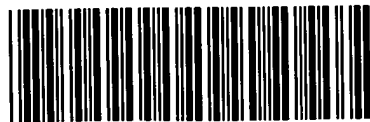


Company registration number SC561983 (Scotland)

**PARSLEY BOX LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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# PARSLEY BOX LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	K Dorren H McComb C Van Der Kuyl
<b>Company number</b>	SC561983
<b>Registered office</b>	Orchard Brae House 30 Queensferry Road Edinburgh EH4 2HS
<b>Auditor</b>	MHA Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD

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# PARSLEY BOX LIMITED

## CONTENTS

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	<b>Page</b>
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 21

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# PARSLEY BOX LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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The directors present their strategic report for Parsley Box Ltd ("the company") for the year ended 31 December 2023.

#### Principal activity and nature of business

The company is a direct to consumer ready meal provider focused on the fast growing and underserved older demographic in the UK. The company sells a range of ambient long life ready meals, puddings, sides and snacks online and via a telephone contact centre to combine fast, friendly service with the ultimate in convenience of meals delivered to the door, stored in the cupboard and ready to eat in minutes.

	FY23	FY22	YOY %
Revenue £'000	13,705	18,937	(28%)
Gross profit %	43%	32%	11%
Marketing expenses £'000	(2,267)	(4,895)	54%
Marketing expenses as a % of revenue	17%	26%	(9%)
Profit/(loss) for the year £'000	406	(4,230)	110%
Closing cash £'000	457	506	(10%)

Revenue reduced by 28% for the year to £13.7m (FY22: £18.9m) following a re-focus of the business towards profitability. Historically the business has focussed on growing its customer base and investing in the future value of acquired customers. However, it became apparent in 2022 that the funding available to consumer businesses in both the private and public markets had changed, and investors were focussing on profitable business growth instead.

As a result, the company changed its strategy in 2023 to strengthen the underlying economics of the business in several ways.

The business removed its chilled products from the range due to cost pressures, wastage, and increased fulfilment costs, to focus solely the ambient range. This range has key advantages in the older consumer market, allowing customers to have an easy to prepare meal available at any time. Additionally, a minimum order value and small retail price increase was implemented in Q2 2023 to ensure all existing customer orders were profitable and to offset the inflationary pressures throughout the supply chain from raw materials to packaging and labour. Lastly, the customer loyalty program was phased out over the year, allowing customers to redeem outstanding balances from April, before closing the scheme on 31 December 2023.

These changes significantly increased the business' average order values from 2022 to 2023, from £27 to £51 for a new customer and from £51 to £64 for a repeat customer. These increases, together with the product range rationalisation and efficiencies made in order taking and fulfilment improved gross margins from 32% to 43% year on year, despite the inflationary pressures. Marketing as a percentage of revenue also dropped from 26% in 2022 to 17% in 2023 due to more efficient mailings and customer recruitment.

These measures generated a small profit in 2023, the first annual profit for the company, and a strong turnaround from the £4.2m loss in 2022.

Whilst the company has a smaller top line and a smaller active customer base, it is now in a stable position and focused on profitable growth. Cash at the end of 2023 was £0.5m (FY22: £0.5m), enough headroom to operate efficiently without the need for fundraising. The company also has a £0.5m unutilised overdraft facility.

# PARSLEY BOX LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### Principal risks and uncertainties

A high level summary of the key business risks facing the company and the management actions that currently mitigate them to an acceptable level is provided below:

Risk	Impact	Mitigation
Customer risk	New customers are not acquired quickly enough and/or repeat customers do not order frequently enough to maintain or grow the Company's revenue.	Growing brand awareness and optimising marketing activities to acquire and maintain a profitable customer database.  Providing excellent customer service and a quality product range at competitive prices.
Supplier risk	Any unforeseen supplier issues could affect the quality of the Company's product offering and stock availability. This could in turn affect customer confidence and perception which impacts the brand and could expose the Company to product liability claims or product recall costs.	Maintain adequate stock levels.  Diversify the supplier portfolio where possible to minimise the impact of any singular supplier issue.  Maintain close relationships with suppliers.
Operational risk	If the Company were to experience a significant disruption in fulfilment of its orders it could have a material adverse effect on the Company's business, prospects, financial condition and results.	The Company maintains a close relationship with its warehousing and fulfilment partners, ensuring that any issues or concerns are communicated in real-time allowing mitigation where possible, or efficient and effective management.  In the event of an emergency that causes an out of operation incident the business has worked with its fulfilment supplier to ensure they have an adequate Business Continuity Plan in place and this is reviewed regularly.
Management	The success of the Company is dependent on recruiting and retaining skilled senior management personnel and failure to do so would put the Company's ability to successfully carry out its plans at risk.	The Company's employment policies are designed to mitigate this exposure and ensure that an appropriately skilled workforce is and remains in place.  The Company's staff offering is reviewed at least annually to ensure its offering is competitive and fair for staff.
Macroeconomic changes	Sustained or increasing instability in the macroeconomic environment could result in lower consumer demand and/or inflationary cost increases and/or meal ingredient shortages.	Build in financial contingency for a higher inflationary environment and lower consumer confidence. Reducing the Company's fixed cost based and transitioning to higher variable costs that can flex to a changing economic environment.  Maintaining adequate stock levels and close relationships with suppliers.
Cyber security threat	Cyber attacks leading to denial of service attacks or unauthorised access to the Company's software or systems could result in a loss of revenue, financial cost and reputational damage.	The Company maintains a range of security measures that are regularly reviewed and updated to prevent unauthorised access to systems. The Company maintains cyber security insurance.

# **PARSLEY BOX LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **Outlook**

The directors remain confident about the outlook for the company and its ambition to service the older demographic by offering the best range of products and service at an affordable price. The directors remain focused on incremental sales growth and strong cost control and are confident that in doing so the business can deliver value to its customers and grow underlying profit.

At the date of signing these financial statements cash was £0.5m.

### **Going concern**

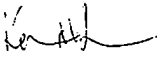
The directors have considered the financial position of the company on the date of approval of the financial statements and believe the company has adequate resources available to it to be able to trade for the foreseeable future. As a result the Board has approved a forecast for the twelve months following the date of signing these financial statements. Sensitivity analysis has also been applied to this forecast, overlaying what the directors consider to be reasonably possible scenarios that could arise in that period.

### **Approval**

The strategic report for the company has been drawn up and presented in accordance with, and in reliance upon, applicable company law, in particular section 416 of the Companies Act 2006, and the liabilities of the directors in connection with this report shall be subject to the limitations and restrictions provided by such law.

Approved by the board of directors on 30 July 2024 and signed on its behalf below.

By order of the board.



K Dorren  
**Director**

30 July 2024

# PARSLEY BOX LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2023

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

#### Results and dividends

The results for the year are set out on page 9.

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

#### Directors

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

K Dorren  
H McComb  
C Van Der Kuyl

#### Qualifying third party indemnity provisions

The company's parent, Parsley Box Group Limited, has purchased insurance to cover the directors, officers and employees of Parsley Box Group Limited and its subsidiary against defence costs and civil damages awarded following an action brought against them in their personal capacity whilst carrying out their professional duties for the company.

#### Auditor

MHA were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, their re-appointment will be proposed at a board meeting.

#### Statement of directors' responsibilities

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 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 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 financial statements;
- 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 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.

# PARSLEY BOX LIMITED

## DIRECTORS' REPORT (CONTINUED)

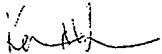
**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board



K Dorren  
**Director**

30 July 2024



# PARSLEY BOX LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF PARSLEY BOX LIMITED

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### Opinion

We have audited the financial statements of Parsley Box Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 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 *Auditor's 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 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 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the 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.

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.

# PARSLEY BOX LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF PARSLEY BOX LIMITED

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

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, 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.

### **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 is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non-compliance with laws and regulations;
- *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 regulations.

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 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.

# PARSLEY BOX LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF PARSLEY BOX LIMITED

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#### Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member, for our audit work, for this report, or for the opinions we have formed.

*Iain Binnie*

Iain Binnie (Jul 30, 2024 16:57 GMT+1)

**Iain Binnie**  
**Senior Statutory Auditor**  
**For and on behalf of MHA**

30 July 2024

**Chartered Accountants**  
**Statutory Auditor**

6 St Colme Street  
Edinburgh  
EH3 6AD

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

# PARSLEY BOX LIMITED

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

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	Notes	2023 £'000	2022 £'000
Revenue	3	13,705	18,937
Cost of sales		(7,873)	(12,940)
<b>Gross profit</b>		<u>5,832</u>	<u>5,997</u>
Administrative expenses		(5,443)	(10,332)
Other operating income		6	103
<b>Operating profit/(loss)</b>	4	<u>395</u>	<u>(4,232)</u>
Interest receivable and similar income	6	11	2
<b>Profit/(loss) before taxation</b>		<u>406</u>	<u>(4,230)</u>
Tax on profit/(loss)	7	-	-
<b>Profit/(loss) for the financial year</b>		<u><u>406</u></u>	<u><u>(4,230)</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

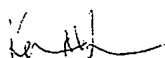
# PARSLEY BOX LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	9		23		82
<b>Current assets</b>					
Stocks	10	804		1,027	
Debtors	11	309		260	
Cash at bank and in hand		457		506	
		<u>1,570</u>		<u>1,793</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(8,334)</u>		<u>(8,887)</u>	
<b>Net current liabilities</b>			<u>(6,764)</u>		<u>(7,094)</u>
<b>Net liabilities</b>			<u>(6,741)</u>		<u>(7,012)</u>
<b>Capital and reserves</b>					
Called up share capital	15		380		380
Share premium account			9,820		9,820
Other reserves			10		173
Profit and loss reserves			<u>(16,951)</u>		<u>(17,385)</u>
<b>Total equity</b>			<u>(6,741)</u>		<u>(7,012)</u>

The financial statements were approved by the board of directors and authorised for issue on 30 July 2024 and are signed on its behalf by:



K Dorren  
Director

Company registration number SC561983 (Scotland)

# PARSLEY BOX LIMITED

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

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	Share capital	Share premium account	Share option reserve	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2022</b>	380	9,820	283	(13,258)	(2,775)
<b>Year ended 31 December 2022:</b>					
Loss and total comprehensive income	-	-	-	(4,230)	(4,230)
Share options exercised	-	-	(9)	9	-
Share options lapsed	-	-	(94)	94	-
Share based payments	-	-	(7)	-	(7)
<b>Balance at 31 December 2022</b>	<u>380</u>	<u>9,820</u>	<u>173</u>	<u>(17,385)</u>	<u>(7,012)</u>
<b>Year ended 31 December 2023:</b>					
Profit and total comprehensive income	-	-	-	406	406
Share based payments	-	-	(135)	-	(135)
Share options lapsed	-	-	(28)	28	-
<b>Balance at 31 December 2023</b>	<u><u>380</u></u>	<u><u>9,820</u></u>	<u><u>10</u></u>	<u><u>(16,951)</u></u>	<u><u>(6,741)</u></u>

# PARSLEY BOX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2023

---

#### 1 Accounting policies

##### Company information

Parsley Box Limited is a private company limited by shares incorporated in Scotland. The registered office is Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS.

#### 1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

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

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Parsley Box Group Ltd. These consolidated financial statements are available from its registered office, Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS,.

#### 1.2 Going concern

The financial statements have been prepared on the going concern basis. As part of the going concern review the Board has followed the guidelines published by the Financial Reporting Council entitled "Going Concern and Liquidity Risk Guidance for UK Companies 2016". In determining the appropriate basis of preparing the financial statements, the directors are required to consider whether the company can continue in operational existence for the foreseeable future, being a period of not less than twelve months from the date of the approval of the financial statements.

The company is reliant on support from its immediate parent company Parsley Box Group Limited which provides cash when required. The directors have considered the financial position of the company on the date of approval of the financial statements and approved a forecast for the twelve months following the date of signing these financial statements. Sensitivity analysis has also been applied to this forecast, overlaying what the directors consider to be reasonably possible scenarios that could arise in that period. Having reviewed these forecasts the directors concluded that preparing the financial statements on a going concern basis is appropriate.

# PARSLEY BOX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

##### 1.3 Revenue

Revenue is generated primarily from the sale of ready meals and complimentary products delivered direct to customers.

Revenue from contracts with customers is recognised when performance obligations are satisfied and control of the goods is transferred to the customer for an amount that reflects the consideration appropriate to those goods. The company is the principal in these arrangements as it controls the goods prior to sale, has pricing flexibility and is also exposed to inventory and credit risks. Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of promotional discounts, rebates, and value added taxes.

##### **Sale of ready meals**

Revenue from the sale of ready meals and complimentary products is recognised at the point in time when control is transferred to the customer, usually on dispatch. Customers pay on order and next working day delivery is arranged.

##### **Loyalty scheme**

Loyalty points were issued by the company when a customer purchased goods and were a separate performance obligation providing a material right to a future discount. The total transaction price (sale price of the goods purchased) was allocated to the points and the goods sold based on their relative standalone selling prices, with the points standalone price based on the value of the points to the customer, adjusted for expected redemption rates. The amount allocated to loyalty scheme points was deferred as a contract liability within trade and other payables. Revenue was recognised as the points were redeemed by the customer. Unused points were released to the income statement based on analysis of lifetime redemption rates. On 1 April 2023 the loyalty point scheme was ended with customers able to redeem points against orders up to 31 December 2023 when the remaining provision was unwound.

##### **Financing arrangements**

Occasionally the company receives short-term advances or deposits from its customers against contracts. No adjustment is made for the effect of this financing arrangement as delivery of the goods is expected to be completed within one year.

##### 1.4 Intangible fixed assets other than goodwill

Intangible assets comprise costs in respect of developing the brand, website design and computer software.

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:

Brand & web design	50% straight line
Software	33% straight line

The carrying value of intangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

##### 1.5 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:

Office equipment	33% straight line
Computer equipment	50% straight line



# PARSLEY BOX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

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 credited or charged to profit or loss.

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### 1.6 Stocks

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

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

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

#### 1.7 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.

#### 1.8 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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.

##### **Debtors**

Debtors with no stated interest rate or receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

##### **Creditors**

Creditors with no stated interest rate and payable within one year are recorded at transaction price.

All interest bearing loans and borrowings which are basic financial instruments are initially recognised at the present value of cash payable. After initial recognition they are measured at amortised cost.

#### 1.9 Equity instruments

Equity instruments issued by the company 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 company.

#### 1.10 Taxation

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

# PARSLEY BOX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 1 Accounting policies

(Continued)

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company'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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset 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.

#### 1.11 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.

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.

#### 1.12 Retirement benefits

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

#### 1.13 Share-based payments

A transaction is accounted for as a share-based payment where the company received services from employees, directors or third parties and pays for these in shares or similar equity instruments. The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the subsidiary company as a capital contribution, and presented as an increase in the parent company's investment in that subsidiary.

The company makes equity-settled share-based payments to certain employees and directors. Equity settled share based schemes are measured at fair value (excluding the effect on non-market based vesting conditions) at the date of grant, measured by use of an appropriate valuation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects on non-transferability, exercise restrictions and behavioural considerations.

The fair value determined at the grant date of the equity settled share based payments is expensed on a straight-line basis over the period services are received, based on the company's estimate of shares that will eventually vest.

Share options are forfeited when an employee ceases to be employed by the company unless determined to be a 'Good Leaver'.

# PARSLEY BOX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 Accounting policies (Continued)

#### 1.14 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 leases asset are consumed.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

The directors consider that there are no significant judgements, estimates or assumptions made which could have a material impact on these financial statements.

### 3 Revenue

Throughout the year and prior year the company operated in one business segment, being the sale of ready meals and complimentary products. The company's assets are held in the UK and all its income and expenditure arises in the UK.

### 4 Operating profit/(loss)

	2023	2022
	£'000	£'000
Operating profit/(loss) for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	11	20
Depreciation of owned tangible fixed assets	65	142
Profit on disposal of tangible fixed assets	-	(2)
Amortisation of intangible assets	-	1
Impairment of stocks recognised or reversed	107	77
Share-based payments	(135)	(7)
Operating lease charges	126	254
	<u>          </u>	<u>          </u>

### 5 Employees

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

	2023	2022
	Number	Number
	56	90
	<u>          </u>	<u>          </u>

# PARSLEY BOX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	2,016	3,044
Social security costs	196	304
Pension costs	107	114
Equity-settled share based payment	(135)	(7)
	<u>2,184</u>	<u>3,455</u>

#### 6 Interest receivable and similar income

	2023 £'000	2022 £'000
<b>Interest income</b>		
Interest on bank deposits	11	2
	<u>11</u>	<u>2</u>

#### 7 Taxation

On 21 April 2023 the main rate of corporation tax increased from 19% to 25% resulting in an average rate of 23.5% for the period.

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

	2023 £'000	2022 £'000
Profit/(loss) before taxation	406	(4,230)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 23.50% (2022: 19.00%)	95	(804)
Tax effect of expenses that are not deductible in determining taxable profit	(32)	14
Change in unrecognised deferred tax assets	(67)	760
Depreciation on assets not qualifying for tax allowances	-	(2)
Other permanent differences	-	32
Remeasurement of deferred tax for changes in tax rates	4	-
Taxation charge for the year	<u>-</u>	<u>-</u>

A deferred tax asset of £4,899k (2022: £5,011k) arising from trading losses in the company has not been recognised. The directors believe that it is prudent not to recognise the deferred tax asset within the financial statements as there is uncertainty over when there will be future taxable profits available against which losses can be utilised.

# PARSLEY BOX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 8 Intangible fixed assets

	Brand & web design £'000	Software £'000	Total £'000
<b>Cost</b>			
At 1 January 2023	8	25	33
Disposals	(8)	(18)	(26)
At 31 December 2023	-	7	7
<b>Amortisation and impairment</b>			
At 1 January 2023	8	25	33
Disposals	(8)	(18)	(26)
At 31 December 2023	-	7	7
<b>Carrying amount</b>			
At 31 December 2023	-	-	-
At 31 December 2022	-	-	-

#### 9 Tangible fixed assets

	Plant and equipment £'000
<b>Cost</b>	
At 1 January 2023	336
Additions	7
Disposals	(70)
At 31 December 2023	273
<b>Depreciation and impairment</b>	
At 1 January 2023	254
Depreciation charged in the year	65
Eliminated in respect of disposals	(69)
At 31 December 2023	250
<b>Carrying amount</b>	
At 31 December 2023	23
At 31 December 2022	82

#### 10 Stocks

	2023 £'000	2022 £'000
Finished goods and goods for resale	804	1,027

# PARSLEY BOX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

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11 Debtors	2023	2022
Amounts falling due within one year:	£'000	£'000
Trade debtors	55	28
Other debtors	65	157
Prepayments and accrued income	189	75
	<u>309</u>	<u>260</u>

12 Creditors: amounts falling due within one year	2023	2022
	£'000	£'000
Trade creditors	742	977
Amounts owed to group undertakings	7,283	6,712
Taxation and social security	59	181
Other creditors	17	58
Accruals and deferred income	233	959
	<u>8,334</u>	<u>8,887</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

13 Retirement benefit schemes	2023	2022
Defined contribution schemes	£'000	£'000
Charge to profit or loss in respect of defined contribution schemes	107	125

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 14 Share-based payment transactions

The company's share scheme was established on 5 March 2019 and was subsequently used to grant rights to acquire shares in the company to selected employees of the company.

The holders of all options that were outstanding at the time the company's parent completed its IPO in March 2021, agreed to surrender those entitlements in exchange for the grant, by Parsley Box Group Limited, of Replacement Options that are on equivalent terms. No further awards will be granted under the rules of the company's share scheme.

All Replacement Options vested on Parsley Box Group Limited's admission to AIM. The options will remain capable of being exercised at any time from admission to 10 years from the date of grant of the original Parsley Box Limited share option. However, in specified circumstances (including the cessation of the participant's employment and the occurrence of certain major corporate events), the lapse date may be varied or accelerated.

# PARSLEY BOX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

#### 14 Share-based payment transactions (Continued)

	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £'000	2022 £'000
Outstanding at 1 January 2023	183,182	411,911	0.22	0.22
Forfeited	(178,182)	(170,819)	0.22	0.19
Exercised	-	(57,910)	-	0.22
Outstanding at 31 December 2023	<u>5,000</u>	<u>183,182</u>	<u>0.22</u>	<u>0.22</u>
Exercisable at 31 December 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

During the year, 178,182 options lapsed due to employees leaving the business.

The options outstanding at 31 December 2023 had an exercise price of £0.22, and a remaining contractual life of 7 years.

#### Liabilities and expenses

The annual charge is recognised in both Parsley Box Group Limited and Parsley Box Limited financial statements reflecting that the employees holding options are employed by and provide services to Parsley Box Limited.

#### 15 Share capital

	2023 Number	2022 Number	2023 £'000	2022 £'000
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 1p each	24,237,326	24,237,326	243	243
A Ordinary shares of 1p each	13,720,974	13,720,974	137	137
	<u>37,958,300</u>	<u>37,958,300</u>	<u>380</u>	<u>380</u>

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

#### 16 Operating lease commitments

##### Lessee

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

	2023 £'000	2022 £'000
Within one year	91	129
Between two and five years	-	91
	<u>91</u>	<u>220</u>

# PARSLEY BOX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2023

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#### 17 Related party transactions

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	<b>Purchases</b>	<b>Purchases</b>
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Entities under common control	1,676	3,342
	<u>          </u>	<u>          </u>
	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts due to related parties</b>		
Entities under common control	160	180
	<u>          </u>	<u>          </u>

##### Other information

The company has taken advantage of the exemption under FRS 102 not to disclose any transactions or balance with wholly owned group companies.

#### 18 Ultimate controlling party

The Company's immediate parent undertaking is Parsley Box Group Limited, a company incorporated in Scotland. The smallest and largest group in which the results of the parent and subsidiary company are consolidated is that headed by Parsley Box Group Limited. The consolidated financial statements of these companies are available to the public through Companies House or on request to Parsley Box Limited, Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS.