b>	<b>2022</b>
	<b>No.</b>	<b>No.</b>
	<u><b>40</b></u>	<u><b>63</b></u>
Average number of employees		

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**


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**6. Directors' remuneration**

	2023 £	2022 £
Directors' emoluments	219,833	176,378
Company contributions to defined contribution pension schemes	1,321	1,321
	<u>221,154</u>	<u>177,699</u>

During the year retirement benefits were accruing to 1 director (2022: 1) in respect of of defined contributions pension schemes.

The highest paid director received remuneration of £125,000 (2022: 88,333).

The value of the contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,321 (2022: £1,321)

The directors are considered to be Key Management Personnel.

**7. Interest receivable**

	2023 £	2022 £
Other interest receivable	-	1,886
	<u>-</u>	<u>1,886</u>

**8. Interest payable and similar expenses**

	2023 £	2022 £
Other loan interest payable	165,461	147
	<u>165,461</u>	<u>147</u>



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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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## 9. Taxation

	2023 £	2022 £
<b>Corporation tax</b>		
Current tax on profits for the year	(703,416)	(46,062)
	<u>(703,416)</u>	<u>(46,062)</u>
<b>Total current tax</b>	<u>(703,416)</u>	<u>(46,062)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,540,871)	(874,644)
Changes to tax rates	1,092	(164,000)
Deferred tax relating to prior years	949,104	-
	<u>(590,675)</u>	<u>(1,038,644)</u>
<b>Total deferred tax</b>	<u>(590,675)</u>	<u>(1,038,644)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(1,294,091)</u>	<u>(1,084,706)</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**


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**9. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - *lower than*) the standard rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	<u>72,980</u>	<u>(5,789,393)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.5% (2022 - 19%)	17,150	(1,099,985)
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	1,900
Adjustments in respect of super deduction	(55)	(696)
Research and development credit	-	(19,078)
Utilisation of tax losses not previously recognised	(1,557,966)	(874,644)
Effect of change in tax rate	1,092	(164,000)
Tax losses carried forward	-	968,481
Adjustments to tax charge in respect of previous periods	245,688	103,316
<b>Total tax charge for the year</b>	<u><u>(1,294,091)</u></u>	<u><u>(1,084,706)</u></u>

**Factors that may affect future tax charges**

An increase in the UK corporation tax rate from 19% to 25% was substantively enacted in June 2021 and has taken effect from 1 April 2023 for profits over £250,000. For profits under £50,000 the tax rate will remain the same at 19% and for profits between these figures it will be subject to 25% but reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. Deferred taxation for the relevant period has been provided for at 25%.

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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## 10. Intangible assets

	Development expenditure £	Online platform £	Total £
<b>Cost</b>			
At 1 January 2023	122,193	939,652	1,061,845
Additions	-	1,112,373	1,112,373
	<hr/>	<hr/>	<hr/>
At 31 December 2023	122,193	2,052,025	2,174,218
	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>			
At 1 January 2023	58,817	-	58,817
Charge for the year	24,423	312,074	336,497
	<hr/>	<hr/>	<hr/>
At 31 December 2023	83,240	312,074	395,314
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2023	<u>38,953</u>	<u>1,739,951</u>	<u>1,778,904</u>
<i>At 31 December 2022</i>	<u>63,376</u>	<u>939,652</u>	<u>1,003,028</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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## 11. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Total £
<b>Cost or valuation</b>			
At 1 January 2023	24,533	38,741	63,274
Additions	-	11,721	11,721
	<hr/>	<hr/>	<hr/>
At 31 December 2023	24,533	50,462	74,995
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 2023	10,069	15,930	25,999
Charge for the year	7,112	9,099	16,211
	<hr/>	<hr/>	<hr/>
At 31 December 2023	17,181	25,029	42,210
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 2023	<u>7,352</u>	<u>25,433</u>	<u>32,785</u>
<b>At 31 December 2022</b>	<u>14,464</u>	<u>22,811</u>	<u>37,275</u>

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**12. Stocks**

	2023 £	2022 £
Goods for resale	1,699,232	1,654,451
	<u>1,699,232</u>	<u>1,654,451</u>

**13. Debtors**

	2023 £	2022 £
<b>Due after more than one year</b>		
Deferred tax asset	1,629,319	1,038,644
	<u>1,629,319</u>	<u>1,038,644</u>

	2023 £	2022 £
<b>Due within one year</b>		
Trade debtors	281,245	427,228
Amounts owed by group companies	-	13,353
Other debtors	975,385	393,507
Prepayments and accrued income	198,942	503,398
	<u>1,455,572</u>	<u>1,337,486</u>

**14. Cash and cash equivalents**

	2023 £	2022 £
Cash at bank and in hand	1,002,341	245,452
	<u>1,002,341</u>	<u>245,452</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**


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**15. Creditors: Amounts falling due within one year**

	2023 £	2022 £
Trade creditors	806,641	1,146,137
Amounts owed to group undertakings	3,036,404	1,728,452
Other taxation and social security	78,561	64,175
Other creditors	92,654	99,564
Accruals and deferred income	213,821	323,365
	<u>4,228,081</u>	<u>3,361,693</u>

Included in in amounts owed to group companies is £2,700,000 (2022: £1,728,452) which is unsecured, interest bearing and repayable on demand.

**16. Deferred taxation**

	2023 £
At beginning of year	1,038,644
Charged to profit or loss	590,675
<b>At end of year</b>	<u><u>1,629,319</u></u>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(15,632)	(17,287)
Tax losses carried forward	1,642,979	1,055,009
Other timing differences	1,972	922
	<u>1,629,319</u>	<u>1,038,644</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**


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**17. Provisions**

	<b>Other provision £</b>
At 1 January 2023	<b>59,642</b>
Charged to profit or loss	<b>48,358</b>
<b>At 31 December 2023</b>	<b><u>108,000</u></b>

The Company has certain provisions in respect of obligations where the are requirements that can be reliably estimated but the timing of the obligation is unknown.

**18. Share capital**

	<b>2023 £</b>	<b>2022 £</b>
<b>Allotted, called up and fully paid</b>		
5,200,000 (2022 - 5,200,000) A Ordinary share shares of £0.000010 each	<b>52</b>	52
150,000 (2022 - 150,000) B Ordinary share shares of £1.000000 each	<b>150,000</b>	150,000
25,900,000 (2022 - 25,900,000) Ordinary shares of £0.000010 each	<b>259</b>	259
3,000,000 (2022 - 3,000,000) A2 Ordinary shares of £0.000010 each	<b>30</b>	30
1,600,000 (2022 - 1,600,000) Deferred shares of £0.000010 each	<b>16</b>	16
	<b><u>150,357</u></b>	<b><u>150,357</u></b>

**19. Reserves****Share premium account**

The total share premium balance was £9,925,282 as at 31 December 2023 after taking into account the legal, administrative and arrangement costs associated with the issue of shares.

**Profit and loss account**

The profit and loss account consist of the cumulative total of all current and prior year profits and losses.

**20. 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 £24,525 (2022 - £29,890). Pension contributions of £7,887 were payable at the balance sheet date (2022: £18,192).

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**


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**21. Commitments under operating leases**

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	-	94,070
Later than 1 year and not later than 5 years	-	94,070
	<u>-</u>	<u>188,140</u>

**22. Related party transactions**

During the year the Company made purchases of £3,188,047 (2022: £4,096,000) from Jardox Ltd, a company in connection with the director, O Ashness. At the year end £412,830 (2022: £423,318) was payable to Jardox Ltd.

The company has taken advantage of the exemption available in Financial Reporting Standard 102 Section 33 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group. The consolidated financial statements of the ultimate parent company, Nestlé S.A are available from <https://www.nestle.com/investors/annual-report>.

**23. Controlling party**

The Company was acquired on 1 March 2021 by Nestlé UK Ltd. Nestlé UK Ltd is the immediate parent company and owns 100% of the share capital of the company. Nestlé UK Ltd is a private company, limited by shares, incorporated in England and Wales in the UK. The registered company number of Nestlé UK Ltd is 00051491. The registered office address is Haxby Road, York, England, YO31 8TA.

The largest and smallest groups in which the results of the company are consolidated are those headed by Nestlé S.A., the ultimate parent company. Nestlé S.A. is a company incorporated in Switzerland. Copies of group financial statements can be obtained from CH-1800, Vevey, Switzerland.



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