Company Registration No. 07200046 (England and Wales)

Gozney Group Limited

Annual report and group financial statements for the year ended 31 March 2022

Gozney Group Limited

Company information

Directors	Thomas Gozney Laura Gozney Simon Henderson Richard Bannister Patrick Bruce Jr Mark Kosiba
Company number	07200046
Registered office	Units 18 & 19 Christchurch Business Park Radar Way Christchurch Dorset BH23 4FL
Independent auditor	Saffery Champness LLP Midland House 2 Poole Road Bournemouth Dorset BH2 5QY

Gozney Group Limited

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Gozney Group Limited

Strategic report
For the year ended 31 March 2022

The directors present the strategic report for the year ended 31 March 2022.

Fair review of the business

The principal activities of the business are to design, market and sell pizza ovens and related accessories for home and restaurant use.

The year ending in March 2022 has been a year of strong growth for the group, Gozney has increased annual revenues to £27,282,937 (2021: £12,913,013). The growth has been driven by the continued increase in awareness of the Gozney brand, new product launches and demand for our products in our key markets.

Gozney continues to innovate market-leading products in the consumer oven with the launch of the Gozney Dome in April 2021 generating demand which outstripped supply for much of the year. The group remains committed to prioritising new product innovation following the success of the Gozney Dome and has invested in design and engineering resources to establish a roadmap of new product releases scheduled for the next 24 months.

The group has invested in upgrading capacity and efficiency in its Global Supply Chain and logistics infrastructure in addition to adding experienced new hires in key business functions. These investments, in addition to the higher costs bought about by operational and logistical challenges bought about by the COVID-19 pandemic, mean the Group show a pre-tax loss of £3,916,982 (2021: profit of £510,553) for the year.

In the year ending March 2022 Gozney continued its expansion into the US market where over 50% of global revenues occur. The group established a local office and made several strategic appointments in the USA and will continue to add experienced and talented senior leaders to key posts to support expansion plans in the North American market.

In February 2022, Gozney began selling products into wholesale channels in both the UK and US markets. Operating predominately as a Direct-to-Consumer business until that point, the group has invested in building localised teams capable of rapidly expanding the points of distribution for its product range in these primary market.

Principal risks and uncertainties

The company's management are risk averse and regularly monitor the risk levels to ensure that risks are within acceptable levels. Management have determined that the principal risks to the business are macroeconomic factors, including foreign exchange risk.

Foreign exchange risk was impacted by Brexit and general worldwide economic uncertainties throughout the year. Whilst the group is exposed to transactional foreign exchange risk, there remains a natural hedge that mitigates most of the exposure, with US dollar income used to purchase the majority of inventory.

Development and performance

Trading has been impacted by the disruption to supply chains and logistics as a result of the COVID-19 pandemic during 2021 and 2022. However, trading continued throughout all the months of the year without any disruptions to operations.

Key performance indicators

The Directors monitor the performance of the Group using the following Key Performance Indicators (KPIs):

Turnover increase was +111% (2021: +125%) with growth driven by marketing activities, word-of-mouth and new product launches. Demand was enhanced by overall growth in the outdoor cooking market.

Gross Profit as a percentage of turnover was 14% (2021: 30%). Sharp increases in the raw material prices and Ocean Freight costs coupled with investments made in upgrading Supply Chain infrastructure and capacity impacted performance in the year.

Operating Margin as a percentage of turnover was -13% (2021: 4%) as the group invested ahead of time in making several senior hires to support the future growth of the group and facilitate the expansion into Wholesale and Distribution channels.

Stock Turnover was 3.7 times (2021: 4.4 times). The decrease the direct result of delays in global ocean freight caused by the effect of the COVID-19 pandemic and the requirement to hold higher inventory levels to mitigate the risks of delays.

On behalf of the board

Richard Bannister
Director

30 March 2023

Gozney Group Limited

Directors' report
For the year ended 31 March 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the group is that of the sale of pizza ovens and associated materials.

Directors

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

Thomas Gozney	
Laura Gozney	
Simon Henderson	
Donald Henshall	(Resigned 18 November 2021)
Richard Bannister	
Patrick Bruce Jr	
Mark Kosiba	

Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Economic environment

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted global financial markets. In the UK market activity is being impacted in all sectors and the current response to COVID 19 means that we are faced with an unprecedented set of circumstances.

Additionally, considering the ongoing conflict in Ukraine that has subsequently impacted the economic environment in both Europe and the United States of America. Rising inflation across the globe as well as increased shipping costs have affected the group's margins in the current year and this could continue for the foreseeable future.

In light of the current uncertainties the directors have assessed the potential financial implications, and have assessed that the group has sufficient resources to allow it to trade through this period without any additional working capital funding required.

Auditor

The auditor, Saffery Champness LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

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 group 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 group is aware of that information.

On behalf of the board

Richard Bannister
Director

30 March 2023

Directors' responsibilities statement
For the year ended 31 March 2022

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are 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 directors are 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. They are 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.

Independent auditor's report
To the members of Gozney Group Limited

Opinion

We have audited the financial statements of Gozney Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, 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 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 group and of the parent company's affairs as at 31 March 2022 and of the group's loss 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 directors' 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 directors with respect to going concern are described in the relevant sections of this report.

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 auditor's 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.

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 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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 directors

As explained more fully in the directors' responsibilities statement, 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 parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:
We assessed the susceptibility of the group and parent company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent company by discussions with directors and by updating our understanding of the sector in which the group and parent company operates.

Laws and regulations of direct significance in the context of the group and parent company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified
We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of group and parent company financial statement disclosures. We reviewed the parent company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Roger Wareham (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

31 March 2023

Chartered Accountants
Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Gozney Group Limited

Group statement of comprehensive income
For the year ended 31 March 2022

	Notes	2022 £	2021 £
Turnover	**3**	27,282,937	12,913,013
Cost of sales		(23,471,333)	(9,014,391)
Gross profit		3,811,604	3,898,622
Administrative expenses		(7,370,357)	(3,446,327)
Other operating income		-	260,995
Operating (loss)/profit	**4**	(3,558,753)	713,290
Interest payable and similar expenses	**8**	(358,229)	(202,737)
(Loss)/profit before taxation		(3,916,982)	510,553
Tax on (loss)/profit	**9**	176,317	204,941
(Loss)/profit for the financial year	**21**	(3,740,665)	715,494
Other comprehensive income			
Currency translation differences		30,215	(62,916)
Total comprehensive income for the year		(3,710,450)	652,578

(Loss)/profit 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.

Gozney Group Limited

Group statement of financial position
As at 31 March 2022

			2022		2021
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Intangible assets	**10**		345,332		380,231
Tangible assets	**11**		703,502		596,887
			1,048,834		977,118
Current assets					
Stocks	**13**	10,326,370		2,323,368	
Debtors	**14**	3,740,171		2,125,480	
Cash at bank and in hand		1,353,874		1,564,711	
		15,420,415		6,013,559	
Creditors: amounts falling due within one year	**15**	(7,912,369)		(3,671,178)	
Net current assets			7,508,046		2,342,381
Total assets less current liabilities			8,556,880		3,319,499
Creditors: amounts falling due after more than one year	**16**		(5,047,225)		(1,779,639)
Net assets			3,509,655		1,539,860
Capital and reserves					
Called up share capital	**20**		154		142
Share premium account	**21**		8,542,490		2,862,257
Profit and loss reserves	**21**		(5,032,989)		(1,322,539)
Total equity			3,509,655		1,539,860

The financial statements were approved by the board of directors and authorised for issue on 30 March 2023 and are signed on its behalf by:

Richard Bannister
Director

Gozney Group Limited

Company statement of financial position
As at 31 March 2022

			2022		2021
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Intangible assets	**10**		345,332		380,231
Tangible assets	**11**		703,502		596,887
			1,048,834		977,118
Current assets					
Stocks	**13**	6,742,825		2,020,173	
Debtors	**14**	6,323,981		2,213,047	
Cash at bank and in hand		769,267		1,171,292	
		13,836,073		5,404,512	
Creditors: amounts falling due within one year	**15**	(6,656,050)		(3,298,515)	
Net current assets			7,180,023		2,105,997
Total assets less current liabilities			8,228,857		3,083,115
Creditors: amounts falling due after more than one year	**16**		(5,047,225)		(1,452,556)
Net assets			3,181,632		1,630,559
Capital and reserves					
Called up share capital	**20**		154		142
Share premium account	**21**		8,542,490		2,862,257
Profit and loss reserves	**21**		(5,361,012)		(1,231,840)
Total equity			3,181,632		1,630,559

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £4,129,172 (2021 - £699,539 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 30 March 2023 and are signed on its behalf by:

Richard Bannister
Director

Company Registration No. 07200046

Gozney Group Limited

Group statement of changes in equity
For the year ended 31 March 2022

	Notes	Share capital	Share premium account	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 April 2020		141	2,639,434	(1,975,117)	664,458
Year ended 31 March 2021:					
Profit for the year		-	-	715,494	715,494
Other comprehensive income:					
Currency translation differences		-	-	(62,916)	(62,916)
Total comprehensive income for the year		-	-	652,578	652,578
Issue of share capital	**20**	1	222,823	-	222,824
Balance at 31 March 2021		142	2,862,257	(1,322,539)	1,539,860
Year ended 31 March 2022:					
Loss for the year		-	-	(3,740,665)	(3,740,665)
Other comprehensive income:					
Currency translation differences		-	-	30,215	30,215
Total comprehensive income for the year		-	-	(3,710,450)	(3,710,450)
Issue of share capital	**20**	12	5,680,233	-	5,680,245
Balance at 31 March 2022		154	8,542,490	(5,032,989)	3,509,655

Gozney Group Limited

Company statement of changes in equity
For the year ended 31 March 2022

	Notes	Share capital	Share premium account	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 April 2020		141	2,639,434	(1,931,379)	708,196
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	699,539	699,539
Issue of share capital	**20**	1	222,823	-	222,824
Balance at 31 March 2021		142	2,862,257	(1,231,840)	1,630,559
Year ended 31 March 2022:					
Loss and total comprehensive income for the year		-	-	(4,129,172)	(4,129,172)
Issue of share capital	**20**	12	5,680,233	-	5,680,245
Balance at 31 March 2022		154	8,542,490	(5,361,012)	3,181,632

Gozney Group Limited

Group statement of cash flows
For the year ended 31 March 2022

	Notes	£	2022 £	£	2021 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**25**		(11,252,007)		939,389
Interest paid			(358,229)		(202,737)
Income taxes refunded			57,988		181,213
Net cash (outflow)/inflow from operating activities			(11,552,248)		917,865
Investing activities					
Purchase of intangible assets		(72,631)		(165,561)	
Purchase of tangible fixed assets		(359,920)		(525,604)	
Net cash used in investing activities			(432,551)		(691,165)
Financing activities					
Proceeds from issue of shares		5,680,245		222,824	
Issue of debentures		3,770,017		-	
Proceeds of new bank loans		-		635,033	
Repayment of bank loans		(521,917)		(247,801)	
Net cash generated from financing activities			8,928,345		610,056
Net (decrease)/increase in cash and cash equivalents			(3,056,454)		836,756
Cash and cash equivalents at beginning of year			1,564,711		739,587
Effect of foreign exchange rates			32,302		(11,632)
Cash and cash equivalents at end of year			(1,459,441)		1,564,711
Relating to:					
Cash at bank and in hand			1,353,874		1,564,711
Bank overdrafts included in creditors payable within one year			(2,813,315)		-

1 Accounting policies

Company information

Gozney Group Limited ("the company") is a private company limited by shares incorporated in England and Wales. The registered office is Units 18 & 19 Christchurch Business Park, Radar Way, Christchurch, Dorset, BH23 4FL.

The group consists of Gozney Group Limited and all of its subsidiaries.

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 a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The consolidated group financial statements consist of the financial statements of the parent company Gozney Group Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 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.

1.2 Going concern

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

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for pizza ovens and associated accessories sold, as well as the services provided in the normal course of business to install and deliver the products, 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.

1 Accounting policies (continued)

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.

1.4 Research and development expenditure

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.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	4 years
Intellectual property	10 years
Website costs	25% straight line

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:

Land and buildings Freehold	4% straight line
Plant and machinery	25% reducing balance
Fixtures, fittings & equipment	25% reducing balance

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 income statement.

1 Accounting policies (continued)

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.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) 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 (or cash-generating unit) 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 Accounting policies (continued)

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.

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.

1.10 Cash and cash equivalents

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 statement of financial position 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, 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.

1 Accounting policies (continued)

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.

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, loans from fellow group companies and preference shares that are classified as debt, 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.

Derecognition of financial liabilities

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

1 Accounting policies (continued)

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 income statement 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.

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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has 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 Accounting policies (continued)

1.16 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted . The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are 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.

Stock provisioning

The directors continuously monitor the company's stock levels and aging to maintain a reasonable stock provision. The provision is the directors' best estimate and is based on judgements surrounding the future saleability of stock lines.

Depreciation and amortisation

Depreciation and amortisation is provided at rates calculated to write off the cost less estimated residual value of each asset of its expected useful life. The useful life of each category of assets is a judgement made by the directors using assumptions based upon historical experience and current trends.

3 Turnover

	2022	2021
	£	£
Turnover analysed by class of business		
Product sales	27,282,937	12,913,013

3 Turnover (continued)

	2022	2021
	£	£
Turnover analysed by geographical market		
Europe	1,071,852	225,581
North America	14,372,004	4,316,811
Australia	2,915,197	1,170,423
United Kingdom	8,480,051	6,685,365
Rest of World	443,833	514,833
	27,282,937	12,913,013

4 Operating (loss)/profit

	2022	2021
	£	£
Operating (loss)/profit for the year is stated after charging:		
Exchange losses	179,349	114,625
Research and development costs	127,595	77,301
Depreciation of owned tangible fixed assets	253,305	213,756
Amortisation of intangible assets	107,530	109,961
(Profit)/loss on disposal of intangible assets	-	17,013
Operating lease charges	103,950	132,529

5 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 company	21,000	14,000

6 Employees

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

	Group 2022 Number	Group 2021 Number	Company 2022 Number	Company 2021 Number
Board	5	5	5	5
Marketing	10	6	9	6
Sales	4	3	3	3
Customer Experience	3	2	2	2
Operations	9	7	8	7
Finance/HR	7	5	7	5
Design	5	4	5	4
Total	43	32	39	32

Their aggregate remuneration comprised:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	1,954,027	1,226,029	1,572,195	1,207,934
Social security costs	235,767	133,525	172,663	132,141
Pension costs	76,877	34,244	64,336	34,244
	2,266,671	1,393,798	1,809,194	1,374,319

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	233,050	323,322
Company pension contributions to defined contribution schemes	18,143	8,544
	251,193	331,866

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2021: 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	111,845	116,013
Company pension contributions to defined contribution schemes	15,143	2,918

8 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	358,229	202,737

9 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	(169,585)	(51,256)
Adjustments in respect of prior periods	(7,524)	(181,213)
Total UK current tax	(177,109)	(232,469)
Adjustments in foreign tax in respect of prior periods	792	-
Total current tax	(176,317)	(232,469)

9 Taxation

	2022 £	2021 £ (continued)
Deferred tax		
Origination and reversal of timing differences	-	27,528
Total tax credit	(176,317)	(204,941)

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

	2022 £	2021 £
(Loss)/profit before taxation	(3,916,982)	510,553
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(744,227)	97,005
Tax effect of expenses that are not deductible in determining taxable profit	1,970	68,718
Change in unrecognised deferred tax assets	1,023,617	-
Permanent capital allowances in excess of depreciation	(26,782)	-
Research and development tax credit	(129,610)	(232,469)
Other permanent differences	(124,968)	(242,745)
Under/(over) provided in prior years	(6,732)	-
Surreneder of losses for R&D tax credit	(169,585)	77,022
Deferred tax movement in relation to prior years	-	27,528
Taxation credit	(176,317)	(204,941)

10 Intangible fixed assets

Group	Software	Intellectual property	Website costs	Total
	£	£	£	£
Cost				
At 1 April 2021	54,195	269,126	302,089	625,410
Additions	7,000	65,631	-	72,631
At 31 March 2022	61,195	334,757	302,089	698,041
Amortisation and impairment				
At 1 April 2021	33,028	48,990	163,161	245,179
Amortisation charged for the year	15,299	26,133	66,098	107,530
At 31 March 2022	48,327	75,123	229,259	352,709
Carrying amount				
At 31 March 2022	12,868	259,634	72,830	345,332
At 31 March 2021	21,167	220,136	138,928	380,231

Company	Software	Intellectual property	Website costs	Total
	£	£	£	£
Cost				
At 1 April 2021	54,195	269,126	302,089	625,410
Additions	7,000	65,631	-	72,631
At 31 March 2022	61,195	334,757	302,089	698,041
Amortisation and impairment				
At 1 April 2021	33,028	48,990	163,161	245,179
Amortisation charged for the year	15,299	26,133	66,098	107,530
At 31 March 2022	48,327	75,123	229,259	352,709
Carrying amount				
At 31 March 2022	12,868	259,634	72,830	345,332
At 31 March 2021	21,167	220,136	138,928	380,231

11 Tangible fixed assets

Group	**Land and buildings Freehold**	**Plant and machinery**	**Fixtures, fittings & equipment**	**Total**
Cost	**£**	**£**	**£**	**£**
At 1 April 2021	25,343	1,123,340	166,566	1,315,249
Additions	-	314,958	44,962	359,920
At 31 March 2022	25,342	1,438,299	211,528	1,675,169
Depreciation and impairment				
At 1 April 2021	10,743	571,923	135,696	718,362
Depreciation charged in the year	5,069	224,851	23,385	253,305
At 31 March 2022	15,812	796,774	159,081	971,667
Carrying amount				
At 31 March 2022	9,530	641,525	52,447	703,502
At 31 March 2021	14,600	551,417	30,870	596,887

Company	**Land and buildings Freehold**	**Plant and machinery**	**Fixtures, fittings & equipment**	**Total**
Cost	**£**	**£**	**£**	**£**
At 1 April 2021	25,343	1,123,340	166,566	1,315,249
Additions	-	314,958	44,962	359,920
At 31 March 2022	25,342	1,438,299	211,528	1,675,169
Depreciation and impairment				
At 1 April 2021	10,743	571,923	135,696	718,362
Depreciation charged in the year	5,069	224,851	23,385	253,305
At 31 March 2022	15,812	796,774	159,081	971,667
Carrying amount				
At 31 March 2022	9,530	641,525	52,447	703,502
At 31 March 2021	14,600	551,417	30,870	596,887

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Country of incorporation	Nature of business	Class of shares held	% Held Direct	Indirect
Gozney Inc.	USA	Sale of Pizza Ovens	Ordinary	100.00	-

Registered office addresses:

1 Gozney Inc, 2700 Rasmussen Rd L-50, Park City, UT 84098

13 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	10,326,370	2,323,368	6,742,825	2,020,173

14 Debtors

Amounts falling due within one year:	Group 2022 £	2021 £	Company 2022 £	2021 £
Trade debtors	716,668	193,305	262,077	51,109
Corporation tax recoverable	169,585	51,256	169,585	51,256
Amounts owed by group undertakings	-	-	3,099,419	257,541
Other debtors	590,721	162,735	590,721	162,625
Prepayments and accrued income	2,100,725	1,555,712	2,039,707	1,528,044
	3,577,699	1,963,008	6,161,509	2,050,575
Deferred tax asset (note 17)	162,472	162,472	162,472	162,472
	3,740,171	2,125,480	6,323,981	2,213,047

15 Creditors: amounts falling due within one year

	Notes	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans and overdrafts		2,813,315	19,486	2,813,315	19,486
Trade creditors		2,247,135	611,782	1,821,756	611,782
Other taxation and social security		992,099	382,796	480,599	223,525
Other creditors		411,870	376,490	320,701	368,962
Accruals and deferred income		1,447,950	2,280,624	1,219,679	2,074,760
		7,912,369	3,671,178	6,656,050	3,298,515

Bank loans and overdrafts represents trade finance loans on which interest is payable at 3.15%.

16 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Debenture loans		5,012,225	1,242,208	5,012,225	1,242,208
Bank loans and overdrafts		-	502,431	-	175,348
Other creditors		35,000	35,000	35,000	35,000
		5,047,225	1,779,639	5,047,225	1,452,556

During the year the commercial bank loans held by the group and company were repaid.

The existing debenture loan accrues interest daily at a rate of 14% per annum with 50% of the accrued interest payable on a quarterly basis.

The company issued new loan notes of £3,680,000 on which interest accrues at 8% per annum and is rolled up into the loan note balance on a 6 monthly basis.

The existing debenture loan is secured by means of a fixed and floating charge over all property and undertakings of the company.

17 Deferred taxation

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

Group	Assets 2022 £	Assets 2021 £
Accelerated capital allowances	(133,768)	(133,768)
Tax losses	296,240	296,240
	162,472	162,472

Company	Assets 2022 £	Assets 2021 £
Accelerated capital allowances	(133,768)	(133,768)
Tax losses	296,240	296,240
	162,472	162,472

There were no deferred tax movements in the year.

As at 31 March 2022 the group and company had taxable losses totalling £5,901,212 (2021: £1,559,156) representing a deferred tax asset of £1,475,303 (2021: £296,240). In the opinion of the directors, there is insufficient evidence that the full asset will be recovered at the current time. The directors are of the opinion that the asset recognised in 2021 remains recoverable and so continues to be recognised.

18 Retirement benefit schemes

Defined contribution schemes	2022 £	2021 £
Charge to profit or loss in respect of defined contribution schemes	76,877	34,244

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.

19 Share-based payment transactions

The company operates an Enterprise Management Incentive share option plan. During the year a number of Ordinary share options were granted and can be exercised when exercise conditions are met, which is then the vesting date. The share options are fully exercisable if the employee has been employed 5 years from the date of issue.

The Ordinary shares carry rights to vote, they can be considered for dividends, and have the right to a share in capital on the sale of the business/shares.

Group and company	**Number of share options**		**Weighted average exercise price**	
	2022	**2021**	**2022**	**2021**
	Number	**Number**	**£**	**£**
Outstanding at 1 April 2021	6,701,323	3,289,000	0.02	0.02
Granted	357,069	4,465,123	0.31	0.03
Forfeited	(263,200)	-	0.02	-
Exercised	(1,233,179)	-	0.02	-
Expired	-	(1,052,800)	-	0.02
Outstanding at 31 March 2022	5,562,013	6,701,323	-	0.02
Exercisable at 31 March 2022	-	-	-	-

The options outstanding at 31 March 2022 had an exercise price ranging from £0.02 to £0.03195, and a remaining contractual life of between 7 and 10 years.

Group and company

The fair value of the options was calculated by assessing the group market value, third party reports and adjusting the for the risks and restrictions built in to recognised share option valuation models.

20 Share capital

Group and company	**2022**	**2021**	**2022**	**2021**
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary Shares of 0.0001p each	154,443,714	142,199,451	154	142

During the year the company issued 12,244,263 Ordinary shares of £0.000001 each.

21 Reserves

Share capital
The share capital reserve represents the nominal value of the shares issued.

Share premium
The share premium reserve represents the amounts received in excess of the nominal value of shares issued.

Profit and loss
The profit and loss reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

22 Operating lease commitments

Lessee
At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	107,359	135,640	107,359	135,640
Between two and five years	125,787	231,790	125,787	231,790
	233,146	367,430	233,146	367,430

23 Related party transactions

In accordance with FRS102 (section 33.1A), the company has taken advantage of the exemption from the requirement to disclose related party transactions with group companies on the basis those group companies are wholly owned within the group.

As at the year end the group and company were owed £55,819 (2021: £nil) by Gozney Shanghaii, a company under common control.

24 Directors' transactions

Description	% Rate	Opening balance	Amounts advanced	Amounts repaid	Closing balance
		£	£	£	£
Directors loan	-	(1,025)	2,621,431	(2,592,774)	27,632
		(1,025)	2,621,431	(2,592,774)	27,632

25 Cash (absorbed by)/generated from group operations

	2022	2021
	£	£
(Loss)/profit for the year after tax	(3,740,665)	715,494
Adjustments for:		
Taxation credited	(176,317)	(204,941)
Finance costs	358,229	202,737
(Gain)/loss on disposal of intangible assets	-	17,013
Amortisation and impairment of intangible assets	107,530	109,961
Depreciation and impairment of tangible fixed assets	253,305	213,756
Foreign exchange gains on cash equivalents	(2,087)	(51,284)
Decrease in provisions	-	(3,733)
Movements in working capital:		
Increase in stocks	(8,003,002)	(560,235)
Increase in debtors	(1,496,362)	(1,407,901)
Increase in creditors	1,447,362	1,908,522
Cash (absorbed by)/generated from operations	(11,252,007)	939,389

26 Analysis of changes in net debt - group

	1 April 2021	Cash flows	Exchange rate movements	31 March 2022
	£	£	£	£
Cash at bank and in hand	1,564,711	(245,226)	34,389	1,353,874
Trade finance	-	(2,813,315)	-	(2,813,315)
	1,564,711	(3,058,541)	34,389	(1,459,441)
Borrowings excluding overdrafts	(1,764,125)	(3,248,100)	-	(5,012,225)
	(199,414)	(6,306,641)	34,389	(6,471,666)