3 June 2020

Angling Direct plc

("Angling Direct" or the "Company" or the "Group")

Full Year results for the 12 months ended 31 January 2020

Angling Direct plc (AIM: ANG), the largest specialist fishing tackle and equipment retailer in the UK, is pleased to announce its audited financial results for the twelve months ended 31 January 2020.

Financial Highlights:

- Group sales of £53.2m up by 27% (2019: £42.0m)
- Online sales of £25.3m up by 14% (2019: £22.3m) with international sales up by 8%, accounting for £5.0m of online (2019: £4.7m)
- Store sales of £27.9m up by 42% (2019: £19.7m) including like-for-like store growth of 12%
- Gross profit of £16.6m up by 20% (2019: £13.8m) with gross margin at 31.2% (2019: 32.9%)
- Operating cashflow up 41%
- EBITDA loss (pre IFRS 16) of £0.5m (FY19 profit: £0.3m), as a result of adverse post-Christmas trading due to exceptional flooding, wider margin pressure and a more prudent approach taken to some legacy costs
- Net cash equivalents at 31 January 2020 of £6.0m (2019: £13.5m)

Operational Highlights:

- Store network increased by 10 to 34 at the year-end (2019: 24), which included 7 new stores and 3 acquisitions
- Continued investment in online marketing, including the native language websites developed and launched in France and Netherlands to complement first full year of German website
- Further operational efficiencies driven from Kardex logistics system in distribution centre
- Decision made in H2 to cease lower margin exports
- Further investment made in own brand Advanta to support margin growth

Post-Period & COVID-19:

- Strong current year sales pre COVID-19 store closures (February sales up 23% vs. Feb FY19)
- 2 new stores opened in Warrington and Bristol
- Post onset of COVID-19, online sales materially ahead, up 24% in April vs. prior year. This trend has continued to strengthen through May 2020
- International sales generated from local language websites growing strongly
- Progressing towards safe reopening of stores on 15 June 2020, in accordance with government guidance
- Cash at 31 May 2020 was £6.4 million, with access to a £2.5 million undrawn credit facility until September 2020

Commenting on the results, Martyn Page, Executive Chairman, said: "*Last year was a period of rapid expansion for Angling Direct, with major investment going into the opening of ten new stores, three of which were acquisitions, as well as delivering further upgrades to our online business and our own brand products. All of these initiatives are designed to enable us to grow market share, protect our margins and improve our customer experience.*

"The impact of COVID-19 led to the closure of our 36 stores, but our online business has seen excellent growth and we have been able to fulfil the increasing number of orders as a consequence of the prior investment made in automation within our distribution centre, as well as our online customer experience. We are now in the process of preparing to open our stores safely, as we work in accordance with government advice to protect our staff and customers.

"COVID-19 aside, the Board has taken progressive steps to create further operational efficiencies and address the challenges inherent in all rapidly growing businesses. We continue to focus on these steps and the opportunity to grow revenue and margins both in the UK and internationally."

For further information:

Angling Direct PLC	+44 (0) 1603 258658
Martyn Page, Executive Chairman	
Andy Torrance, Chief Executive Officer	
Steven Crowe, Chief Financial Officer	
N+1 Singer - NOMAD and Broker	
Peter Steel, Alex Bond (Corporate Finance)	+44 (0) 20 7496 3000
Tom Salvesen (Corporate Broking)	
Yellow Jersey PR - Financial PR	
Charles Goodwin	+44 (0) 7747 788 221
Georgia Colkin	+44 (0) 7825 916 715
Annabel Atkins	

Notes for editors

About Angling Direct plc

Angling Direct is the largest specialist fishing tackle retailer in the UK. The Company sells fishing tackle products and related equipment through its network of retail stores, located throughout the UK, as well as through its own website (www.anglingdirect.co.uk) and other third-party websites.

The Company currently sells over 21,500 fishing tackle products, including capital items, consumables, luggage and clothing. The Company also owns and sells fishing tackle products under its own brand 'Advanta', which was formally launched in March 2016.

From 1986 to 2003 the Company's Founders acquired interests in a number of small independent fishing tackle shops in Norfolk and, in 2003, they acquired a significant premise in Norwich, which was branded Angling Direct. Since 2003, the Company has continued to acquire or open new stores, taking the total number up to 36 retail stores. In 2015 the Company opened a 30,000 sq. ft central distribution centre in Rackheath, Norfolk, where the Company's head office is also located.

Angling Direct's shares are traded on the AIM market of the London Stock Exchange under the ticker symbol ANG.L.

For further information, please visit www.anglingdirect.co.uk

Angling Direct
Serious about your fishing

Angling Direct PLC

Company Number 05151321 (England and Wales)

Annual Report and Financial Statements - 31 January 2020

Angling Direct

Directors	M G Page - Executive Chairman D I Bailey - Non-Executive Director (stepped down from the Chief Executive Officer role on 10 February 2020) D P R Davies - Independent Non-Executive Director A Torrance - Executive Director and Chief Executive Officer (appointed on 10 February 2020 and was previously a Non-Executive Director appointed on 4 October 2019) S Crowe - Executive Director and Chief Financial Officer (appointed on 2 January 2020) D Maltby - Independent Non-Executive Director (appointed on 4 February 2020) J L Hunter - Finance Director (resigned on 31 January 2020)
Company secretary	S Wright
Registered office	2d Wendover Road, Rackheath Industrial Estate, Rackheath, Norwich, Norfolk NR13 6LH
Auditor	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House, Cambridge Business Park, Cambridge, Cambridgeshire CB4 0WZ
Solicitors	Leathes Prior 74 The Close, Norwich, Norfolk NR1 4DR Marriott Harrison LLP 11 Staple Inn, Holborn, London WC1V 7QH
Website	www.anglingdirect.co.uk
Nominated adviser and broker	N+1 Singer Advisory LLP 1 Bartholomew Lane, London EC2N 2AX
Company registrars	Share Registrars Limited The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR

Angling Direct

Key highlights

Financial highlights:

Revenue

FY20	FY19	Change
£53.2m	£42.0m	+26.6%

Gross profit

FY20	FY19	Change
£16.6m	£13.8m	+20.0%

*Pre IFRS 16 EBITDA***

FY20	FY19	Change
(£0.5m)	£0.3m	-239.3%

Net loss before income tax

FY20	FY19 (restated)*	Change
(£1.5m)	(£0.4m)	-277.6%

*Net debt ****

FY20	FY19 (restated)*	Change
£4.5m	(£7.5m)	+160.9%

Operating cash flow

FY20	FY19 (restated)*	Change
(£1.0m)	(£1.6m)	+41.2%

Total average transaction value

FY20	FY19	Change
£47.2	£51.1	-7.6%

* *Following the adoption of IFRS 16 'Leases' using the fully retrospective method, prior period figures have been restated. See notes 2 and 4 to the consoldiated financial statements for details of our IFRS 16 policy and other comparative adjustments.*

** *A pre IFRS 16 EBITDA is presented, this represents both the current and prior year earnings before interest, tax, depreciation and amortisation on a pre IFRS 16 basis which includes rental costs in relation to the leased stores. This metric is included as this is how the business is monitored internally and this represents a key performance indicator for the Group. See note 7 to the consolidated financial statements for the EBITDA reconciliation.*

*** *Net debt represents the Group's IFRS 16 lease liabilities less the cash position as at the reporting date.*

Operational highlights:

New store openings
- Total of ten additional stores opened during the year: seven new and three acquired.
- Sales from new stores during the year were £4.1m, the largest being Hull at £0.9m.

Our website
- Development of three local websites for the Netherlands, Germany and France. International sales increased by 7.6% to £5.0m (2019: £4.7m)
- Improvement in UK website statistics – 4.9m unique visitors (2019: 4.0m) with customer conversion rate improving to 5.9% (2019: 5.5%)
- On average our social media following increased by over 50%

Our customers
- Our customer database increased by 14.8% to 232,580 (2019: 202,611)
- Active customers increased by 32.8% to 166,000 (2019: 125,000)

Other
- Employee investment: increase in average headcount by 28.1%, reflecting our investment in the customer service, information technology and website development and warehousing teams, and our colleagues in the new stores.
- Improvement in storage and distribution efficiencies: average despatch time per item handled in the distribution centre has reduced by approximately 22% year on year.
- We were awarded the "Outstanding Achievement" award at the Norfolk Business Awards held on 22 November 2019 for our contribution to the economic and social landscape of Norfolk, where the Group is headquartered.

Dear Shareholders,

Financial results

Angling Direct PLC (the 'Group') continues to grow rapidly with record revenue of £53.2m in the financial year to 31 January 2020 (2019: £42.0m, up 26.6%). We added ten new retail stores during the period, (seven new openings and three acquired), taking our total to 34. In addition, online sales grew by 13.6% to £25.3m (2019: £22.3m) reflecting our continued investment in and development of our e-commerce platform. Consequently, international sales grew to £5.0m (up 7.6% on the previous year) with our native language websites driving stronger momentum and conversion seen in Germany, France and the Netherlands where gross margins are stronger. Investment in our e-commerce platform will remain a strategic priority for the Group in the future.

The Group reports a pre IFRS 16 EBITDA (earnings before interest, tax, depreciation and amortisation) loss of £0.5m and a net loss before income tax for the year of £1.5m. This has been primarily driven by expected initial investment in our new stores and acquisitions as well as a disappointing trading period post-Christmas, influenced by exceptional winter flooding that resulted in reduced fishing across the UK. Other notable items adversely impacting our profit for the year include a more prudent approach to some legacy costs and increased costs incurred as a result of managing our rapid growth across our stock management processes. The result also reflects the positive investments we have made that we expect to generate value going forwards, including additional marketing spend to drive online and international growth and increased headcount as we continue to deliver on our strategic objectives. The loss before income tax for the year includes the impact of depreciation and interest following our adoption of IFRS 16 and the impact of the ten new stores in the period.

We continue to have a strong balance sheet and the Group held cash balances of £6.0m as at 31 January 2020. In addition, we also recently secured a short-term credit facility of £2.5m from NatWest, providing access to additional liquidity should it be required.

COVID-19

As I write, the world is facing an unprecedented challenge with the coronavirus pandemic ('COVID-19') having spread rapidly. This is having consequences for many people across the world, including our own colleagues, customers, shareholders, suppliers and other partners. Our thoughts are with everyone affected.

The Group is successfully tackling the challenges which COVID-19 has presented, our primary focus being on the health and safety of our colleagues continuing to serve and support our local customers and on mitigating the financial impact to our business.

Given the enforced government closure, we took the difficult decision to furlough our retail store colleagues (all of our stores closed on 24 March 2020) and other colleagues have been furloughed where their workloads have been reduced. Contingency funding has been secured and the intention is that the business should be in a position to restore normal operations rapidly as conditions allow. In addition, other non-essential costs have been deferred where possible. Our distribution centre operations have remained open and are being carried out with appropriate distancing so that our team are protected, and we have been encouraged by the volumes of product being despatched via our online platforms throughout the lockdown period. We have moved quickly to adapt to the current conditions that has allowed continued trading and my thanks go to all our colleagues for their dedication to serving our valued customers and the wider angling community at this time.

Our culture and purpose

We aim to enhance the lives of anglers, our customers, whilst also having a positive impact on our colleagues, suppliers, shareholders and wider society, including the environment and the economy.

Our customers want to spend time in our stores and on our website, socialising, learning and receiving the benefit of top-quality fishing advice and assistance. It is critical to have the highest quality, experienced, knowledgeable and enthusiastic colleagues. They are core to our culture and to delivering our purpose and I thank them for the continuing success of our Group.

Operations

Backed by the funds raised in 2018 we have made significant operational investments in addition to the aforementioned ten new stores opening. We have invested to increase the range of our higher margin own brand ***Advanta*** products. We have expanded our e-commerce offering with the continued development of our three native language European sites in Germany, France and the Netherlands, where we are already seeing the benefit of improved sales and conversion. We are also generating significant operational benefits from our new Kardex semi-automated stock picking system. All of these initiatives are designed to enable us to grow market share, protect our margins and improve our customer experience.

Following a period of rapid expansion, we commenced a LEAN review within our distribution centre as well as investing further in our enterprise resource planning system, Epicor. Both initiatives were implemented in order to ensure that our business is appropriately configured to capitalise on the opportunities for further growth in our markets. We expect to see further operational efficiency benefits of these ongoing programmes in the current financial year.

We have exited the Russian market alongside a small number of other unprofitable international markets, which generated poor margins in order to focus on those locations we expect to achieve higher margins and a better return on capital going forward.

Our communities

The Group has a key focus on the role it plays in our many communities including our colleagues, our customers and suppliers, our local communities and the wider angling community. Supporting our communities is part of the foundations of our business. It is one of our strategic pillars.

We are committed to actively promoting, developing and growing the angling community, particularly within the younger generation and for those with disabilities. We are keen to endorse evidence that the classic hobby of fishing is also a great way to improve mental and physical well-being and it is our intention to encourage more people into the angling community through coaching, education and developing new grassroots initiatives.

Further detail on how we support our communities is set out in "Our strategy and progress" and "Social and environmental responsibilities" sections of the strategic report.

Corporate governance
It is the Board's duty to ensure that the Group is managed for the long-term benefit of all stakeholders.

Following joining the Alternative Investment Market ('AIM') of the London Stock Exchange in July 2017, we adopted the Quoted Companies Alliance Corporate Governance Code ('the QCA code') as the standard to which we monitor our governance framework and activities. We note one exception to the application of the QCA code in the year. From January 2019 to October 2019, the Board contained one Independent Non-Executive Director. We highlighted the vacancy for the role in an announcement we made in October 2018 and it was important that we spent the time ensuring we recruited a Non-Executive Director with the right level of knowledge and experience. Since October 2019 there have been two Independent Non-Executive Directors on the Board.

In order to drive our growth strategy further and bring additional knowledge and capability to the Group there were some changes to the Board during the year and to the date of this report. John (Ian) Hunter resigned as Finance Director and we were joined by Steven Crowe in his role as Chief Financial Officer ('CFO'). Andy Torrance was originally appointed as Non-Executive Director and upon Darren Bailey stepping down as Chief Executive Officer ('CEO') Andy was appointed as CEO. Darren continues as a Non-Executive Director. We have also welcomed Dilys Maltby to the Board as an Independent Non-Executive Director. I would like to take this opportunity to thank Ian for his contribution to the Group. I would also like to thank Darren who has been with the Group since inception and been instrumental in getting the Group to the position it is in today. Finally, I would like to welcome Steven, Andy and Dilys to the Board.

Full disclosures on our Board changes, our governance processes and my role as Chairman of the Board are included in the corporate governance section that follows the strategic report.

Outlook
It is impossible to accurately predict the ongoing impact of the COVID-19 pandemic, but we have modelled a number of scenarios to ensure that we can successfully navigate through our view on what represents a 'worst case' trading environment. I am very optimistic about the on-going growth prospects for the Group, underpinned by the resilience and expertise of our colleagues and of the strong Angling Direct brand. We exist to serve our communities and now restrictions are relaxed, I expect that anglers will be eager to return to the waterside.

COVID-19 aside, the Board has taken progressive steps to create further operational efficiencies and address the challenges inherent in all rapidly growing businesses. We continue to focus on these steps and the opportunity to grow revenue and margins both in the UK and internationally.

As I mentioned, there have been a number of changes to our Executive and the Board. Our refreshed leadership team is expertly navigating the current headwinds and is also excited about embedding our new investments and accelerating the implementation of our strategy.

Yours sincerely

M Page
Executive Chairman

2 June 2020

Chief Executive Officer's statement

Introduction and overview

I am delighted to be introducing Angling Direct PLC's 2020 annual report; my first as Chief Executive Officer ('CEO').

Since the Group's initial public offering ('IPO') and admission to AIM in July 2017, the Group has continued to deliver against its strategy, delivering rapid growth both in the UK and internationally. Our revenue growth during the financial year ended 31 January 2020 ('FY20' or '2020') has been both organic and acquisitive through the addition of new stores and targeted acquisitions. Key milestones achieved in FY20 include exceeding £50m of revenue (£53.2m in FY20), on-going international expansion, the development of our e-commerce platforms and significant upgrades to our systems to support our next leg of growth. You can read more about this in our "Strategy and progress" later in this report.

I started as CEO in February 2020 and I am clear that despite the tremendous growth in sales in recent years, and the significant growth opportunity that remains, there are certain areas of the Group that need to be strengthened as we look to achieve our core strategic objectives. In addition to ensuring we have the correct infrastructure to grow our market share, driving international growth and ensuring operational efficiency, we must aim to protect and improve our profit margins and ensure that our investments generate an appropriate and sustainable return for all stakeholders.

As our Chairman mentioned, on 24 March 2020 we closed our retail stores due to COVID-19, in line with Government guidance. We entered the lockdown period with a strong stock position and this has allowed us to support our loyal customers who have continued to purchase our products online. As a consequence, online trading trends continue to be robust and we remain well positioned now that anglers are allowed to return to the banks. We have put appropriate safeguards in place to protect our colleagues, customers, suppliers and other partners. We are managing demand fluctuations, continually reviewing our overall access to liquidity and reviewing the longer-term supply chain. Notwithstanding COVID-19, the retail environment has, and is, experiencing a period of long-term significant structural change but we believe that Angling Direct is well placed to adapt and thrive within the evolving situation.

Key performance indicators ('KPIs')

Our financial and commercial KPIs are set out below:

Financial KPIs:

	2020	2019 (restated)*	Change
Revenue	£53.2m	£42.0m	+26.6%
Gross profit	£16.6m	£13.8m	+20.0%
Gross margin	31.2%	32.9%	-170 basis points
Pre IFRS 16** EBITDA	(£0.5m)	£0.3m	-239.3%
Operating cash flow	(£1.0m)	(£1.6m)	+41.2%
Net debt	£4.5m	(£7.5m)	+160.9%

* *Following the adoption of IFRS 16 'Leases' using the fully retrospective method, prior period figures have been restated. See notes 2 and 4 to the consolidated financial statements for details of our IFRS 16 policy and other comparative adjustments.*

** *A pre IFRS 16 EBITDA is presented, this represents both the current and prior year earnings before interest, tax, depreciation and amortisation on a pre IFRS 16 basis which includes rent costs in relation to the leased stores. This metric is included as this is how the business is monitored internally and this represents a key performance indicator for the Group. See note 7 to the consolidated financial statements for the EBITDA reconciliation.*

Commercial KPIs:

	2020	2019	Change
Average customer baskets	£47.21	£51.13	-7.7%
Like-for-like sales (in stores)	£21.0m	£18.7m	+12.0%
Website customer conversion rate	5.9%	5.5%	+40 basis points
Customer database	232,580	202,611	+14.8%
UK Website visitors	4.9m	4.0m	+22.5%

Business review

Market overview
Angling is currently one of the UK's most popular and highly participated sports. The value of UK based fishing tackle sales was estimated to be around £550m per annum in 2018. The number of smaller specialist retailers has fallen in recent years; however this fall in number has been offset by growth within non-traditional outlets like retail park stores and online sales. The Group therefore believes that demand for its products will continue to grow and I believe the Group is in a strong position, being the largest specialist fishing tackle and equipment retailer in the UK, with an increasing international presence.

Trading impact of one-off events
Each year demand can be hit by one-off events. In FY20 we were adversely impacted in the period post-Christmas by the exceptional winter flooding which precluded many fisheries from operating effectively. Despite reporting record revenues, this hiatus negatively impacted our reported revenue and results. We will also see this in our results for FY21 because of COVID-19, but it is too early to forecast the full extent of that impact now, albeit we have modelled various downside scenarios and remain highly confident of our ability to trade through the current disruption.

In store performance
During the year, our store network increased from 24 to 34, which was achieved through acquisitions and new store openings. The Group completed the acquisition of Chapmans Angling in February 2019 for a total consideration of £1.4m. This added two new stores in Hull and Scunthorpe. In October 2019, we acquired the business and assets of Erics Angling Centre Ltd for £1.1m. This added a store on the Farlows fishing complex to our portfolio. This is one of the most prolific carp fisheries in the UK. We also introduced seven new stores throughout the year in Nottingham (April 2019), Sutton (June 2019), Leeds (August 2019), Milton Keynes (September 2019), Rotherham (October 2019), Barnsley (December 2019) and Manchester (December 2019). As with all our stores, the new stores are situated in excellent locations, which are known to have high numbers of anglers plus quality fisheries in the vicinity. Whilst the new stores have only been trading for a short period, the management team is pleased with their initial performance and anticipates that they will make a strong contribution post 15 June 2020 with the assumed re-opening now the COVID-19 restrictions are lifting.

More recently, after the period end, in February 2020, we were delighted to announce the opening of a new store in Warrington. The 4,500 square foot site is located on Cockhedge Shopping Park and has been renovated throughout. This launch means that we now have a 35-store presence across the UK. Further new stores are planned and will be opened at appropriate points in FY21.

The new store openings and acquisitions throughout the year have helped to drive the significant growth in retail store sales, which increased by 41.6% to £27.9m (2019: £19.7m). Like-for-like sales within the equivalent stores increased by 12.0%, which is a commendable result considering the heavy rainfall experienced across the whole of the UK post-Christmas and Brexit uncertainty. Such growth can be attributed to our strategy and efforts of the teams in our stores, who ensure that all our customers are given the very best focus, advice and support when shopping.

Our core growth strategy via both organic growth and targeted acquisition of existing independent fishing tackle businesses remains valid and appropriate. As we look ahead, we will focus on margin improvement and leveraging investment to ensure resilience is built into the business to achieve a sustainable level of profitable growth.

Online performance
We are the leading online UK retailer of fishing tackle with increasing relevance internationally. This position is hard to replicate as our site is a one-stop-shop dedicated to angling. Our online platform has a vast product range and many customer engagement features, such as articles, blogs and videos. This represents a key differentiator to other generic online retailers and angling specific retailers and both would need to make significant investments to mirror what we have developed. It gives us a major advantage over our competitors, and will be a key part of delivering our growth strategy in the future.

We achieve the vast majority of online sales from our own website www.anglingdirect.co.uk but also generate sales from other online market places. Upgrades in our e-commerce sales channels in both the UK and Europe have helped our online sales increase by 13.6% to £25.3m (2019: £22.3m) as our online traffic and conversion grew against only a modest reduction in average basket. Development in our online and digital marketing activity to support this growth has resulted in increased marketing costs compared to prior year. This continues to be an on-going area of focus for the Group.

During the year under review, and in-line with our strategy to protect and grow margins, we made the decision to focus our international sales on countries that are more profitable for the Group and step away from those that are not. This resulted in us ceasing sales in Russia and other non-core, less profitable territories. As a result of our investment in and improvement of our language specific websites, we recorded a significant increase in online sales and conversion trends in France, Germany and the Netherlands.

In addition to in-store and online sales, we also generate revenue by the provision of fishing tackle to the UK insurance industry.

Investment
The financial year under review has been a year of investment for the Group. These investments have been made in order to lay the foundations to deliver our strategy, and take advantage of growth opportunities in the market.

Our investment in the Kardex semi-automated stock picking system has improved the efficiency of distribution and created significant capacity at our 33,000 square foot distribution centre in Norfolk. The average despatch time per item has reduced by 22% due to Kardex and wider efficiency initiatives. Whilst Kardex has helped us with stock management at the warehouse level, there is still work to be done at the store level to train our colleagues and further develop robust stock management processes.

Another important project delivered in the year was LEAN implementation. This was introduced early in the year and focussed on warehouse and logistics. The aim was to provide a far more efficient product flow with minimal touch points, particularly goods in and goods out. We expect to see the benefit of our investment in stock and distribution management flow through to our financial results, in particular cost ratios.

The investment to upgrade our enterprise resource planning ('ERP') solution has been successfully embedded thereby further improving efficiencies across the business.

Enhancements to our e-commerce infrastructure has brought increased security and functionality and we have seen increased interaction and engagement with customers since. In addition to marketing investment this has led to a 21% increase in online transactions compared to our prior year. We expect this to increase further as the recent platform upgrade to Magento II and the associated additional functionality becomes available on our websites throughout FY21.

We invested more in our own ***Advanta*** brand products during the year. ***Advanta*** is increasingly recognised as a quality and credible alternative to the more mainstream brands. It contributed 2.8% to total revenue this year, however, given the considerably higher margin we are able to achieve, we will increase our focus on its development going forward.

Areas to be strengthened
We have successfully delivered on our strategy and grown the Group significantly in the last three years which has brought both opportunity and challenges. Our rapid growth has meant a lot of new colleagues, new processes, the need for additional capacity in the distribution centre and systems that are appropriately configured for the size of business we are now and to support the growth opportunities in front of us. In addition, we acknowledge there is a time period needed for us to embed our new stores and acquisitions. Whilst some of this has been mitigated, the financial results and ultimately the loss in the year reflects this challenge.

In response we are undertaking a thorough review of all aspects of the business and are confident in our ability to execute swift tactical and operational changes, including the aforementioned investments, which will improve our efficiency and significantly reduce the risk of these challenges reoccurring in the future.

Our colleagues, our culture and our role in the community
The significant progress we made in FY20 is due to the effort, passion and commitment of our people and all the stakeholders we work with. I want to thank them for their huge contribution.

Our colleagues are the face of our Group to retail customers and are key to delivering an excellent service to our customers, both in store and online. They also play a key role in the angling community. We differentiate ourselves by providing significant expert help and trusted advice. We are proud that a growing number of our retail stores have a qualified angling coach who also holds lessons at local angling destinations. This is one example of how we are passionate about delivering the very best angling experience to the community for new and existing anglers alike.

We will continue our employee training in FY21, which will further embed our purpose, values and strategy.

Further detail on the importance of our people, culture and community, is detailed in this report.

Preparing for the future

As our Chairman has explained, whilst the ongoing COVID-19 uncertainty and its impact on the angling community is difficult, we remain well positioned to deal with the challenges it presents. I am pleased to have been appointed as CEO of the Group and continue the strong growth that Darren and his team delivered. In my first few weeks in charge, it is clear to me that we have a business with great potential and a brand which will continue to provide a strong platform for us to drive scale and efficiencies.

Our operations and results for FY20 were not impacted by COVID-19, however, in the current financial year, we do expect to see a material reduction in both revenue and profitability. The scale of the impact will be dependent on how the situation develops and over what timeframe, together with the impact of any further measures taken by the UK Government to mitigate the disruption. We are pleased the UK Government has relaxed the restrictions around fishing as a form of exercise and the assumption that restrictions around non-essential retail stores will be lifted from 15 June 2020.

Outside of the pandemic, we have taken quick and decisive action to begin to address the operational and commercial issues that impacted profitability in FY20 and will continue to make progress in these areas. To do this we plan to review and revisit our strategy throughout the current financial year. I am delighted with the Executive and Non-Executive expertise of my colleagues on our refreshed Board which will enable us to do this.

Our financial and operational priorities for the coming year are, maintaining momentum with our growth, a focus on protecting our margins and leveraging on the investments we have made to help us build resilience into the business and capitalise on the opportunities we encounter. This will help us to enhance our balance sheet strength and earnings quality to underpin our growth plan in the future. We will also stay connected with our customers and communities in this uncertain period. It is at a time like this we must stay true to our purpose and our values as this will help us deliver our strategy in the months and years to come.

A Torrance
Executive Director and Chief Executive Officer

2nd June 2020

Our business model

What we do

We are the largest specialist fishing tackle retailer in the UK, with growing relevance internationally. We sell fishing tackle and related products, both in Angling Direct retail stores and also online via our websites www.anglingdirect.co.uk, www.anglingdirect.de, www.anglingdirect.fr and www.anglingdirect.nl. We currently sell a wide range of products, including our own range of products under the ***Advanta*** brand.

We purchase all of our products as finished goods from suppliers and do not manufacture angling products. For our own brand product ***Advanta***, we direct the manufacturing facility.

We operate in a niche sector and our customers require in-depth information and advice. We provide this customer experience, which is fundamental to our culture and being at the heart of the angling community.

We have 35 retail stores across the UK at the reporting date. In-store sales contribute 52.4% of overall revenue. The remaining 47.6% of revenue is generated from online sales. 80.1% of online sales are domestic and 19.9% are international. Our retail store and online sales gross margins are 32.7% and 29.5% respectively. We sell into 35 international markets. Our largest international markets are Germany, France and the Netherlands.

We had an average of 369 colleagues employed during the year, many of whom share our passion, with a hobby in angling. This is a key differentiator of Angling Direct.

Our purpose and core values

Our purpose is why we exist, and our values help us to achieve our purpose. **"Our purpose is to enhance the lives of our customers and their families through the provision of angling products, and to offer education and support to find the best methods and places to deliver the best angling results"**. We place great emphasis on creating a culture of supporting anglers and the future of angling. This is demonstrated by a number of initiatives that we have undertaken, including employing in-store qualified angling coaches to provide advice, and provision of lessons at local angling destinations.

Our values are based on our four leading promises in business, we **inspire**, we are **passionate** about what and how we do things, we are **trustworthy,** and finally we are **genuine** towards our customers, colleagues, suppliers, shareholders and other stakeholders. These core values help us work towards achieving our purpose. Our values underpin how we do business, it is our frame of reference for the business decisions we make every day.

Angling Direct receives Norfolk Outstanding Achievement award
The Group won the "Outstanding Achievement" award at the Norfolk Business Awards held on 22 November 2019 for its contribution to the economic and social landscape of Norfolk, where the Group is headquartered.

We are different

We generate revenue from retail store sales, online sales and via the provision of fishing tackle to the UK insurance industry (replacement of lost/damaged angling items).

Our business model is designed to generate organic growth by providing excellent customer service. This involves giving expert advice and ensuring that product lines always include a full range of premium equipment to cater for the needs of the casual hobbyist through to the professional angler. This enhances our brand.

We also grow through acquisition by identifying and assessing business cases for expansion in suitable locations. We continually enhance our product range which serves all of our customers and is paramount in driving our growth domestically and internationally.

Our products

We provide an incredibly large selection of fishing tackle products from the brands which are loved by our customers. At the year-end, we stocked over **21,000 different product lines** from approximately **100 suppliers.** We continually review the number of product lines to ensure optimum stock holding and financial efficiency.

Branded products

We have developed long-term partnerships with many well-recognised brands within the fishing equipment industry and have also been developing relationships with various suppliers across the world to create bespoke products.

Own-branded products

We own our fishing tackle brand, ***Advanta,*** which is primarily focused at the carp angler but the product range will be expanded to include more general coarse fishing products. The ***Advanta*** product range matches the performance and quality of other fishing tackle products, whilst also offering value for money.

Our prices

We are an "**Everyday Low Price**" retailer. This means that all of our products at Angling Direct offer excellent value for money and our prices are generally the lowest that can be found on the internet or in a retail outlet.

We offer the best price possible with our **"Price Checker"** promise and we make sure that we are never knowingly under-cut by our competitors. We monitor our core competitors closely, in order to assess our competitiveness and also as part of the Board's acquisition strategy.

We match our competitors' store or website UK price. Thousands of products are price-checked regularly against major online retailers to ensure that we provide the best price to our customers.

Our service

The experience our customers receive when visiting all stores is paramount in our thoughts at all times. Our focus is to deliver the **very best in class** customer experience in both stores and online.

We employ anglers in store who can offer an informed and professional service to customers. We also employ a **qualified angling coach (L2)** in a growing number of our retail stores. The coach's role is to offer advice in store and also to hold lessons at local angling destinations to attract new anglers and help existing anglers improve their skills.

Our website is designed as an angling community portal where anglers can both purchase fishing products, and also interact with the angling community and improve their angling knowledge.

We publish educational articles and videos on our online video channel **ADTV (Angling Direct TV)** and social media platforms on a regular basis. These offer advice on new products.

For our country specific websites, we provide **multilingual** telesales staff to support with calls, live chat social media interaction, and deliver a high-quality customer experience.

Our channels
We operate a multi-channel business model which utilises both retail stores and our online platform.

Retail stores
Our retail stores have been key to the growth of Angling Direct. We have widened our geographic coverage and added **ten more stores** in the year to 31 January 2020. In total, we currently operate 35 retail stores across the UK.

Our retail stores have been developed as 'angling superstores' which serve as venues for anglers to exchange information, to get advice as well as purchase angling products.

Online
The vast majority of our online sales are generated from our own websites:

www.anglingdirect.co.uk
www.anglingdirect.de
wwwanglingdirect.fr
www.anglingdirect.nl

And we also generate sales through online marketplaces.

Our own websites are a key point of interaction with the angling community.

We ensure that the sites remains fresh, relevant and interesting for new and existing customers.

Product selection, placement on page, colour, promotional activity and banner content, plus other features, are reviewed regularly.

We ensure popular, fast-moving and promoted products are presented in the most effective way.

Our locations
Our stores are located in areas with a high density of anglers based on licensing data. We have a concentration of stores within East Anglia, Kent (and the Home Counties), the Midlands and the North West.

All our new stores are in "out of town" centre, light industrial unit locations. Our out of town sites are essential to our store opening decisions because they offer the availability of car parking, lower rental costs and ease of access for our customers.

Our distribution centre is located on the outskirts of Norwich, Norfolk and supports our online sales.

Our strategy and progress

The fishing tackle market is highly fragmented and offers the opportunity for us to act as one of the primary consolidators in the market. As the largest specialist fishing tackle retailer in the UK, we understand that sustaining our market leading business requires excellent customer service, a high-quality product range, efficient processes and competitive prices.

Our strategy is built around three core pillars, and with its customer and community focus, ensures that it is aligned to our purpose.

CUSTOMERS	GROWTH	COMMUNITY

Our strategy is to always provide a fantastic customer experience
This generates brand loyalty, brand awareness and growth through recommendations and ensures we can attract new customers and retain our existing ones.

We pursue a customer-centric strategy via the following:

Competitive prices	
Competitive pricing is fundamental to our success. We operate a 'price match offer' in order to communicate a value for money offering to customers. Thousands of products are price-checked regularly against major online retailers to ensure that we provide the best price to our customers. This encourages new customers and existing customers to return.	**Active Customers on Angling Direct websites** 166,000 **+33.0%**
Professional support	
We place great emphasis on creating a culture of supporting anglers and the future of angling. This is demonstrated by a number of initiatives that we have undertaken including employing a qualified angling coach in a growing number of our retail stores to attract new anglers to the sport and help existing anglers improve their skills. We have a committed and experienced management team, working alongside passionate colleagues. Our colleagues include multilingual telesales staff who deliver outstanding and market leading experience to customers. Through our Angling Direct Television ('ADTV') and social media, we enable our customers the opportunity to learn and explore various techniques in their own time. This is continually building trust and affection for the Angling Direct brand.	**Social media followers** **Instagram** 76,100 **+87%** **Facebook** 120,000 **+11%** **Twitter** 10,300 **+47%** **ADTV** 22,300 **+77%**

Core range of stock	
We know that it is critical to keep sufficient stock on-hand to meet customer requirements and be known as a retailer who has the stock available to meet a customer's order at the point of sale. We carefully balance this with a continual review of the number of product lines to ensure optimum stock holding and financial efficiency. We seek to cater for all anglers across the UK with a new and modern retail offering. The extensive number and range of products offered through our sales channels are a strength of the business and a competitive advantage.	**Product lines** 21,000

Our strategy is to grow revenue, increase market share and generate healthy profits

Our strategy is to maintain double digit revenue growth and effectively manage our cost base so that our increased scale allows us to reward our shareholders.

We intend to grow both organically and through targeted acquisitions of existing independent fishing businesses. We have a proven track record of organic sales growth from new store openings and online revenue. In the recent past, we have successfully acquired and integrated new fishing tackle stores into our retail store network under the Angling Direct brand.

An appropriate and targeted expansion of our retail store network is an important part of our strategy. Operating as the largest angling retailer in the country increases brand awareness.

We aim to effectively manage our cost base by leveraging our investment in online retail, proactively managing supplier relationships, and generating storage and distribution efficiencies.

Targeted acquisitions and new stores	
The acquisition of existing businesses has enabled the Group to gain market share more quickly. We believe that the physical presence of an Angling Direct retail store increases brand awareness and also increases activity on our website. The Group has strict criteria for both new store openings and acquisitions of existing stores, which is linked to local competition, analysis of local fishing activity, minimum forecasted revenue and overall return on investment.	**Total retail stores** 34 +7 new stores +3 acquired stores
International expansion	
We will increasingly target international growth in new geographies where fishing is a popular sport and where anglers would be attracted to the Angling Direct store and online retail offering. We generated revenue of approximately £5.0m for the year ended 31 January 2020 from non-UK sales. We have invested in dedicated websites for the Netherlands, France and Germany. For the year ended 31 January 2020, we also sold products to the following countries: Belgium, Czech Republic, Hungary, Ireland, Italy, Romania, Russia, Slovakia, Spain, Sweden and others. The Group delivered goods across 35 countries in 2020.	**International sales** **Germany** £1.0m **+25%** **Netherlands** £0.3m **+87%** **France** £0.8m **+71%**
Investment in own brand – Advanta	
The ***Advanta*** product range matches the performance and quality of other fishing tackle products, whilst also offering value for money. We intend to continue to invest in the development and marketing of ***Advanta*** with the aim of increasing the brand's share of Group revenue.	**Revenue** £1.5m

Market-leading e-commerce platform	
We have created a bespoke e-commerce platform which has the largest reach of any angling retailer in the UK. When searching for "fishing tackle" we have positioned ourselves at number one throughout the period. Our number one position gives us a competitive advantage. The scale and technicalities of our platform means we have a significant advantage over our competitors. We have an in-house team of dedicated programmers constantly improving our systems with new features and functionality. It is difficult to replicate without significant investment. We operate a strategy of improving our online offering by adding high quality articles, blogs and videos. We continue to invest in data analytics and search engine optimisation resources in order to maximise online sales. Online sales grew by 13.6% to £25.3m for the year ended 31 January 2020, being 47.6% of total revenue. The average basket size for online sales in the year ended 31 January 2020 was £71.12 (2019: £75.98).	**Online sales** £25.3m **+13.6%** **Website visitors** 4.9m **+22.5%** **Customer conversion rate** 5.9% +6.8%
Innovation in storage and distribution	
Our investment in storage and distribution now enables us to process sales orders much more efficiently. Our capacity for storage and distribution is significantly increased by our new **Kardex** semi-automated picking system. This system has helped to facilitate our immediate and future expansion plans by increasing our warehouse capacity. Our investment in Kardex has ensured that we continue to deliver to the very high standards we have set ourselves in respect to stock availability. Alongside Kardex, we have also adopted LEAN to ensure minimum wastage plus maximum efficiency through the supply chain. With selected additional capital investment, we believe **the central distribution centre can now support £75m worth of online business**.	**Reduction in seconds per item handled at the distribution centre** 22%
Supplier relationships	
Our suppliers are an integral part of our business success and as such, it is important that they have a thorough understanding of our business model and operational processes. We continue to focus on establishing strong relationships with all our suppliers to ensure both exclusivity and appropriate allocation of products and volume. Our ability to negotiate **competitive prices and terms (e.g. unsold product return policies, funded markdowns, advertising and market development allowances and payment terms) with our suppliers** is vital for securing profitability and achieving our long-term strategy of maintaining our leading position in the market. As well as having relationships with various suppliers across the world, other market leading brands are also working with us on bespoke opportunities for the near future.	**Active suppliers** 100 **% of revenue supplied by top 10** 68%

We care deeply about the angling community
Our strategy is committed to actively supporting and growing the angling community. Providing our communities with guidance, support and the very best experience is critical to our success. This is a key part of our purpose and values.

We want to continue to lead the industry in promoting angling in our communities and also encourage the next generation into angling. As part of this, we have rolled out a programme with an ambition to have a qualified angling coach in every store.

Also included in our pillar of *community* are our great colleagues who work so diligently and with enthusiasm for the Group and our customers every day. Many of them live and breathe the passion of angling and are pursuing the career of their dreams. As a Group we care for them, their wellbeing and ensure that their happiness at work is a key focus of ours.

Our initiatives and contributions to the growth and development of the angling community as a whole is discussed in various sections of this report.

Convenient store locations	**Further information:**
As discussed in our business model, the location of our stores is a vital element of our business. We are intentional about having our retail footprint in areas with a high density of anglers which helps to achieve our aim of creating community awareness among customers. We continue to strategically locate our stores in convenient locations for anglers. For example, during FY20, we added to our retail network a store located on the Farlows fishing complex, one of the most prolific carp fisheries in the UK.	**Our business model, page 12** **Chief Executive Officer's statement, page 8**
Coaching and education	
We continue to encourage more anglers into the community through coaching, educating and developing more grass root initiatives. As previously discussed, we employ qualified angling coaches to provide lessons and offer advice to both new and existing anglers in an increasing number of our stores. Also, as part of our commitment to provide continuous education to the angling community, we operate a strategy of improving the Group's online offering by increasing the content of the website with articles, blogs and videos to develop the angling community.	**Section 172 statement, page 22** **Our business model, page 12**
Get into fishing initiatives and campaigns	
We have a commitment to introduce more people to angling, particularly youngsters, but also returning anglers, both male and female. Throughout 2019 Angling Direct ran several promotions designed to encourage younger generations to take up angling. Our most successful initiative for children was launched during school holidays during the year. Our "get into fishing campaign" gave away nearly 8000 free fishing pole starter kits to under 16s.	**Social and environmental responsibilities, page 30**
Community events	
We continue to actively participate in various events within the angling community. Projects such as Fishing for Schools, National Fishing Month and the Angling Trust have received our investment and support.	**Social and environmental responsibilities, page 30**

Further details of our 'Social and environmental responsibilities" are provided later in this report.

Chief Financial Officer's statement

I am pleased to present my first report of the Group's financial performance, position, cash flows and KPIs.

Basis of preparation – IFRS 16 'Leases'
On 1 February 2019, the Group adopted IFRS 16 'Leases' on a fully retrospective basis. This means that we have applied IFRS 16 retrospectively to all leases in existence as at 1 February 2018 as if the standard had always applied. We have therefore restated the 31 January 2019 comparatives in the Group's financial statements for the year ended 31 January 2020, providing a meaningful comparison between the two reporting periods. The discussion of our financial performance and position in this section is primarily on an IFRS 16 basis for all years presented. We have also included an analysis of pre- IFRS 16 EBITDA as an alternative performance measure that we consider as a key measurement of performance internally.

Please see notes 2 and note 4 to the consolidated financial statements for more information and reconciliations relating to the Group's retrospective adoption of IFRS 16 and note 7 for the EBITDA reconciliation.

How we performed
In FY20, underlying trade has grown strongly. This has been supplemented by the opening of seven new stores and the acquisition of three stores. The Group has delivered this strong revenue growth both online and across its retail stores and the Board is pleased with the increasing market share.

FY20 has been a year of investment and this strong revenue growth is not reflected in our results for the period. Poor weather conditions towards the end of the year, supplier price pressures, lower margins on legacy inventory and a more prudent approach to legacy costs have all contributed to the pre IFRS 16 EBITDA loss of £0.5m for FY20 (2019: £0.3m profit). Loss after income tax was £1.3m (2019: £0.4m). This loss included the additional depreciation charge as a result of the new stores and the front loading of interest charges on our entire lease portfolio resulting from the new lease liabilities recognised due to the adoption of IFRS 16.

We have invested in a number of areas, including the Kardex semi-automated stock picking system, Epicor ERP and Magento website development programme. These and other investments are all mitigating some of the challenges our rapid growth has presented which lay the foundations for our planned continued growth.

COVID-19
COVID-19 has resulted in significant uncertainty at the time of preparing this report, but it is important to highlight that the Group's financial statements for FY20 were not impacted by it.

The Group audit opinion includes a material uncertainty (as defined by accounting and auditing standards) in relation to going concern. See "Significant accounting judgements and sources of estimation uncertainty", note 3 to the consolidated financial statements, for more discussion on the potential impact of COVID-19 on the Group.

Record year for revenue
Like-for-like store sales increased by 12.0%. The remaining increase was from our three 2019 stores and our ten new store openings which contributed £6.9m (13.0%) to total revenue. These related to two acquisitions which delivered three stores (Hull, Scunthorpe and Farlows) and opening seven other stores (Nottingham, Sutton, Leeds, Milton Keynes, Rotherham, Barnsley and Manchester).

The Group has continued the development of the e-commerce platform and sales from the website www.anglingdirect.co.uk increased by 19.7% to £18.8m (2019: £15.7m). This excludes sales from other web channels such as eBay.

The Group has also focused on its online sales to international territories that deliver both strong sales growth and promising levels of profitability. This has resulted in us withdrawing from Russia where margins were poor. Our international footprint is predominantly in mainland Europe and these international sales account for 19.9% of total online sales (2019: 20.9%). Our German, French and Netherlands websites, which make up the Group's core European markets, increased sales by 24.6%, 70.9% and 86.7% respectively. These three territories now represent 42.3% of total international sales (2019: 30.9%).

Our own brand products ***Advanta*** contributed 2.8% of total sales during the year (2020: £1.5m; 2019: £1.4m).

Gross margin
Our gross profit has increased by 20.0% (2020: £16.6m; 2019: £13.8m). However, gross margin is 1.7 percentage points lower (2020: 31.2%; 2019: 32.9%). The key underlying factors are explained below.

Legacy inventories
Although Management is pleased with the performance of the new stores, the legacy inventory that was part of the acquisitions contributed to margins being lower during the financial year. This stock has been mainly cleared but at margins lower than normally expected by the Group.

Inventory losses
Problems were identified with the inventory management processes and resulting stock shrinkage which impacted margins during the year. Given the rapid growth of the business in recent years, the Group has recognised the increased need to strengthen existing inventory management processes and systems in order to create a fit for purpose and scalable process going forward. Inventory management challenges have since been significantly mitigated by internal training and development for the relevant employees and investment in our LEAN programme and Kardex system. We expect to see the benefit of these investments flowing through the results going forwards.

Supplier price pressure
During the financial year we faced an element of supplier price pressure, impacting our margins. To mitigate this going forward, we continue to build strong relationships with our suppliers and carefully manage our supply chain. Additionally, the Group will continue to commit additional working capital to drive sales growth of our high margin ***Advanta*** product range.

Unfavourable weather conditions
As Martyn and Andy have both mentioned in their respective Chairman and CEO reports, the record amounts of rain falling across various areas of the country in the later part of the year impacted sales and consequently, gross margins. An unfavourable weather condition results in a reduction in footfall for the business.

Administrative expenses and operating loss
Total administrative expenses increased by 30.6% to £14.7m (2019: £11.3m) during the period compared to a 26.6% increase in revenue. Much of the increase is sales volume driven. Headcount cost has increased by 30.9% to £8.3m (2019: £6.4m). Additional depreciation and amortisation charged mainly relates to new store leased assets, up 72.7% to £1.9m (2019: £1.1m). In addition, increased investment in search engine optimisation and pay per click activity to boost UK online sales growth and establish native language websites in three territories has resulted in a 71.4% increase in advertising expenses to £1.2m (2019: £0.7m).

Tax
The Group recognised an income tax benefit in both 2020 and 2019. The income tax benefit increased by 709.5% to £0.2m (2019: £0.0m) which reflect the loss-making performance of the periods presented.

Returns and dividends
Basic earnings per share ('EPS') is (2.0p) (2019: (0.8p)) as a result of the increase in the loss after tax for the period.

There were no dividends paid, recommended or declared during the current and prior financial year. As discussed in the Directors' report, the Group is focussed on carefully navigating COVID-19 and it is reinvesting all its surplus cash resources back into the business. As a result of this, in the short term, the Directors do not recommend a dividend payment to be distributed for the year ended 31 January 2020. The dividend policy will be kept periodically under review.

Financial position and net assets
Our consolidated statement of financial position is robust. As at 31 January 2020, the Group had a net asset position of £25.5m (2019: £26.8m) and a net current asset position of £12.8m (2019: £18.1m). The Group also had no external borrowing as at the reporting date and closed FY20 with a cash and cash equivalents position of £6.0m (2019: £13.5m).

The key movements in the consolidated statement of financial position, largely reflect additional lease liabilities from opening the new stores, additional goodwill from the two acquisitions in FY20 and investment in our software and IT platforms. Refer to note 2 to the consolidated financial statements for our policy with respect to intangible assets.

Other notable movements relate to significant increases in inventory as we acquired additional stores with stock holdings, some of which exists at the reporting date. We have also built up our own branded stock, ***Advanta***.

Cash flow and funding

During FY20 the Group improved the net cash used in operating activities (2020: £1.0m outflow; 2019: £1.6m outflow). Throughout the year there has been a focus on working capital and operating cash management.

The Group has pursued its growth strategy by continuing to deploy proceeds from the recent equity raises into acquisitions, our e-commerce platforms both in the UK and internationally and investment in our technology and inventory management systems. This has contributed to the 31 January 2020 cash position reducing from £13.5m in 2019 to £6.0m.

As at 31 January 2020, the net debt position was £4.5m (2019: (£7.5m)). Net debt has increased as a result of the increase in IFRS 16 lease liabilities following the opening of new stores and the reduction in the cash position detailed above. The Group had no external borrowing as at the reporting date and net debt is purely a reflecting of cash and the lease liabilities of the Group.

Since the reporting date the Group has secured a short-term credit facility of £2.5m from NatWest with an expiry date of September 2020. This will be used as required to help manage working capital during the period of COVID-19 disruption.

FY21 outlook

As a result of enforced store closures, the Group now expects a material reduction in FY21 revenue and profitability. The scale of the impact will be dependent on how the situation evolves, together with the impact of any further measures taken by the UK Government to mitigate the disruption. The Group retains healthy stock levels, allowing our e-commerce sales to continue, and to be ready for the assumed re-opening of stores on 15 June 2020, now that people are allowed to go fishing again.

Outside of COVID-19 we have a continued focus on robust financial controls, strengthening the statement of financial position and capitalising on the investments made in the year. We are well placed to navigate these headwinds and continue our growth strategy.

S Crowe
Chief Financial Officer

2 June 2020

Section 172(1) statement

Our stakeholders

Our Directors are informed and aware of their duties under section 172 of the Companies Act 2006 ('section 172') to act in the manner which would promote the success of the Group for the benefit of its shareholders. In doing this, section 172 requires Directors to have regard to the following matters along with other matters:
(a) The likely consequences of any decision in the long-term;
(b) The interests of the Group's employees;
(c) The need to foster the Group's business relationships with suppliers, customers and others;
(d) The impact of the Group's operations on the community and the environment;
(e) The desirability of the Group maintaining a reputation for high standards of business conduct; and
(f) The need to act fairly between members of the Group.

We believe that, to achieve our long-term growth strategy of being the largest retailer of angling products in the UK, we must consider what is important to our stakeholders. In the narrative and tables below, we articulate how we have addressed the requirements of section 172.

(a) The likely consequences of any decision in the long-term

We have considered the likely long-term consequences of our key decisions made during the financial year. Please refer to the following sections of the annual report:

- Key performance indicators (page 8)
- Chairman's statement (page 5)
- Chief Executive Officer's statement (page 8)
- Our business model (page 12)
- Principal risks and uncertainties (page 26)

(b) The interests of the Group's employees

Our stakeholders	How we engage	What matters	What the Board are doing
Employees			
We consider our employees as our key asset and the face of our Group. We have a passionate, diverse and dedicated workforce.	We operate an open-door policy from the CEO downwards for all staff to always feel that they have a line to communicate. We engage via our feedback and one to one process and our recently updated appraisal process in March 2020. In addition, we allow our employees to "speak-up" by inviting candid feedback from peer employees, local area management and senior management. We have external occupational health support and two qualified mental health first aiders. We provide an e-learning portal to promote best practices, provide information and support to our employees as well as in house tailored training.	Open and honest communication throughout the organisation. Support from Angling Direct throughout their employment journey. Opportunities for career development and progression. This includes the ability to deliver through having a clear understanding of the business aims and aligned personal development goals. Opportunities to innovate, share ideas and make a difference. Opportunities for personal development. Structured and functional systems and solutions. A sense of belonging to the team.	The Board has acknowledged that, throughout the past few years, supporting employees through social and mental health issues has not been a major focus. In order to tackle this, we have decided that feedback from employees will be provided to and considered by the Board. This is to ensure that actions are taken to understand, support and protect our employees. We attract like-minded individuals, people who strive for the very best at all times. We recognise and appreciate our employees through awards which are nominated by other colleagues and reviewed by the CEO. This continues to be a key area of focus for the Board. The Board is continuing to evolve development reviews which would ensure continuous appraisal and development of employees.

	The Group also produces its employee magazine "Advisor" which cover's many topical questions and updates for our employees on areas like new starters and celebrations across the Group. The magazine is published bi-annually. There are daily operations meetings to support employee interaction and facilitate feedback. Warehouse huddles are conducted daily to promote communication. Notice boards are utilised to communicate important items.		We have invested in systems, processes and training across various areas of our business to provide our employees with the tools and knowledge they need to carry out their role to the highest standards.

(c) The need to foster the Group's business relationships with suppliers, customers and others

Our stakeholders	How we engage	What matters	What the Board are doing
Customers			
Our customers are the backbone of our business. Our continued growth and strong sales performance would not have been possible without giving consideration to our customers' needs both offline and online. We understand our customers' needs and put great emphasis on customer satisfaction in order to drive the growth of our business.	We engage with customers in the UK and Europe through an omni-channel retail approach. We encourage customer feedback through our feedback platform. We also engage with customers through social media (e.g. live phone-in sessions via Facebook). We provide a functional customer service team that includes professional angling coaches and a multilingual sales team to support in-store and online orders, including customer returns. Our ADTV and social media presence allows our customers the opportunity to learn and explore various techniques in their own time.	A wide range of products (in store and online) that cater to the needs of the casual hobbyist through to the professional angler. Support to get the best from their purchase (e.g. information, education and coaching). Access to high quality products. Value for money. Excellent customer service.	A focus of the Board is to ensure that the Group is delivering customer needs in the most effective and efficient manner. The Board incorporates customer feedback along with other factors to pilot certain strategies and make changes to operational priorities. Various members of the Board engage in regular store visits and provide the opportunity for customer feedback when onsite, either direct or via email. All customer communications are acknowledged, noted and actioned as appropriate. Dilys Maltby has been appointed to the Board. She brings international consumer brand expertise and will support the Board to ensure the customer experience is a key priority for the Group.
Suppliers			
Our supply chain partners are integral to the performance of the Group and required to achieve our growth strategy. In addition to	It is imperative that our suppliers have a thorough understanding of the Group's business model and strategy, helping us to maintain a smooth supply	Effective communication and regular feedback to ensure a healthy supply chain. Timely payment of accounts.	The CEO receives regular updates from the commercial manager and senior buyer. At management meetings, updates are provided on supplier relationships, product

supplying our business with high quality products we consider our suppliers as key information providers and supporters of our wider business, offering advice and trade credit to support the cash flow and working capital of the Group.	chain. The Group engages directly with the suppliers, through different platforms, face to face, online and telephone. Occasionally, the Group also visits the head-offices of suppliers and meets with key colleagues of our suppliers. Open days in stores are also used as a medium to engage with our suppliers.	An open and honest relationship.	development and engagement. Board members periodically meet with key suppliers to ensure a close and functional relationship. The Board considers suggestions made by our suppliers during its decision-making processes.

(d) The impact of the Group's operations on the community and the environment

Our stakeholders	How we engage	What matters	What the Board are doing
Communities			
We consider that the impact on our wider communities is a very important reason to deliver the best service and experience in the sector.	The Group has various angling projects throughout the country. Digital media is used to promote these. Grassroots investments in the angling community are important to the Group's success. Projects such as Fishing for Schools, National Fishing Month and the Angling Trust are examples of initiatives receiving the Group's support that allow us to engage with our communities. The Group has an extensive database of anglers and looks to utilise this to promote community awareness. We help promote angling in our communities, especially in the location of our stores. We aim to ensure that the Angling Direct purpose is well understood.	Our communities seek guidance, support and the very best experience available to them. This can be given by our employees or customers. Once taken up many anglers stay with the activity throughout their lives. To maintain this longevity our communities are always keen to share their various experiences, offer to help each other and offer feedback. Angling is a means of enhancing the lives of our customers and communities. This creates a further sense of community.	In April 2019, the Board appointed a Corporate Social Responsibility ('CSR') Manager. In conjunction with the CSR Manager, the Board promotes its community engagement through the annual report and website. The Board receives feedback from angling clubs, local store managers, sponsored anglers and directly through the Group's review software. The Board will react to this community feedback and action where necessary. The Board will always look to make the right choice for the Group and in doing so have consideration of the wider community (including consideration of feedback received). The Board believes in investing in the grassroots of the sector and enhancing a brand through influencers who support these values.

The environment
The impact of the Group's operations on the environment is documented in this strategic report.

The desirability of the Group maintaining a reputation for high standards of business conduct
We continuously work towards maintaining our reputation for high standards of business conduct. Please refer to the following sections of the annual report:

- Chairman's statement (page 5)
- Corporate governance (page 32)
- Social and environmental responsibilities (page 30)

(e) The need to act fairly between members of the Group

Our stakeholders	How we engage	What matters	What the Board are doing
Investors			
Our investors provide capital for growth and investment made into the Group is imperative to deliver the strategic growth plans.	Investor Relations, including feedback via our brokers. Regular feedback received from investor teams. Structured reporting on results. Press releases.	Strategy of the Group and the execution of agreed plans. More specifically, understanding the balance of investment into stores vs online. Strong financial and operational performance of the Group to deliver high returns on investment. Capital allocation and cash flow to deliver the growth expected. The Group's financing, particularly in light of COVID-19.	The Board's attendance at the Annual General Meeting ('AGM') to meet and discuss all questions provided by shareholders is critical. Feedback from investor meetings is also shared regularly by the CEO, CFO and brokers. Investor opinion is incorporated when discussing and planning strategy, with a focus on managing growth and margin. During 2019, the Board discussed its Omni-channel strategy, online customer metrics, and payback of shareholder capital. In doing so, shareholders were consulted on remuneration and deployment of capital. Refer to the Directors' report on page 41 and the significant accounting judgements and sources of estimation uncertainty in note 3 to the consolidated financial statements for further detail on responses to the Group's financing with respect to COVID-19.

Principal risks and uncertainties

The Board considers risk assessment, identification and execution of mitigating actions, and internal control to be fundamental to achieving the Group's strategic objectives. The Board takes overall responsibility for risk management. The Audit Committee has responsibility for overseeing the effectiveness of risk management processes and internal controls. Further detail of the Audit Committee's role in risk management and internal control is set out in the corporate governance on page 35. This section focuses on the principal risks and uncertainties facing the Group, which could in isolation or in aggregate impact delivery of the Group's strategic objectives.

Key risk / risk status	Nature of risk	Mitigating actions
Operations		
Rapid growth *High risk, similar to prior year*	The Group has rapidly expanded over the past three years. Processes adopted at earlier stages of the Group's development may be inappropriate for the current scale of operations. The Group must ensure that there is adequate focus on the following areas as it continues its rapid expansion: • enhancement in its systems; • active supply chain management; • training its employees and future proofing against key person dependencies; • recruitment of more senior management personnel; and • implementation of controls to monitor and manage the expected growth.	During the year under review several mitigating steps have been taken around this risk area. These include: • investment in technology such as upgrading the enterprise resource planning system, Epicor and investment in the Group's website platforms, via the Magento programme; • creating efficiencies and capacity in the Group's warehouse and distribution centre via the LEAN initiative and introduction of the Kardex semi-automated stock picking system; • a focus on supply chain management, ensuring an appropriate availability of products to meet increasing demand; • changes and additions to the Board as set out in the corporate governance, which has broadened and deepened the skills of the Board; and • training on the new systems and specific scenario training focused on areas of key person dependencies.
Health and safety *New high risk this year, includes Covid-19 related risk*	Generally, non-compliance with applicable health and safety practices and regulations could result in increased risk of accidents for our employees, customers, subcontractors or suppliers and adverse reputational and financial impacts. The health and safety of our stakeholders is critical. The on-going impact of COVID-19 will significantly impact our business. The primary risk is the Group's operations cause further spread of the virus. This could be in-store, in the supply or distribution chain, or elsewhere in the angling community.	The Board's response to COVID-19 pandemic is detailed in the strategic report on page 11 and the Directors' report on page 41. The Board ensures that the Group health and safety department oversees delivery of the health and safety strategy. In particular, in addition to the COVID-19 specific response, the key mitigating controls around this risk that are relevant for the year in review are: • Angling Direct's distribution centre is accredited with ISO 14001 in respect of environmental standards for the past two years; • every store and warehouse employee receives health and safety training as part of their induction programme and ongoing re-fresher training; and • the Group is appropriately insured regarding its employees and customers with respect to products supplied.

Data security and information technology ('IT') reliance *Moderate risk, similar to prior year*	The Group's business may be adversely affected by a breakdown of its IT systems or failure to develop those systems for increased scale and security risk. Cyber-attacks are increasing. The potential financial and reputational risks have increased in light of the General Data Protection Regulation. The Group uses IT systems across all aspects of the business including sales forecasting, production planning, stock control and accounting. The business would be adversely affected by a material or sustained breakdown in its key information systems. The majority of customer orders which are not in-store are taken through the Group website. As online sales account for a substantial element of the Group's revenue, an outage of the Groups' websites could have a significant effect on the ability to accept the customer orders and this would adversely impact results and reputation.	The Group seeks to mitigate these risks by investing in acquisition and maintenance of IT systems, including the Group's websites. Key activities carried out in the year under review include: • the Magento programme was a website upgrade which brought increased system resilience, functionality and enhanced security; • ensuring physical and system controls are in place to minimise data breaches; • delivering the continual improvement cycle in respect of access levels, housing of critical data, encryption and penetration testing for customer data; • continuous monitoring of the IT environment and disaster recovery plans to ensure business can recover from any interruptions with minimal impacts; and • the website and internal network are protected by a firewall, a holistic view of routers and switches with potential for individual configuration change and frequently updated anti-virus. The internal networks are further protected by penetration testing.
Brexit *Moderate risk, similar to prior year*	The uncertainty in the UK and European market following the UK's vote to leave the European Union could potentially impact consumer confidence and the ability of the Group to maintain sales growth. It could also result in European competitors gaining an advantage with the introduction of UK import tariffs.	Key mitigating factors against this risk can be summarised as: • our warehouse and distribution operations are all based in the UK. The investment into our Kardex stock picking system has increased capacity and means this can continue in the foreseeable future; • although there is a risk of increased costs with respect to providing our products from the UK to our European markets ongoing investigation is taking place with respect to distributing from an alternative location situated within the EU; • our purchasing risk from the EU is limited to a few suppliers with majority of suppliers shipping directly from Asia to the UK; • competitor activity in this area is reviewed on a regular basis; and • from a consumer confidence perspective, despite Brexit our European website activity continues to grow (pre COVID-19).
Warehousing *New moderate risk this year, linked to rapid growth*	The Group operates a central distribution centre on the outskirts of Norwich, Norfolk which supports all online sales and ensures timely supply of products to the customers. There is a risk that the Group may experience interruptions due to physical damage, access restrictions and resourcing shortages to the operation of these logistics and distribution networks. This could prevent the timely or appropriate delivery of products, impact financials and reputation.	The Group has recently invested in the semi-automated Kardex stock picking system, Kardex. This system has aided the Group's expansion by increasing warehouse capacity. The investment in Kardex has ensured that the Group continues to maintain high stock availability. A LEAN project focussing on warehousing and logistics was introduced early in the year. The aim was to provide a far more efficient process with minimal touch on goods in and out and it

		has been a success.
Market and environment		
Compliance with laws and regulations *New moderate risk this year*	The changing regulatory environment could cause currently compliant services to become non-compliant, with material implications to customer offerings, pricing and profitability. Failure to comply with regulatory obligations could result in fines and reputational damage. Changes in Government legislation or taxation could impact the business model.	The Group aims for 100% compliance with legal and regulatory requirements. Product designs are continually developed to ensure that they are adhere to the latest regulatory requirements. There is a good awareness of regulation and a strong monitoring process.
Adverse Weather *Moderate risk, similar to prior year*	Angling can be disrupted by extreme weather conditions such as heavy flooding. In recent years, the key markets have seen increasingly high rainfall during the winter months. Sustained bad weather is likely to have a negative impact on trading.	The location of the Group's operations are diversified across the UK.
Competition *Moderate risk, similar to prior year*	Persistent aggressive competitive pressure could impact customer attraction and retention, and margins. Competitive threats include local, international and ecommerce angling retailers. In addition, non-specialist retailers who move to selling angling products as well as many other items may be a threat. They may be new or existing retailers and may also include retailers from the wider leisure pursuit market.	The strong Angling Direct brand has been in place for over 20 years and brand loyalty is important for many customers. We continually monitor our competition's activity and are focused on delivering great customer service and value for money through tools such as our in-store coaches and price checker. Further details on this are provided in the strategic report on page 12.
Financial risks		
Inventory management *New moderate risk identified during the year*	The high volumes of stock which are purchased, held and sold creates multiple risks. These include obsolescence, faults, theft and damage – both when on hand and when being distributed.	The Group conducts regular quality control checks and stock counts at all its stores and the warehouse. Quality control checks are in place as part of the booking in process. The Group has also recently invested in Kardex the semi-automated stock picking system and warehouse employees have been suitably trained. The carrying value of the inventory is regularly reviewed and reduced to the lower of cost and net realisable value if overstated. Refer to the judgements and estimates section in note 3 to the consolidated financial statements for further detail on this process. As part of the wider insurance coverage of the Group, appropriate insurance is held in relation to stock held in our stores, warehouse and in transit. The Group plans to implement further training at the store level covering stock management processes.

Going concern, including liquidity and funding *High risk, increased due to COVID-19*	The on-going COVID-19 pandemic in all of the countries in which we sell our products is having a significant impact on the Group. There is a risk that the Group cannot operate as a going concern. This going concern risk is driven by liquidity – i.e. the risk that the Group will have insufficient funds to meet its financial obligations as they fall due. There is a risk that the Group is not able to access funding, from third parties or government, to maintain the required liquidity to remain solvent.	Further details of mitigating actions with respect to the COVID-19 pandemic and liquidity are detailed in the Directors' report. The Group maintains prudent levels of liquid funds to enable the business to continue to operate through moderate fluctuations in economic conditions or through a period of sustained disruption which could reasonably be estimated. Equity raises in recent years have continued to provide the Group with liquidity to drive growth. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital. Further detail on the Group's assessment of going concern is contained in note 3 to the consolidated financial statements.
Credit risk *Moderate risk, similar to prior year*	The Group's exposure to credit risk is limited to the carrying amount of cash deposits and trade and other receivables. The risks associated with cash deposits are limited as the banks used are reputable. The principal credit risk therefore lies with trade receivables.	In order to manage credit risk, limits are set for customers based on a combination of payment history and third-party credit references. These procedures are regularly reviewed and updated. If customers wish to purchase goods on credit a separate party, Hitachi Personal Finance, which provides the financing and takes the credit risk, limiting any exposure further.

In addition to the principal risks identified above, the Group is exposed to an element of currency risk. This risk is not considered to be a principal risk at this stage. The Group's sales are mostly denominated in Pounds Sterling, however, the Group has approximately 2% of revenue denominated in Euros. The Group also sources some of its products from outside the UK where the principle currency of purchase is US Dollars (from our suppliers in Asia). This is regularly monitored and represents 3% of cost of sales for FY20. These transactions may give rise to an exposure to exchange rate fluctuations between the Euro or the US Dollar and Pounds Sterling. The Group may use forward contracts to fix exchange rates for future sales or purchases to mitigate the risk against currency fluctuations. The Board does not see this as a material risk to the business results, position or operations due to the minimal levels of future sales and purchases the Group undertakes in foreign currency.

Social and environmental responsibilities

Introduction from our Chairman

"Serious about your fishing", the statement at the heart of all we do. Angling is in our blood, it is part of our primeval hunter-gatherer instincts. Nowadays most fishing is not done for food, but it is a release for that instinct and in its pursuit, it gets people away from everyday stress, from computers and screens, and into the countryside enhancing wellbeing. It is likely no surprise that anglers are therefore naturalists and environmentalists, caring deeply about waterways, pollution and global warming. Indeed, anglers at the waterside are watchdogs at the front line when it comes to spotting pollution of lakes and rivers.

As a dedicated angler and joint founder, it was only natural that the passion for the sport and the environment was made intrinsic in the culture and purpose of the Group from day one. As the Group has grown, nothing has changed in that respect, except, we now have a greater voice and reach giving us the ability to be more and more influential with regard to promoting the benefits and joys of angling, and activists in environmental care.

We are currently engaged in numerous social and environment initiatives, and below we highlight those that are key.

A summary of our approach

We are committed to actively promoting, supporting and growing the angling community, particularly within the younger generation and for those with disabilities. We are keen to endorse evidence that the classic hobby of fishing is also a great way to improve mental and physical well-being and it is our intention to encourage more anglers into the community through coaching, educating and developing more grassroots initiatives. Projects such as Fishing for Schools, National Fishing Month and the Angling Trust are great examples of initiatives receiving our full support. For further details on all our community activities, please visit the CSR section of our website, which also includes our modern slavery policy, environmental policy and gender pay reporting.

In July 2018 we achieved the **ISO 14001** standard and we will continue to focus on reducing our carbon footprint and introducing waste management systems associated with waste control, energy usage and vehicle emissions. We are also strongly supporting a national fishing line recycling initiative with line recycling discard bins in all our stores.

Caring for people

This is our programme of promoting the great benefit of angling by providing a greater fishing experience through education and social interaction both online and in store. In particular, the regular videos produced by our in-house production team and released under the Angling Direct Television ('ADTV') name and live broadcasts provide information, advice and entertainment.

In addition, we have a commitment to introduce more people to angling, particularly youngsters, but also returning anglers, both male and female. Our most successful initiative for children was launched during school holidays this year. Our "get into fishing campaign" gave away nearly 8,000 free fishing pole starter kits to under 16s.

We have rolled out a qualified angling coach programme with an ambition to have at least one in every store. We now arrange introduction and coaching days at the waterside in association with supportive lake owners.

Not only do we sponsor a number of angling related organisations helping disadvantaged children and disabled persons, we also get actively involved in their cause. An example is Angling Direct's "Tour de Branches" charity bike ride by staff in aid of Angling Projects, a charity aimed at getting "Kids hooked on fishing not drugs or crime". We are also active supporters of Fishing for Schools, The Junior Canal Championship, the Roger Webb Carp Challenge, Phoenix Heros, NEACO, and BDAA (British Disabled Angling Association)

The wellbeing of our colleagues is also a key focus. We recognise that many live and breathe the passion of angling and are pursuing the career of their dreams.

Caring for the planet
Plastic waste is a major contaminant to our waterways, to animals, fish and ourselves as we digest microscopic particles. Yet we believe the replacement and elimination of more contamination needs much more attention at all levels if we have any chance of mitigating the problem. Angling Direct not only has a responsibility to make changes to help reduce the problem but is also well placed to lead and influence the standards by examining and making changes with regard to plastic packaging. It is not just plastics but also the use of cardboard, sticking tape and packaging materials.

As leaders in our sector we are pursuing several initiatives, some with our suppliers. We have been plastic bag free in store since 2018 and we have recycling bins for fishing line in every store.

Meanwhile we are also working with some suppliers about reducing or eliminating the plastic in the first place and likewise on our own ***Advanta*** range in this respect, including the possibility of using sustainable eco-friendly materials for fishing floats rather than plastic.

We have also established a packaging reduction initiative with one of our major suppliers which has eliminated a huge amount of packaging materials for product sent by them to us. We hope to roll this out with other major suppliers, saving large amounts of cardboard and tape each year.

In addition to plastics and packaging issues we are also actively participating in local environmental conservation projects. For example, providing strong support to the Broads Angling Services Group CIC and their work in connection with the Environment Agency and Natural England in protecting and improving the Norfolk Broads as a very important fishery in the UK.

Charity events
In FY20, the Groups' nominated charity was *Angling Projects.* We raised £6,000 at our key charity bike ride event.

Angling Projects has been around for over 40 years and is one of the best fishing club facilities for groups of young anglers (including children at risk and with special needs) in the UK. The charity's purpose-built centre in Welley Road, Wraysbury, Berkshire, can accommodate between 8 and 22 youngsters and the facilities are equipped for a week's stay with accommodation, cooking facilities and a club house. The centre also offers schools programmes teaching support aimed at Key stage 2, 3 and 4 pupils, during which they focus on reading, writing and maths. As well as this, the wonderful charity hopes to get the youth of the UK hooked on angling.

"With recent support that we have received from Angling Direct (in the shape of rods, reels, whips and rigs) now to hear that they are going to run a charity event in aid of Angling Projects later this year - is brilliant news. I am pleased to say, the long-term future now looks good for Angling Projects with the support of Angling Direct. I will be following the event with lots of interest and hope to get to visit as many of AD shops as possible. Founded in 1976 Angling Projects offers all its time, facilities and equipment FREE OF CHARGE to all visitors to its Centre, which it has done for the last 43 years without any funding. Thank you Angling Direct for your support."

Les Webber MBE, Founder of *Angling Projects.*

Chairman's Introduction

It is the Board's duty to ensure that Angling Direct is managed for the long-term benefit of all stakeholders. Corporate governance is critical. It enables effective identification and management of risks. This lays the foundations to execute our strategy and provide the long-term value to our shareholders and other stakeholders.

As discussed in my Chairman's statement, the Group adopts the Quoted Companies Alliance Corporate Governance Code ('the QCA code'). The AIM rules do not require the Group to comply with the UK Corporate Governance Code. However, the Board recognises the importance of good governance and has adopted governance procedures that are appropriate for the size and nature of the Group. As a pragmatic and practical corporate governance code relevant to AIM companies, the QCA is a proportionate, principles-based approach constructed around ten broad principles with accompanying guidance. Further information about our compliance with the QCA is available on the Group's website.

I also discussed in my Chairman's statement an exception to the application of the QCA code in the period from January 2019 to October 2019 where the Board contained one Non-Executive Director. We clearly announced the related vacancy and took the time to recruit, resolving the exception from October 2019. As at the time of this report the Board consists of two independent Non-Executive Directors and one Non-Executive Director who was the former Chief Executive Officer ('CEO') of the Group.

On 31 January 2020, John (Ian) Hunter resigned as Finance Director and I would like to take this opportunity to thank him for his contribution to the Group. Ian's replacement, Steven Crowe commenced in his role as Chief Financial Officer ('CFO') on 2 January 2020.

Andy Torrance and Dilys Maltby were appointed as Non-Executive Directors on 4 October 2019 and 3 February 2020 respectively. Andy held the office of Non-Executive Director from October 2019 until appointment as CEO in February 2020.

I am very pleased to welcome Steven, Andy and Dilys to the Board. All three have a wealth of experience. Steven's experience includes key finance positions in Aviva PLC as well as in Private Equity owned businesses. Andy has headed operations in companies such as Holland & Barrett, Dunelm and Halfords, businesses that have a larger in-store and online retail presence than ourselves in both the UK and Europe. Dilys has advised a number of established international consumer brands on their purpose, brand, strategy and propositions.

Darren Bailey stepped down as CEO on 10 February 2020 and was appointed as a Non-Executive Director. Darren has been with the Group since inception and his contribution to the continued success and growth of the Group has been immense. Darren has helped grow the Group's UK store network from three to 35, overseen the major expansion of the Group's online offering and guided the Group through its successful AIM admission and subsequent fundraising in 2018. Both I and the Angling Direct team are hugely grateful for everything Darren has done to make the Group the success it is today. I have no doubt Darren's passion for the Group will continue through his role as Non-Executive Director.

Andy Torrance was appointed as CEO on 10 February 2020 and brings his existing knowledge of the Group from his previous role as one of our Non-Executive Directors. I would like to welcome Andy in his new position. An immediate and major challenge is helping steer the Group through the impacts of COVID-19. Andy has taken this on with impressive efficiency, allied with compassion and care for our stakeholders.

Our values are based on our four leading promises in business. We **inspire**, we are **passionate** about what and how we do things, we are **trustworthy**, and finally we are **genuine** towards our customers, colleagues, suppliers and shareholders. The Board believes this is vital to creating a sustainable, functional and responsible business. Our culture, which is described further in the strategic report supports the Group's objective to grow the business through retail stores, some new and others acquired, and online growth.

The Board looks forward to driving further improvements through the year ahead in particular around identifying and managing risk, steering the Group through the challenges faced as a result of COVID-19, building on the foundations that have been laid to drive strategy and delivery of long-term quality, robust and sustainable value for all our stakeholders.

M Page
Executive Chairman

2nd June 2020

The Board of Directors and Committees of the Board of Directors
At present, the Board considers that its members are appropriate for the size of the Group and its listing status. The Group will not fully comply with the recommendations of the QCA Guidelines as the Board does not have, or need, a Nomination Committee at this time. As the Group grows, the Board will actively consider adding additional Directors.

Board membership

Name	Role	Classification	Membership during year to 31 January 2020	Membership at date of this annual report
Martyn Page	Chairman	Executive	No change	No change
Darren Bailey	CEO	Executive	Resigned February 2020	Appointed as Non-Executive during February 2020
Andy Torrance	Director	Non-Executive	Appointed October 2019	Appointed as CEO during February 2020
Steven Crowe	CFO	Executive	Appointed January 2020	No change
Paul Davies	Director	Non-Executive	No change	No change
John (Ian) Hunter	Finance Director	Executive	No change	Resigned 31 January 2020
Dilys Maltby	Director	Non-Executive	Not applicable	Appointed as Non-Executive during February 2020

Further details about the Board members are set out in the "Director profiles" section below.

Independence of Non-Executive Directors
The Non-Executive Directors are considered by the Board to be independent of management and free from any other business or other relationship which could materially affect their judgement.

Martyn Page, Executive Chairman has an approximate shareholding of 17.62% as at 31 January 2020 and 31 January 2019. The Board is satisfied that through his conduct, it is within the best interest of the Group for the Chairman to have an Executive role. All shareholders are made aware of the shareholding of the Chairman. Martyn's role and shareholding are monitored on an on-going basis.

With respect to Martyn Page, due to his more significant shareholding, a 'Relationship Agreement' was put in place between the Group, Martyn Page and Cenkos Securities PLC (the Company's previous Nominated Adviser, now N+1 Singer Advisory LLP). This agreement covers the Group being capable of carrying on its Business independently of a controlling shareholder and the members of the Shareholder Group. This agreement is used to guide the Board when ensuring independent decisions are made.

On the matter of independence, Darren Bailey holds share options with respect to Angling Direct PLC. These were granted to Darren in his previous role as CEO, prior to the appointment as a Non-Executive Director. The Board does not deem the holding of these share options impacts Darren's ability to make independent decisions.

Details of Directors' service contracts are given below.

Role of the Board
The Board's role is to agree the Group's long-term direction and monitor the achievement of its business objectives and purpose. The Board holds at least quarterly meetings for these purposes and holds additional meetings as and when necessary. The Board receives monthly Board reports and other reports as necessary for consideration on all significant strategic and operational matters.

There is a clear division of responsibility at the head of the Group. The primary responsibility of the Chairman is to lead the Board effectively and to oversee the adoption, delivery and communication of the Group's corporate governance model. The CEO is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Business through the Senior Management Team.

The Board delegates certain of its responsibilities to the Audit and Remuneration Committees, sub-committees of the Board. These committees operate within clearly defined, written terms of reference.

All Directors are submitted for re-election after three years, subject to continued satisfactory performance. As per the Articles of Association, all Directors were re-elected at the 2018 Annual General Meeting ('AGM') and shall retire at least once every three years. All Directors had access throughout the year to the advice and services of the Company Secretary, Shona Wright, who is responsible for ensuring that Board procedures and applicable regulations under the Company's Articles of Association or otherwise are complied with.

In the furtherance of their duties or in relation to acts carried out by the Board or the Group, each Director has been informed that they are entitled to seek independent professional advice at the expense of the Group. The Group maintains appropriate cover under a Directors and Officers insurance policy in the event of legal action being taken against any Director.

The table below shows the number of Board, Audit Committee and Remuneration Committee meetings held in the period from the start of the financial year to the date of approval of the annual report. The table also shows the attendance of each Director.

Director	Role	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings
Martyn Page	Executive Chairman	4/4		
Darren Bailey	CEO	4/4		
Ian Hunter	Finance Director	4/4	3/3	2/2
Paul Davies	Non-Executive Director	4/4	3/3	2/2
Andy Torrance	Non-Executive Director	1/1		

The Board receives appropriate and timely information prior to each meeting. A formal agenda is produced for each meeting by the Company Secretary. Board papers are distributed several days before meetings take place. Any Director may challenge Group proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Group's management.

The Board is responsible for reviewing and approving the overall Group strategy, approving revenue and capital budgets, and for determining the financial structure of the Group including financing and dividend policy. Monthly results and variances from plans and forecasts are reported to the Board. Key Board activities carried out during the year included:

- input into the accelerating growth plan;
- review of the Group's key acquisitions in the year;
- review of all new store plans and roll-outs; and
- regular review of the system implementation plans around Epicor and the website development programme Magento.

Board evaluation and training

The Board's members complement each other's knowledge, through sector experience, qualifications and skills. Every Board member has the appropriate time to discharge their duties and attend all designated meetings.

The Group's solicitors provide necessary knowledge and training to Directors when required. When a new Director joins the Group there is a full day of orientation wherein the Director is familiarised with the values, culture and ethics of the Group. Professional induction training is also given as appropriate.
Board evaluation is conducted continuously throughout the year, the Non-Executive Directors have specific terms of engagement, and their remuneration is determined by the Board. It is the Chairman's responsibility to assess the individual contributions of the members of the Board, considering effectiveness, commitment, and knowledge applicable to the business.

The Non-Executive Directors receive remuneration in the form of Director's fees.

Paul Davies holds 15,625 nominal trust shares. Darren Bailey who was appointed a Non-Executive Director on 10 February 2020 holds 2,530,000 shares amounting to 3.92% of the issued shares as at 31 January 2020 as well as share options. Dilys Maltby does not own any shares in the Group.

Shareholder communications
The Group recognises the importance of meeting the shareholders expectations and engages in managing those through formal meetings, informal communications and stock exchange announcements. The "Section 172 statement" which can be found within the strategic report summarises the general approach to shareholder engagement.

A range of corporate information (including all Group announcements) is also available to shareholders, investors and the public on the Group's corporate website, www.anglingdirect.co.uk/investors. The Board receives regular updates on the views of shareholders through briefings and reports from the CEO, CFO and the Group's Nominated Advisor and Broker. In addition, analysts' notes and brokers' briefings are reviewed.

On 25 March 2020, N+1 Singer was appointed by the Board as the Company's Nominated Adviser and Broker to further develop communications with shareholders.

Culture, environmental and social responsibilities, employees
The Board recognises its environmental and social responsibilities and in maintaining and improving the overall Group culture and employee relationships.

Culture
The Board aims for the Group to be considered as a well-respected ambassador for angling and it aims to promote angling in society.

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. Setting the example from top down, the Group inspires a community culture. It encourages openness amongst its employees. New creative ideas which improve the Group's performance and stakeholder experience are encouraged.

Environment and social
The Group aims to meet the expectations of its stakeholders, including society. This is why the communities are considered one of the Group's strategic pillars as described further in the strategic report. The Group also considers its role with respect to the environment and socially as detailed in the "Section 172 statement" and the "Social and environmental responsibilities" sections of the strategic report.

Employees
As set out in the Directors' report and "Section 172 statement" of the strategic report, the Group encourages its employees to understand all aspects of the Group's business and seeks to remunerate its employees fairly and flexibly where practicable. In house and external training courses are held throughout the year to develop the skills of employees.

Committees of the Board of Directors
The Board of Angling Direct PLC is committed to good corporate governance and accordingly applies the corporate governance guidelines of the QCA Code. The Board has established (a) an Audit Committee and (b) a Remuneration Committee, with formally delegated duties and responsibilities as described below.

(a) Audit Committee

Overview
The Audit Committee is established by and is responsible to the Board. The main duties of the Audit Committee are set out in its terms of reference. In summary the Audit Committee has the following responsibilities:

- to monitor the quality of internal controls and ensure that the financial performance of the Group is properly measured and reported on;
- to make recommendations to the Board in relation to the appointment of the external auditor and its remuneration;
- to closely review the external audit scope, performance and findings in relation to the financial results and internal controls of the Group;
- to receive and review reports from the Group's management and external auditors relating to the interim and annual financial statements and the accounting in use throughout the Group; and
- to review and be satisfied with the auditor's independence, objectivity and effectiveness on an ongoing basis.

Membership of the Audit Committee
The Audit Committee is chaired by Paul Davies. The other Audit Committee member was John (Ian) Hunter, Finance Director until he resigned on 31 January 2020.

Role of the external auditor
The Audit Committee monitors the relationship with the external auditor, to ensure that auditor independence and objectivity are maintained. As part of its review the Audit Committee monitors the provision of non-audit services by the external auditor. The Audit Committee also assesses the auditor's performance. Having reviewed the auditor's independence and performance, the Audit Committee recommends that Price Bailey LLP Chartered Accountants & Statutory Auditors be re-appointed as the Group's auditor at the next AGM.

Audit process
Meetings of the Audit Committee are held at least twice per year and the external auditor and CFO are invited to these meetings. In the first of these, the Committee discusses the scope for the forthcoming external audit. The Committee receives a report from the external auditor of matters arising during the course of the audit which the auditor deems to be of significance for the Committee's attention. During the second meeting it reviews these findings. In the 2019 external audit, key areas identified were around inventory and general insurance policies held by the Group. The Audit Committee met to discuss the findings and detail plans to address the items raised throughout the year. The Audit Committee held a conference call with the external auditors on 2 May 2019 to discuss the audit findings and to discuss the management letter points and how the Group intended to address these. The audit planning document was further reviewed by the Audit Committee on 22 October 2019.

Risk management and internal controls
The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. The Board has ultimate responsibility for the Group's system of internal controls and for reviewing its effectiveness. However, any such system of internal controls can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size of the business and continues to focus on the formalisation and documentation of procedures carried out.

The primary way the Board identifies, assesses and manages risk including effectiveness of the related controls is by reviewing detailed information about the performance and operations of the business on a regular basis. Some key areas of control identified through that process are comprehensive procedures for budgeting, planning, monitoring and reporting to the Board on business performance against budgets and plans, as well as for forecasting expected performance over the remainder of the financial period. This information covers profits, cash flows, capital expenditure and balance sheets. Monthly results are reported against budget and compared with the prior year, and forecasts for the current financial year are regularly revised considering actual performance. At the Board meetings, the operational update allows the Board to identify, assess and manage risk around operational areas such as warehouse and inventory performance, acquiring and integrating new stores, and development of the Groups' websites.

During the year, areas of focus for the Audit Committee included cash financial control, in particular around inventory.

Inventory management is considered a principal financial risk with particular emphasis on inventory shrinkage, inventory turnover and reconciliation of inventory. As a part of the control mechanisms in place around inventory management, the Group performs regular stocktakes and verifications to ensure inventory existence and completeness. If variances are identified, proper investigation is carried out to resolve any potential issues. The inventory verification is carried out under the supervision of the CFO.

Further details on the specific risks identified are covered in the "Risks and uncertainties" section of the strategic report and the judgements and estimates involved in the financial statements as detailed in note 3 to the consolidated financial statements.

External auditor and non-audit services
Fees in relation to services provided by the external auditor were:

	2020	2019
	£	£
Audit fee	27,000	45,000
Non-audit fees	-	-
Total fees	27,000	45,000

Angling Direct

(b) Remuneration Committee

As an AIM listed Group, the Group is not required to comply with the UK Corporate Governance Code nor Section 420 of the Companies Act 2006 regarding Directors' remuneration reports. The Group has however chosen to provide Directors' remuneration within this section of the report in the interests of good governance. A resolution to approve the report will be proposed at the AGM of the Group at which the financial statements are submitted for shareholder approval.

Membership of the Remuneration Committee

The Remuneration Committee comprises two Directors, Paul Davies and John (Ian) Hunter until he resigned on 31 January 2020, and is chaired by Paul Davies, Non-Executive Director. The Remuneration Committee meets at least twice a year to determine the appropriate remuneration for the Group's Executive Directors, ensuring that this reflects their performance and that of the Group, and to demonstrate to shareholders that Executive remuneration is set by the Board members who have no personal interest in the outcome of their decisions.

The Remuneration Committee reviews the performance of the Executive Directors and makes recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee also makes recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time.

Remuneration policy

The Remuneration Committee is focused on ensuring that the Group's policies and procedures are effective for the Group's business and that the Executives' remuneration packages are designed to attract, drive, motivate and retain Executive Directors of the requisite calibre and expertise, and to reward them appropriately for creating and enhancing long-term value for shareholders. The performance measurement of the CEO and key members of the senior management team, and the determination of their annual remuneration package is undertaken by the Remuneration Committee. The remuneration of the Non-Executive Directors is determined by the Board within limits set by the Articles of Association and in accordance with the general guidance principles of the QCA Code.

The Committee met twice during the financial year ended 31 January 2020.

Directors' interests

The beneficial interests of the Directors in the share capital of the Group as at 31 January 2020 and 31 January 2019 were as follows:

	31 January 2019 Number of shares	31 January 2020 Number of shares	31 January 2020 % of issued share capital
Executive Directors			
Martyn Page	11,385,000	11,385,000	17.62%
Non-Executive Directors			
Darren Bailey	2,530,000	2,530,000	3.92%

The Directors' interests in share options as at 31 January 2020 are discussed below.

Non-Executive Directors' terms of engagement

The Non-Executive Directors have specific terms of engagement. Their remuneration is determined by the Board. If a Non-Executive Director undertakes additional assignments for the Group, a fee will be agreed by the Board in respect of each assignment.

Their fees are reviewed annually and set in line with prevailing market conditions and at a level which will attract and retain individuals with the necessary experience and expertise to make a significant contribution to the Group's affairs.

Aggregate Directors' remuneration
The normal remuneration arrangements for the Executive Directors is a basic salary, pension contributions and private medical insurance. The Chairman is also entitled to a car allowance. The remuneration paid to the Directors inclusive of employee benefits, in accordance with the service contracts, during the year ended 31 January 2020 was as follows:

	Salary & fees	Benefits	Pensions	2020 Total	2019 Total (restated)***
	£	£	£	£	£
Executive					
Andy Torrance *	11,432	-	-	11,432	
Martyn Page	60,000	3,144	1,700	64,844	60,259
Steven Crowe	12,500	-	-	12,500	
John Hunter	99,460	-	-	99,460	98,544
Non-Executive					
Darren Bailey **	140,000	1,365	3,967	145,332	138,707
Paul Davies	35,000	-	992	35,992	35,642
Stephen Moon	-	-	-	-	34,421

* Andy Torrance renumeration for the year ended 31 January 2020 was all as a Non-Executive Director
** Darren Bailey renumeration for the year ended 31 January 2020 was all as an Executive
*** Excluding Employer's National Insurance contributions

Bonuses
The Bonus Policy for the Executive Team is set by the Remuneration Committee, whereas the Bonus Policy for the Senior Management Team is set by the Remuneration Committee and the CEO. Further details of the Senior Management Team and their profiles can be found on the Group's website.

Throughout the year, a policy was in place that was dependent on performance against two key targets: Revenue and Earnings Before Interest, Taxation, Depreciation and Amortisation ('EBITDA'). The policy was revised after 31 January 2020. The revised policy has been set and approved by the Committee and is now dependent on four key metrics: Revenue, EBITDA, Operating Cash Flow and Gross Margin, with a 25% weighting given to each. An upper limit determined by market expectations is in place for which gains up to this upper limit are split between the Executive Team and Senior Management Team with the remainder remaining in the business, adding to shareholder value.

The Board notes that due to the developing situation around COVID-19, the Bonus Policy will be under regular review and it is likely that the initial plans set out for the year ending 31 January 2021 may need to be revised to safeguard the Group.

The Directors have contracts with an indefinite term and a stated termination notice period, as detailed below.

	Date of appointment	Notice period
Executive		
Andy Torrance	04.10.2019	6 months
Martyn Page	06.04.2017	6 months
Steven Crowe	02.01.2020	3 months
Non-Executive		
Darren Bailey	01.05.1988	6 months
Paul Davies	09.06.2017	3 months
Dilys Maltby	03.02.2020	3 months

Share incentive plan
The Group has in place an HM Revenue and Customs ('HMRC') approved share option scheme. These have been granted to Darren Bailey and members of the Senior Management Team. Directors' options are disclosed in the Directors' report.

The Group has adopted, with effect from admission to AIM, a share dealing code regulating share trading and the confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and persons closely associated with them), which contains provisions appropriate for a Group whose shares are admitted to trading on AIM (particularly relating to not dealing during closed periods) and which are in line with the requirements of the Market Abuse Regulation. The Group will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing code.

The details of the Directors' share incentive plan is as follows:

Executive	Scheme	1 February 2019	Awarded during period	Vested and exercised during the period	31 January 2020	Date granted
Darren Bailey	EMI	658,125	-	-	658,125	24 March 2017

The Directors' interests in share options as at 31 January 2020 are as follows:

Director	Number	Exercise price	Expiry date
Darren Bailey	658,125	1p per share	24 March 2027

Initially under Enterprise Management Incentive ('EMI') options issued by the Group on 24 March 2017, Darren Bailey was granted 212 ordinary shares of £1 at an option price of £1 per share. Subsequently, on 21 June 2017 following a sub-division of shares in the Group and a bonus issue, the number of option shares was increased to prevent a potential dilution. Consequently, Darren Bailey's revised number of options were 658,125 ordinary shares of 1 pence at an option price of 1 pence per share. The period during which the options can be exercised commences on 24 March 2020 and expires on 24 March 2027. The options can only be exercised as a combination, as a result either all options have to be exercised at once or none can be exercised.

There have been no further grants under the scheme.

Director profiles

Executive Directors

Andy Torrance, Chief Executive Officer (former Non-Executive Director)
After joining the Group as a Non-Executive Director in October 2019, Andy became CEO in February 2020. Having previously held Chief Operating Officer ('COO') positions at Dunelm and Holland & Barrett, as well as a number of Executive roles during a 12-year tenure at Halfords, Andy has a wealth of specialist retail experience. Commercially astute with demonstrated leadership skills, Andy has successfully grown brands across multiple geographies, driving sales and delivering EBITDA growth by implementing customer centric Omni-channel strategies. In his position as COO of Holland & Barrett, Andy had executive accountability for leadership, customer experience and store profit or loss in 1,064 stores in UK, Eire, The Netherlands, Belgium and Sweden.

Martyn Page, Executive Chairman
Martyn is a co-founder and major shareholder of the Group. Martyn founded Angling Direct in 1997 following the acquisition of Norwich Angling Centre. Alongside his Executive role at the Group, Martyn has worked as a corporate accountant for over 40 years. Experience includes advising and guiding companies from start-ups to UK and international operations with revenue in excess of several hundred million pounds. Martyn is a well-known angler, within the UK and internationally, and is an angling author, who is also involved in national committees and clubs working for the improvement of fisheries and education and promotion of angling.

Steven Crowe, Chief Financial Officer, ACA, BA (Hons)
Steven joined the Group in January 2020 with a proven background as a CFO and senior executive. He has a range of financial, commercial and strategic experience in both the private equity and blue-chip corporate environment. He has almost 25 years of relevant experience which commenced at PricewaterhouseCoopers. This experience included leading businesses in strategy, mergers & acquisitions ('M&A'), planning and reporting as well as driving major commercial and business change decisions and execution. All of these skills are key to his role within the Group. He also has a first-class record of building sustainable senior stakeholder relationships and developing high performance teams. These skills are crucial to his role. Steven's previous posts include COO at Verisk Claims, CFO at Validus IVC Ltd, Financial Planning and Analysis Director at Aviva General Insurance and M&A Director Aviva General Insurance.

Non-Executive Directors

Darren Bailey, Non-Executive Director (former CEO)
Darren has over 30 years' experience working within the angling retail sector, beginning with his first role at Norwich Angling Centre in 1986. Darren progressed to management within the Group then, with the addition of other stores, to area management before being appointed CEO. Since stepping down as CEO of the Group, Darren continues to support the Board as a Non-Executive Director maintaining his valuable knowledge of the history of the Group within the Board.

Paul Davies, ACA, Non-Executive Director
Paul was appointed to the Board on 9 June 2017. Having previously qualified as a chartered accountant, his career includes working on a larger number of flotations and secondary fundraisings (both on AIM and the Full List) and small-cap M&A transactions.

Dilys Maltby, Non-Executive Director
The Board recognised that it needed to strengthen its consumer focus and brand awareness and appointed Dilys on 3 February 2020. Dilys is Senior Partner and co-founder of Circus, a boutique management consultancy which specialises in company purpose and propositions. Dilys will support the Board to ensure that customer and employee experience is a key focus. As a Practitioner, Dilys has led engagements for The Body Shop, The White Company, Covent Garden, Virgin Atlantic, Selfridges, John Lewis, Viacom, and Microsoft, amongst many others.

Principal activity
The principal activity of the Group is the sale of fishing tackle through its websites and stores. The Group's business model is designed to generate growth by providing excellent customer service, expert advice and ensuring product lines include a complete range of premium equipment. Customers range from the casual hobbyist through to the professional angler.

Business review and future developments
The strategic report on pages 8 to 31 includes the Group's strategy, business model, and progress in the year under review and considers key risks and outlook. A review of the Group's current operations, future developments and financial review is covered in the "Chief Executive Officer's statement" and the "Chief Financial Officer's statement" contained within the strategic report.

Financial results
The Group's financial performance and position are set out in the consolidated financial statements on pages 50 to 85 and discussed in the Chief Financial Officer's statement on pages 19 to 21 of the strategic report.

Going concern and significant events after the reporting date

Impact of COVID-19
The impact of COVID-19 has been considered in detail throughout the annual report.

The strategic report sets out the Chairman's, CEO's and CFO's view of the developing situation and the impact on the Group's operations, financial performance and outlook as well as covering the risks involved in relation to the pandemic.

The significant accounting judgements and sources of estimation uncertainty as detailed in note 3 to the financial statements contains specific detail on the position at the reporting date and the judgement made in assessing going concern of the Group.

As a result of enforced store closures following responses to COVID-19, the Group now expects a material reduction in revenue and profitability for the year ending 31 January 2021. The scale of the impact will be dependent on how the situation develops, together with the impact of any further measures taken by the UK Government to mitigate the disruption. This continues to be a matter monitored very closely by the Directors.

The Directors have reviewed the future viability and going concern position of the Group for the foreseeable future, based upon forecasts and anticipated cash flows extending for a period of at least 12 months from the reporting date of the financial statements on the going concern basis. The developing situation does however give rise to a material uncertainty, as defined in auditing and accounting standards, related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern and in such circumstances, it may therefore be unable to realise its assets and discharge its liabilities in the normal course of business.

Dividends
The Board is focussed on carefully navigating COVID-19 and reinvesting all its surplus cash into the business. As a result of this, in the short term, the Directors do not recommend a dividend payment to be distributed for the year ended 31 January 2020 (2019: £nil). However, the dividend policy will be kept under review.

Research and development
The Group invests in technology, including development of its ecommerce platforms. Where it is considered that an asset has been created which provides economic benefits extending to future financial periods, related costs are capitalised. The amount capitalised during the financial year is £501,000 (2019: £185,000). Further details on development of the ecommerce platforms are included in the strategic report.

Directors

The Directors who served on the Board and on Board committees during the year are:

Director	Position	Service in the year ended 31 January 2020
Martyn Page	Executive Chairman	Served throughout the year
Andy Torrance	Non-Executive Director	Appointed on 4 October 2019
Steven Crowe	Chief Financial Officer ('CFO')	Appointed on 2 January 2020
Darren Bailey	Chief Executive Officer ('CEO')	Served throughout the year
Paul Davies	Non-Executive Director	Served throughout the year
John (Ian) Hunter	Executive Director	Served throughout the year (stepped down on 31 January 2020)

Director profiles are included in the corporate governance report on pages 39 to 40. As per the Articles of Association, all Directors were re-elected at the 2018 AGM and shall retire at least once every three years.

With effect from 10 February 2020, Andy Torrance replaced Darren Bailey as the CEO and Darren Bailey was appointed a Non-Executive Director. Dilys Maltby was appointed a Non-Executive Director on 3 February 2020.

Directors' shareholdings

Details of the Directors' shareholdings are included in the corporate governance that follows the strategic report.

Substantial shareholdings

At 31 January 2020, the Group had been notified of the following shareholders whose investments amounted to more than 3% of the parent Company's ordinary share capital of 64,621,993 shares of 1 pence.

Shareholder	**Share-holding**	**% holding**
Mr M Page	11,385,000	17.62
Blackrock	9,235,883	14.29
Mr W Hill	9,223,000	14.27
Canaccord Genuity Wealth Management	6,496,075	10.05
Business Growth Fund	5,405,000	8.36
Gresham House Asset Management	5,318,000	8.23
Mr R Beaumont	3,375,000	5.22
OTUS Capital	2,577,923	3.99
Darren Bailey	2,530,000	3.92

Directors' remuneration

A full breakdown of the Directors' remuneration is provided in "Aggregate Directors' remuneration" section of the corporate governance on page 38.

Charitable and political donations

During the year ended 31 January 2020, the Group made political donations totalling £nil (2019: £nil) and charitable donations amounting to £34,000 (2019: £nil).

Health and safety

The objective of the Group's Health and Safety Policy is to protect the Group's stakeholders. The Board approves this policy. Further information on health and safety is provided within the "Principal risks and uncertainties" section of the strategic report.

Significant agreements

The Companies Act 2006 requires the Group to disclose any significant agreements which take effect, alter or terminate upon a change in control of the Group. The Group is not aware of, or party to, any such agreement.

Risk management

The risks to which the business is exposed are detailed in the "Principal risks and uncertainties" section of the strategic report.

Financial instruments
The Group's policy and exposure to financial instruments is explained in note 23 to the consolidated financial statements.

Employees
The Group is a committed equal opportunities employer and gives full and fair consideration to applications for employment, regardless of age, gender, colour, ethnicity, nationality, religious beliefs, transgender status or sexual orientation. Applications for employment by disabled persons are fully considered, bearing in mind the respective aptitudes and abilities of the applications concerned. All training, career development and promotion opportunities of a disabled person should, as far as possible, be identical to that of a person who does not have a disability.

The gender of the Group's employees as at 31 January 2020 was:

	Male	Female
Directors of the Group	5	-
Employees in other senior executive positions	3	1
Directors of subsidiary companies not included in above	1	-
Total senior managers other than Directors of the Group	4	1
Other employees of the Group	355	55

The Board takes into account employees' interests when making decisions, and suggestions from employees aimed at improving the Group's performance are welcomed. The Group has an Anti-bribery and Corruption Policy and Code of Conduct which explain the required levels of conduct and provide details on how employees may raise any concerns they have. Further details of engagement with employees is provided in the "Section 172 statement" of the strategic report.

Corporate responsibility
The Board monitors the significance of social, environmental, and ethical matters affecting the business of the Group on an on-going basis. The Group aims to positively engage with the local communities it serves and with stakeholders as appropriate. Further details of such activities which were carried out in the financial year are provided in the "Section 172 statement" of the strategic report.

Environment
The Board recognises that its activities can have an impact on the local environment. The Group's activities are carried out to achieve minimal environmental impact and recycle as much as it possibly can. The Group's impact on the environment is discussed further in the "Section 172 statement" of the strategic report.

Shareholders
The Board seeks to protect shareholders' interests and the Directors are always prepared, where practicable, to enter into dialogue with shareholders to promote a mutual understanding of the objectives of the Group. The Annual General Meeting provides the Board with an opportunity to meet and communicate with investors. Further details of the Group's engagement with its shareholders is provided in the corporate governance section on page 35 and in the "Section 172 statement" of the strategic report.

Qualifying third-party indemnity
The Group has provided an indemnity for the benefit of its current Directors which is a qualifying third-party indemnity provision for the purpose of the Companies Act 2006.

Suppliers
The Group recognises that the goodwill of its suppliers is important to its success and seeks to build and maintain this goodwill through fair dealings. The Group agrees terms of payment with suppliers at the start of business and then makes payments in accordance with contractual and other legal obligations. The Group has a prompt payment policy and seeks to settle all agreed liabilities within the agreed trading terms of its suppliers. The amount shown in the consolidated and Company statement of financial position in respect of trade payables at the end of the financial year represents 44 days of average daily purchases (2019: 56 days). Further details of the Group's engagement with its suppliers is provided in the "Section 172 statement" of the strategic report.

Angling Direct

Statement as to disclosure of information to auditor

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

A resolution for the reappointment of Price Bailey LLP Chartered Accountants & Statutory Auditors as auditor of the Group is to be proposed at the forthcoming Annual General Meeting.

This report is made in accordance with a resolution of Directors.

On behalf of the Directors

A Torrance
Executive Director and Chief Executive Officer

2nd June 2020

The Directors are responsible for preparing the annual report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under the AIM rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union (the 'EU') and IFRS Interpretations Committee interpretations (together 'EUIFRS') and applicable law and the parent Company financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice) ('FRS 101').

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 parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether the Group financial statements has been prepared in accordance with IFRSs as adopted by the European Union and the Company financial statements in accordance with FRS 101;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and parent Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report and a Directors' report that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We consider the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and parent Company's position and performance, business model and strategy.

Signed on behalf of the Board

M Page
Executive Chairman

2nd June 2020

Opinion

We have audited the financial statements of Angling Direct PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 January 2020 which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, the consolidated statement of cash flows, notes to the consolidated financial statements including a summary of significant accounting policies, the company statement of financial position, the company statement of changes in equity and notes to the company financial statements. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 January 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Material uncertainty relating to going concern

We draw attention to notes 3 and 34 to the consolidated financial statements which indicates the uncertainties in relation to the COVID-19 pandemic since the reporting date. As stated in note 3 these events or conditions, along with other matters as set out in note 3 and note 34, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Given the uncertainties noted above we considered going concern to be a key audit matter. In assessing going concern we have evaluated how the Directors' going concern assessment considered the impacts arising from COVID-19. This included assessing management's forecasts and underlying assumptions considering whether they were reasonable. In doing so we considered factors such as store closures, phased recoveries of sales, cost reductions, deferring planned investments together with the Group securing a short-term credit facility with its bankers. We also evaluated the adequacy and appropriateness of the Directors' disclosure in respect of going concern COVID-19 implications, in particular, post balance sheet events.

We found our results from the above and the disclosures in the financial statements in respect of the above to be appropriate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant addressed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: overall audit strategy, the allocation of resources in the audit, the directing of efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be key audit matters to be communicated in our report.

Revenue recognition

The Group handles a significant level of transactions on a daily basis within its various revenue streams. The risk is that income has failed to be recognised in the appropriate period and subsequently revenue has not been recognised in line with the accounting policy. Given that e-commerce sales are despatched, there is a cut-off risk surrounding these items and the point of recognition.

We focused on timing of revenue recognition in accordance with stated accounting policies and its subsequent presentation in the statement of profit or loss and other comprehensive income.

Our procedures included:

Detailed analytical procedures and depth testing on a sample of transactions ensuring they had been accounted for correctly and that revenue is compete.

Reviewing the systems and procedures implemented to ensure revenue is recognised in the appropriate accounting period, testing a sample of entries where necessary.

Testing that cut off has been applied correctly and that income and associated direct costs have been recorded in the same period and that adequate provisions have been made.

Our work did not identify any items that could not be substantiated.

Inventories

The Group holds material inventory given the nature of the trade. The main risks are ensuring that the inventory is held at the appropriate value given that new ranges of fishing equipment are brought out regularly which could impact the value of older ranges, and that the inventory system is working correctly ensuring that all inventory held is recognised within the inventory report and that the inventory report is up to date.

We focused on inventory valuation and recognition in accordance with stated accounting policies.

Our procedures included:

Attendance of inventory stock takes carrying out sample counts and observing procedures.

Testing to ensure inventories were carried at cost, further testing was also performed to ensure inventories were held at the lower of cost or net realisable value.

Testing to ensure cut off has been applied correctly.

Slow moving and obsolete inventory policies were reviewed and testing carried out to ensure that appropriate provisions have been made in the financial statements.

Our work did not identify any items that could not be substantiated.

Impairment of Goodwill

Goodwill is required to be assessed for impairment annually. There is a risk that the goodwill is subject to impairment.

Our procedures included:

As required under IAS36, "Impairment of Assets", we assessed management's methodology of impairment review and accounting policy as set out in note 11. We evaluated management's cashflow forecasts and the process by which they were drawn up. We assessed whether the cashflow forecast were prepared taking into consideration the appropriate group of cash generating units.

We considered the assumptions used by management including the discount rate and growth rates. We considered sensitivity analysis. We also reviewed the appropriateness and completeness of disclosure shown in the notes to the accounts.

Based on our procedures we agree with management that no impairment is required and the disclosure to be reasonable.

Our application of materiality

We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonably knowledgeable users that are taken on the basis of financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We based materiality on revenue of the Group and concluded materiality to be £450,000. We consider that revenue provides us with the most relevant performance measure to stakeholders of the entity given the stage of the Group's activity and growth.

We apply the concept of materiality both in the planning and performance of the audit, and in evaluating the effects of misstatements.

During the course of the audit we reassessed materiality from planning to reflect the final reported performance of the Group. There was no change made to our planning materiality.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment. We determined materiality and assessed the risk of material misstatement in the financial statements. In particular we looked at where the Directors had made subjective judgements within accounting estimates. We addressed the risk of management override of internal controls including whether there was evidence of bias by the Directors that represented a risk of material misstatements due to fraud.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters where 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 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 Group's and 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Cullen FCCA (Senior Statutory Auditor)
for and on behalf of Price Bailey LLP
Chartered Accountants & Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: ....

	Note	2020 £'000	Consolidated Restated 2019 £'000
Revenue from contracts with customers	6	53,181	42,004
Cost of sales of goods	8	(36,601)	(28,183)
Gross profit		16,580	13,821
Interest revenue calculated using the effective interest method		73	-
Expenses			
Administrative expenses		(14,747)	(11,293)
Distribution expenses		(3,061)	(2,691)
Finance costs	8	(325)	(229)
Loss before income tax benefit		(1,480)	(392)
Income tax benefit	10	170	21
Loss after income tax benefit for the year attributable to the owners of Angling Direct PLC		(1,310)	(371)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Angling Direct PLC		(1,310)	(371)
		Pence	**Pence**
Basic earnings per share	32	(2.03)	(0.76)
Diluted earnings per share	32	(2.03)	(0.76)

Refer to note 4 for detailed information on Restatement of comparatives - adoption of IFRS 16 'Leases'.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Angling Direct

	Note	2020 £'000	Restated 2019 £'000	Consolidated Restated 1 Feb 2018 £'000
Non-current assets				
Intangibles	11	6,216	4,848	4,644
Property, plant and equipment	12	5,593	3,432	2,112
Right-of-use assets	13	10,480	6,024	4,248
Total non-current assets		22,289	14,304	11,004
Current assets				
Inventories	14	13,453	9,348	6,815
Trade and other receivables	15	509	364	290
Income tax refund due		-	53	-
Prepayments		474	322	287
Cash and cash equivalents		5,978	13,541	749
Total current assets		20,414	23,628	8,141
Current liabilities				
Trade and other payables	16	6,430	4,682	5,518
Borrowings		-	-	850
Lease liabilities	17	1,182	811	559
Income tax		17	-	114
Total current liabilities		7,629	5,493	7,041
Net current assets		12,785	18,135	1,100
Total assets less current liabilities		35,074	32,439	12,104
Non-current liabilities				
Trade and other payables		-	-	7
Lease liabilities	17	9,334	5,280	3,845
Restoration provision	18	249	168	135
Total non-current liabilities		9,583	5,448	3,987
Net assets before deferred tax liability		25,491	26,991	8,117
Deferred tax	19	-	190	145
Net assets		25,491	26,801	7,972
Equity				
Share capital	20	646	646	430
Share premium	21	26,017	26,017	7,033
(Accumulated losses)/retained profits		(1,172)	138	509
Total equity		25,491	26,801	7,972

Refer to note 4 for detailed information on Restatement of comparatives - adoption of IFRS 16 'Leases'.

The financial statements of Angling Direct PLC (company number 05151321 (England and Wales)) were approved by the Board of Directors and authorised for issue on 2nd June 2020. They were signed on its behalf by:

A Torrance
Executive Director and Chief Executive Officer

2nd June 2020

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Share capital £'000	Share premium account £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2018	430	7,033	792	8,255
Adjustment for change in accounting policy (note 4)	-	-	(283)	(283)
Balance at 1 February 2018 - restated	430	7,033	509	7,972
Loss after income tax benefit for the year	-	-	(371)	(371)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(371)	(371)
Transactions with owners in their capacity as owners:				
Contributions of equity (note 20)	216	-	-	216
Share premium, net of transaction costs (note 21)	-	18,984	-	18,984
Balance at 31 January 2019	646	26,017	138	26,801

Refer to note 4 for detailed information on Restatement of comparatives - adoption of IFRS 16 'Leases'.

Consolidated	Share capital £'000	Share premium account £'000	Retained profits/ (accumulated losses) £'000	Total equity £'000
Balance at 1 February 2019	646	26,017	138	26,801
Loss after income tax benefit for the year	-	-	(1,310)	(1,310)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,310)	(1,310)
Balance at 31 January 2020	646	26,017	(1,172)	25,491

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2020 £'000	Restated 2019 £'000
Cash flows from operating activities			
Loss before income tax benefit for the year		(1,480)	(392)
Adjustments for:			
Depreciation and amortisation		1,887	1,082
Net movement in provisions		81	26
Interest received		(70)	-
Interest and other finance costs		325	229
		743	945
Change in operating assets and liabilities:			
Increase in trade and other receivables		(143)	(74)
Increase in inventories		(2,678)	(2,420)
Increase in prepayments		(152)	(35)
Increase in trade and other payables		1,552	293
Decrease in other provisions		(73)	-
		(751)	(1,291)
Interest received		70	-
Interest and other finance costs paid		(325)	(229)
Income taxes refunded		53	14
Income taxes paid		-	(114)
Net cash used in operating activities		(953)	(1,620)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	29	(2,475)	(1,393)
Payments for property, plant and equipment	12	(2,474)	(1,531)
Payments for intangibles	11	(501)	(185)
Net cash used in investing activities		(5,450)	(3,109)
Cash flows from financing activities			
Proceeds from issue of shares		-	20,000
Share issue transaction costs		-	(800)
Repayment of borrowings	31	-	(850)
Repayment of lease liabilities	31	(1,160)	(829)
Net cash from/(used in) financing activities		(1,160)	17,521
Net increase/(decrease) in cash and cash equivalents		(7,563)	12,792
Cash and cash equivalents at the beginning of the financial year		13,541	749
Cash and cash equivalents at the end of the financial year		5,978	13,541

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Angling Direct PLC as a Group consisting of Angling Direct PLC ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (collectively referred to in these financial statements as the 'Group'). The financial statements are presented in British Pound Sterling ('GBP'), which is Angling Direct PLC's functional and presentation currency.

Angling Direct PLC is a listed public company limited by shares, incorporated and domiciled in England and Wales within the United Kingdom. Its registered office and principal place of business is:

2d Wendover Road,
Rackheath Industrial Estate
Rackheath
Norwich, Norfolk
NR13 6LH

A description of the nature of the Group's operations and its principal activities are included in the Directors' report which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 2nd June 2020. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

The following new and revised Standards and Interpretations are relevant to the Company but not yet effective for the year commencing 1 February 2019 and have not been applied in preparing these financial statements:
- IAS 1 Presentation of Financial Statements – classification of liabilities as current and non-current.
- IAS 1 and IAS 8 Accounting Policies – definition of materiality.

The following Accounting Standards and Interpretations are most relevant to the Group:

IFRS 16 Leases
The Group has adopted IFRS 16 from 1 February 2018. The standard replaces IAS 17 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under IFRS 16 will be higher when compared to lease expenses under IAS 17. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. The impact on the financial performance and position of the Group from the adoption of this Accounting Standard is detailed in note 4.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS' or 'IFRSs') as adopted for use in the European Union (the 'EU') and IFRS Interpretations Committee interpretations (together 'EUIFRS') and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, derivative financial instruments.

Note 2. Significant accounting policies (continued)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Restatement of comparatives
Following a review of the Company's 2019 Annual report by the Directors subsequent to the receipt of a letter from the Financial Reporting Council ('FRC'), the 2019 consolidated cash flow statement has been restated to classify payments for the purchase of businesses as investing activities and to exclude from the cashflow statement new finance leases that were non-cash transactions.

The impact of this restatement was to improve net cash from operating activities by £1,243,000, increase the cash outflow from investing by £827,000, and reduce net cash inflow from financing by £416,000. The 2019 consolidated cash flow has then had further restatement in respect of the accounting policy change to retrospectively adopt IFRS 16 for the 2019 comparatives.

In addition, the review has resulted in enhanced disclosure for the 2019 comparatives within the notes to the financial statements of software capitalisation within intangible assets and the presentation of the income tax benefit note.

At the date of this Annual report, the Company continues to engage with the FRC in response to the other matters raised.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Angling Direct PLC as at 31 January 2020 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Pound sterling, which is Angling Direct PLC's functional and presentation currency.

Note 2. Significant accounting policies (continued)

Foreign currency transactions
Foreign currency transactions are translated into Pound sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Pound sterling using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Pound sterling using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods promised.

Sale of goods
The Group's revenue mainly comprises the sale of fishing equipment in store and online (e-commerce). Revenue is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery and the time when the performance obligation of the Group has been satisfied.

It is the Group's policy to sell its products to the customer with a right of return within 30 days. Accumulated experience is used to estimate and provide for such returns at the time of sale.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 2. Significant accounting policies (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 60 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories
Finished goods are stated at the lower of cost and net realisable value on a 'weighted average cost' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings improvements	10% on reducing balance
Plant and equipment	10% on cost
Motor vehicles	10% on cost
Computer equipment	33% on cost

Note 2. Significant accounting policies (continued)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life between 3 to 5 years.

Impairment of non-financial assets
Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 2. Significant accounting policies (continued)

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Restoration provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises which is reviewed at each reporting date. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Employee benefits

The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to the Statement of profit or loss and other comprehensive income.

Share-based payments
Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 2. Significant accounting policies (continued)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Share capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 2. Significant accounting policies (continued)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Angling Direct PLC, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Value-Added Tax ('VAT') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Rounding of amounts
Amounts in this report have been rounded off to the nearest thousand pounds, or in certain cases, the nearest pound.

Comparatives
Certain comparatives in the statement of profit or loss and other comprehensive income and statement of financial position have been reclassified, where necessary, to be consistent with current year presentation.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 January 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

IASB new Conceptual Framework for Financial Reporting
The new framework is applicable for annual reporting periods beginning on or after 1 January 2020 and the application of the new definition and recognition criteria may result in future amendments to several accounting standards. Furthermore, entities who rely on the conceptual framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under IFRS may need to revisit such policies. The Group will apply the revised conceptual framework from 1 February 2020 and is yet to assess its impact.

Note 3. Significant accounting judgements and sources of estimation uncertainty

In preparing these consolidated financial statements, Management is required to make judgements, estimates and assumptions concerning the future that affect the application of accounting policies and carrying amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are reviewed on an ongoing basis.

Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available. Judgements cover situations where Management has had to exercise judgement in situations where a different judgement might have led to a different accounting treatment.

Note 3. Significant accounting judgements and sources of estimation uncertainty (continued)

The most critical accounting policies in determining the financial condition and results of the Group are those requiring the greatest degree of subjective or complex judgements and estimation. During the year, Management reassessed the critical estimates and critical judgements which has resulted in the obsolescence of inventory no longer being considered critical and additional areas being added to this disclosure.

The judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are discussed below.

Critical accounting judgements:
Critical judgements, apart from those involving estimations, that are applied in the preparation of the consolidated financial statements are discussed below:

Going concern including liquidity
In the light of the rapidly escalating COVID-19 pandemic, Management has considered whether any adjustments are required to reported amounts in the financial statements. As at the 31 January 2020 reporting date, no global pandemic had been declared. Subsequent to the reporting date, all of the Group's stores closed following Government policy to limit social interaction. Based upon current Government guidance it is assumed that stores will re-open on 15 June 2020. The Group's webstores, however, have continued to trade and the distribution centre remained open, with encouraging levels of trade in both the UK and international markets. The Group continues to adopt the going concern basis in preparing these financial statements.

In making this judgement, as set out on page 41 of the Directors' report the Directors have reviewed the future viability and going concern position of the Group for the foreseeable future. Generally, the Group's business activities and the factors likely to affect its future development, performance and position are set out in the strategic report on page 12. The financial position of the Group and its cash flows are described in the "Chief Financial Officer's statement" on page 19. In addition, the Group's policies and processes with respect to risk management can been seen in the "Principal risks and uncertainties" section on page 26 and the "Risk management and internal controls" in the corporate governance section on page 36.

The developing situation with respect to COVID-19 does give rise to a material uncertainty around going concern, however Management are satisfied that the mitigating factors are sufficient to address severe but plausible downside scenarios and support the going concern judgement. The Directors have prepared cash flow forecasts for a period of 12 months from the reporting date which cover various scenarios. The base scenario assumes stores will remain closed until the end of May 2020, with in store sales recovering on a staggered basis from 1 June 2020, reflecting consumer confidence and availability of the Group's products. Online sales continue at close to forecast levels in this scenario, which is reflective of the performance for the year ending 31 January 2021, so far as previously announced. The severe but plausible downside scenarios consider scenarios such as stores continuing to be closed until July 2020 and recovery to usual sales levels later in the year. Mitigating actions have also been considered in these forecasts such as utilising reliefs extended by the government, curtailing or deferring other expenditure and putting planned investments on hold.

In terms of mitigating actions with respect to the COVID-19 pandemic and liquidity, the Group has moved swiftly to preserve capital and improve cash flow. This includes taking steps to reduce costs and as announced on the 24 March 2020, the Group secured a short term £2.5m credit facility from NatWest with an expiry date of September 2020. This will be used to help manage working capital if required during this period of disruption. The Group has also welcomed the recent measures introduced by the UK Government to protect businesses and employees. The Board has taken the decision to use the reliefs extended, including furloughing employees, to reduce cash outflows and provide the Group with additional liquidity during this uncertain trading period.

One operating segment
Management has assessed the operations of the Group across retail stores and online and across different countries and determined that at this stage of the Groups development they share similar economic characteristics, products, customers and supply chain operations. The Group's Chief Operating Decision Maker ('CODM') has been identified as the Board of Directors. Management has therefore made a judgement that the Group is considered to be one operating segment in line with the way the Group is managed and assessed by the CODM.

Note 3. Significant accounting judgements and sources of estimation uncertainty (continued)

Impairment of goodwill – assessed on one cash generating unit
Upon assessing impairment of goodwill judgement is involved in determining the cash generating unit ('CGU') for allocation of the goodwill. Goodwill is allocated and tested for impairment considering the total Group as one CGU. This is because the Group is the level at which management monitors goodwill.

Leases – discount rate
Under IFRS 16, the Group recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. Management have made a judgement to use a portfolio approach when estimating an incremental borrowing rate.

As a result of the significant impact the transition to IFRS 16 has had on the Group's statement of financial position (£10.5m right-of-use asset and £10.5m lease liability recognised as at 31 January 2020), the portfolio approach to estimating the incremental borrowing rate is considered to be a significant judgement.

The incremental borrowing rate is determined on a portfolio basis, the most significant portfolio being the leases of the retail stores. Judgement has been used to determine that a portfolio basis is appropriate considering the similar risk profile of the stores across the various locations in the UK. As the Group has not had any significant borrowings in recent years, judgement was also applied to determine the incremental borrowing rate to be used. A rate of 4% has been determined which is based on external benchmarking and consideration of the Groups historical and anticipated borrowings. If the discount rate was to be increased to 5% the lease liability would decrease by £0.5m as at 31 January 2020.

Refer to note 13 for additional disclosures relating to leases held by the Group.

Key sources of estimation uncertainty:
The key assumptions about the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are detailed below.

Lease term
Under IFRS 16, the Group recognises a right-of-use asset for its retail stores, many of which are new leases during the financial year. A level of estimating is involved in determining the likelihood of exercising break or extension options included within the leases when determining the lease term. Break and extension options are included to provide operational flexibility should the economic outlook for an asset be different to expectations and are especially key when considering the short maturity of the Groups retail store portfolio. As a result, Management have made an estimate that at commencement of the lease, break or extension options are not typically considered reasonably certain to be exercised when determining the lease term, unless there is a valid business reason otherwise. Instead as the lease approaches maturity the estimate of term considering the extension and break options will be considered at the point where Management are able to make a reasonable estimate.

Refer to note 13 for additional disclosures relating to leases held by the Group.

Impairment of goodwill
Determining whether goodwill and other intangibles are impaired requires an estimation of the value in use of the CGU to which goodwill and other intangible assets have been allocated. The value in use calculation requires estimation of future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

The goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value in accordance with the accounting policy stated in note 2.

Note 3. Significant accounting judgements and sources of estimation uncertainty (continued)

Goodwill acquired through business combinations has been allocated to the Group as a whole as a CGU. Judgement is required as to whether E-commerce sales (and associated costs) could be attributable to stores for the purposes of impairment testing when calculating the value in use of acquired goodwill. Whilst management believes that a proportion of E-commerce sales could be attributed to stores, the basis of attribution was difficult to determine due to the interdependency of E-commerce and in-store sales and insufficient evidence to reliably estimate this. For this reason, the CGU for goodwill is deemed to be the cashflows of the entire Angling Direct Group. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using pre-tax budgeted EBITDA projections based on the Group's internal forecasts for one year, extrapolated to five years.

Further detail on the key assumptions used in the value-in-use calculation and sensitivity analysis is included in note 11.

Impairment of property, plant and equipment and right-of-use assets
As part of the Group's continuous review of the performance of their property, plant and equipment and right-of-use assets, management identifies if any indicators of impairment are present by reviewing budgeted performance by store. Where there are indicators of impairment, management performs an impairment test. The Group treats each store as a separate CGU for impairment testing of property, plant and equipment and right-of-use assets. Recoverable amounts for CGUs are the higher of fair value less cost of disposal, and value-in-use. Value-in-use is calculated using the discounted cash flow method based on internal EBITDA projections and estimated long-term growth rates to the end of the estimated lease term (refer to lease term estimate above). This discount rate used in this calculation was the Group's Weighted Average Cost of Capital ('WACC') of 10.6%. Fair value is determined with the assistance of independent professional valuers where appropriate.

The key estimates and sensitivities are disclosed further in note 13.

Inventory provisions
Two types of inventory provisions have been considered to determine whether they contain significant estimation; an inventory existence and completeness provision ("shrink provision") and an inventory valuation provision ("obsolescence provision") that was previously highlighted as containing significant estimates in the prior year.

Upon review, Management has determined that the estimates of inventory obsolescence do not involve assumptions or uncertainties about the future that have a significant risk of resulting in a material adjustment to the carrying amount of inventory within the next year. There are two key reasons for this:

- the flexibility and transparency that the Group's ERP system, Epicor, enables us to evaluate, at an inventory line level, holding, ageing and valuation of inventory. Management regularly reviews the net realisable value of inventory held; and
- a key control as part of Epicor and the review is that prices, which are set centrally, are not set below cost in the system.

Therefore, the carrying value of inventory is not considered a significant estimate as at 31 January 2020.

In terms of inventory existence and completeness, a shrink provision is recorded, £34,000 as at 31 January 2020 (2019: £nil) which includes estimates of the level of inventory that may not exist as at the reporting date due to theft, damage, loss or booking in errors. The Group operates a continuous rolling inventory count system where all inventory is counted at least four times a year, the provision recorded is in relation to the inventory that has not been physically counted at the reporting date. Store managers also have regular internal audits on the accuracy of these checks. Historical information based on the results of these checks has been used to estimate an average inventory shrinkage cost to inventory holding value that is applied as at the reporting date to determine an appropriate provision to be held that captures the risk of inventory existence being overstated or inventory not being complete. Although the provision itself is not considered material as at the 31 January 2020, estimation uncertainty is considered significant due to the levels of inventory held by the Group throughout the period, the recent changes to inventory management processes and the maturity of the new stores in the year. As a result the estimates in this provision are reviewed by Management on a regular basis.

Useful lives of depreciable assets
Estimates have been made in respect of useful economic lives of property, plant and equipment and intangibles, which determine the amount of depreciation and amortisation charged in profit or loss. Uncertainties in these estimates relate to the technological obsolescence that may change the utility of software, plant and machinery and computer equipment and could result in a material change to the amount of depreciation and amortisation recognised. These estimates are reviewed annually at the reporting date based on the expected utility of the assets.

Note 3. Significant accounting judgements and sources of estimation uncertainty (continued)

Further detail on useful life estimates is included in the accounting policy note 2.

Note 4. Restatement of comparatives

Adoption of IFRS 16 'Leases'
The Group has adopted IFRS 16 'Leases' from 1 February 2019, using the full retrospective approach to restatement. The restatement to comparatives of the statement of profit or loss and other comprehensive income for the year ended 31 January 2019 and the statement of financial position as at 31 January 2019 and as 1 February 2018 is as follows:

- Additional lease liabilities of £5,649,000 were recognised (current £691,000 and non-current £4,958,000) (discounted based on the weighted average incremental borrowing rate of 4%) as at 31 January 2019 (1 February 2018: £4,312,000; current £521,000 and non-current £3,791,000);
- Right-of-use assets of £5,465,000 were recognised as at 31 January 2019 (1 February 2018: £4,146,000);
- Right-of-use assets of £559,000 were reclassified from property, plant and equipment corresponding to the finance leases previously recognised in the Statement of financial position as at 31 January 2019 (1 February 2018: £102,000);
- Depreciation of £702,000 was recognised against the right-of-use assets as at 31 January 2019 (1 February 2018: £1,638,000);
- Lease payments of £774,000 (1 February 2018: £1,893,000) were reclassified from other expenses to principal repayments of lease liabilities and finance costs of £198,000 (1 February 2018: £596,000);
- Restoration provision of £168,000 was recognised against the right-of-use assets as at 31 January 2019 (1 February 2018: £135,000) and a restoration expense of £6,000 was recognised as at 31 January 2019 (1 February 2018: £13,000);
- Prepayment of £75,000 was recognised (credited) against the right-of-use assets as at 31 January 2019 (1 February 2018: £40,000);
- Deferred tax liability decreased by £22,000 as at 31 January 2019 (as a result of the net tax effect on right-of-use assets and lease liabilities) (1 February 2018: £58,000);
- Finance lease liabilities of £120,000 (current) and £322,000 (non-current) were reclassified from borrowings to lease liabilities as at 31 January 2019 (1 February 2018: £38,000 (current) and £54,000 (non-current); and
- The overall impact on total equity as at 31 January 2019 was a decrease of £387,000 comprising of a reduction to opening retained profits of £283,000 as at 1 February 2018 and prior period profit reduction of £104,000.

Statement of profit or loss and other comprehensive income

Extract	2019 £'000 Reported	£'000 Adjustment	Consolidated Restated 2019 £'000 Restated
Expenses			
Administrative expenses	(11,365)	72	(11,293)
Finance costs	(31)	(198)	(229)
Loss before income tax (expense)/benefit	(266)	(126)	(392)
Income tax (expense)/benefit	(1)	22	21
Loss after income tax benefit for the year attributable to the owners of Angling Direct PLC	(267)	(104)	(371)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year attributable to the owners of Angling Direct PLC	(267)	(104)	(371)

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Note 4. Restatement of comparatives - adoption of IFRS 16 'Leases' (continued)

	Pence Reported	Pence Adjustment	Pence Restated
Basic earnings per share	(0.55)	(0.21)	(0.76)
Diluted earnings per share	(0.55)	(0.21)	(0.76)

Statement of financial position at the beginning of the earliest comparative period

Extract	1 Feb 2018 £'000 Reported	£'000 Adjustment	Consolidated 1 Feb 2018 £'000 Restated
Non-current assets			
Intangibles	4,564	80	4,644
Property, plant and equipment	2,294	(182)	2,112
Right-of-use assets	-	4,248	4,248
Total non-current assets	6,858	4,146	11,004
Current assets			
Prepayments	327	(40)	287
Total current assets	8,181	(40)	8,141
Current liabilities			
Lease liabilities	38	521	559
Total current liabilities	6,520	521	7,041
Net current assets	1,661	(561)	1,100
Total assets less current liabilities	8,519	3,585	12,104
Non-current liabilities			
Lease liabilities	54	3,791	3,845
Restoration provision	-	135	135
Total non-current liabilities	61	3,926	3,987
Net assets before deferred tax liability	8,458	(341)	8,117
Deferred tax	203	(58)	145
Net assets	8,255	(283)	7,972
Equity			
Retained profits	792	(283)	509
Total equity	8,255	(283)	7,972

In addition to the adoption of IFRS 16, during the year certain property, plant and equipment was reclassified from computer equipment into software in intangible assets. £80,000 as at 1 February 2018 have been reclassified accordingly.

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Note 4. Restatement of comparatives - adoption of IFRS 16 'Leases' (continued)

Statement of financial position at the end of the earliest comparative period

Extract	2019 £'000 Reported	£'000 Adjustment	Consolidated Restated 2019 £'000 Restated
Non-current assets			
Intangibles	4,614	234	4,848
Property, plant and equipment	4,225	(793)	3,432
Right-of-use assets	-	6,024	6,024
Total non-current assets	8,839	5,465	14,304
Current assets			
Prepayments	437	(115)	322
Total current assets	23,743	(115)	23,628
Current liabilities			
Lease liabilities	120	691	811
Total current liabilities	4,802	691	5,493
Net current assets	18,941	(806)	18,135
Total assets less current liabilities	27,780	4,659	32,439
Non-current liabilities			
Lease liabilities	322	4,958	5,280
Restoration provision	-	168	168
Total non-current liabilities	322	5,126	5,448
Net assets before deferred tax liability	27,458	(467)	26,991
Deferred tax	270	(80)	190
Net assets	27,188	(387)	26,801
Equity			
Retained profits	525	(387)	138
Total equity	27,188	(387)	26,801

In addition to the adoption of IFRS 16, during the year certain property, plant and equipment was reclassified from computer equipment into software in intangible assets. £234,000 as at 31 January 2019 have been reclassified accordingly.

A revaluation reserve of £86,000 has been included within retained profits following a classification error in the 2019 financial statements.

Note 5. Operating segments

Identification of reportable operating segments
The Group operates in one segment being the retail of fishing tackle under the single brand of Angling Direct. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The operating segment information is the same information as provided throughout the consolidated financial statements and is therefore not duplicated.

The information reported to the CODM is on a monthly basis.

Revenue by geographical area has been disclosed in note 6.

Note 6. Revenue from contracts with customers

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	2020 £'000	2019 £'000
Route to market		
Retail store sales	27,890	19,738
E-commerce	25,291	22,266
	53,181	42,004
Geographical regions		
United Kingdom	48,164	37,342
Other countries	5,017	4,662
	53,181	42,004
Timing of revenue recognition		
Goods transferred at a point in time	53,181	42,004

Note 7. EBITDA reconciliation (earnings before interest, taxation, depreciation and amortisation)

	2020 £'000	Consolidated Restated 2019 £'000
EBITDA reconciliation		
Loss before income tax expense post IFRS 16	(1,480)	(392)
Less: Interest income	(73)	-
Add: Interest expense	325	229
Add: Depreciation and amortisation	1,887	1,082
Add: Other expenses (note 8)	-	188
EBITDA post IFRS 16	659	1,107
Less: rental costs	(1,123)	(774)
EBITDA pre IFRS 16	(464)	333

Note 7. EBITDA reconciliation (earnings before interest, taxation, depreciation and amortisation) (continued)

The financial statements include both the statutory financial statements and additional performance measures of EBITDA post and pre IFRS 16. The Directors believe these additional measures provide useful information on the underlying trend in operational performance going forward without IFRS 16 adjustments.

Note 8. Expenses

		Consolidated
		Restated
	2020	2019
	£'000	£'000
Loss before income tax includes the following specific expenses:		
Cost of sales		
Cost of inventories as included in 'cost of sales'	36,601	28,183
Depreciation		
Land and buildings improvements	22	27
Plant and equipment	447	202
Motor vehicles	2	1
Computer equipment	148	81
Land and buildings right-of-use assets	1,002	670
Plant and equipment right-of-use assets	56	32
Motor vehicles right-of-use assets	65	32
Computer equipment right-of-use assets	6	6
Total depreciation	1,748	1,051
Amortisation		
Software	139	31
Total depreciation and amortisation *	1,887	1,082
Finance costs		
Interest and finance charges paid/payable on borrowings	-	20
Interest and finance charges paid/payable on lease liabilities	325	209
Finance costs expensed	325	229
Net foreign exchange loss		
Net foreign exchange loss	25	4
Leases		
Short-term lease payments	35	39
Low-value assets lease payments	18	19
	53	58
Other expenses **	-	188

* Depreciation and amortisation expense is included within "administrative expenses" in the Statement of profit or loss and other comprehensive income.

** The other expenses included within administrative expenses in the Statement of profit or loss and other comprehensive income are composed of the following:

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Note 8. Expenses (continued)

- £79,000 share raise expenses when the Group raised further investment from Alternative Investment Market ('AIM'); and
- £109,000 reorganisation expense when the subsidiary of Fosters Fishing Limited ('FFL') was hived up to Angling Direct PLC and fully reorganised to change brand from FFL to the Company.

Note 9. Staff costs

	Consolidated	
	2020 £'000	2019 £'000
Aggregate remuneration:		
Wages and salaries	7,557	5,812
Social security costs	602	471
Other pension costs	183	92
Total staff costs	8,342	6,375

The average number of employees during the year was as follows:

	Consolidated	
	2020	2019
Stores	228	165
Warehouse	54	36
Administration	43	52
Marketing	19	10
IT and web	12	8
Management	8	12
Other	5	5
Average number of employees	369	288

Staff costs above include Directors' salaries, social security costs and other pension costs. Directors' remuneration is detailed in the Remuneration report which forms part of these financial statements.

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Note 10. Income tax benefit

	Consolidated 2020 £'000	Consolidated Restated 2019 £'000
Income tax benefit		
Deferred tax - origination and reversal of temporary differences (note 19)	(190)	45
Current tax adjustment recognised for prior periods	20	(66)
Aggregate income tax benefit	(170)	(21)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(1,480)	(392)
Tax at the statutory tax rate of 19%	(281)	(74)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non qualifying depreciation	18	-
Expenses not deductible for tax purposes	54	40
2017 research and development ('R&D') claim *	-	(13)
Deferred tax rate change	(1)	-
IFRS 16 adjustment	-	2
	(210)	(45)
Current year temporary differences not recognised	20	24
Adjustment recognised for prior periods	20	-
Income tax benefit	(170)	(21)

	Consolidated 2020 £'000	Consolidated Restated 2019 £'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	241	125
Potential tax benefit @ 17%	41	21

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. The remaining 2019 prior year amount of £53,000 represents 2019 tax losses within the Group carried back against 2018 profits upon which taxation had been paid.

* The 2017 R&D taxation claim resulted in a repayment to the Group in 2019, no debtor in respect of this claim had been recognised at the 2018 reporting date.

Note 11. Intangibles

	Consolidated 2020 £'000	Restated 2019 £'000
Non-current assets		
Goodwill - at cost	5,802	4,796
Less: Impairment	(182)	(182)
	5,620	4,614
Software - at cost	766	265
Less: Accumulated amortisation	(170)	(31)
	596	234
	6,216	4,848

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill £'000	Software £'000	Total £'000
Balance at 1 February 2018	4,564	80	4,644
Additions	-	185	185
Additions through business combinations	50	-	50
Amortisation expense	-	(31)	(31)
Balance at 31 January 2019	4,614	234	4,848
Additions	-	501	501
Additions through business combinations (note 29)	1,006	-	1,006
Amortisation expense	-	(139)	(139)
Balance at 31 January 2020	5,620	596	6,216

Impairment testing
Goodwill is allocated to the Group's cash-generating unit ('CGU').

The Directors consider Angling Direct PLC to represent a singular cash-generating unit as the cashflows of the assets of goodwill are not independent of other cashflows of the Group.

The recoverable amount of the CGU was determined based on a value-in-use calculation. Cash flow projections used in the value-in-use calculation were based on financial budgets approved by management covering a one year period with extrapolation to year five using estimated growth rates stated below. Cash flows beyond five years are based on an estimated long term average growth rate of 1%.

Management determined budgeted gross margins based on expectations of market developments. The growth rates used were based on consumer price index ('CPI') plus a margin. The discount rates used were pre-tax and reflected specific risks relating to the CGUs.

Key assumptions used for value-in -use calculations:

	2020 %	2019 %
Budgeted gross margin	33.4%	33.0%
Five year compound revenue growth rate	8.9%	8.5%
Pre-tax discount rate	10.6%	10.6%

Note 11. Intangibles (continued)

Based on the assessment, no impairment charge is required. Management have performed a number of sensitivity tests on the above rates and note that there are no impairment indicators arising from this analysis. The recoverable amount exceeded the carrying amount by £13,897,000.

Sensitivity

As disclosed in note 3, the Directors have made judgements and estimates in respect of testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. Sensitivity analysis has been performed on the value-in-use calculations. Holding all other variables constant, the following represents the effect of reasonably possible changes in key assumptions.

(i) the application of a 1.0% increase in discount rate from 10.6% to 11.6% would not result in impairment.
(ii) reducing the five year compound revenue growth rate from 8.9% to 7.2% would not result in impairment.

Note 12. Property, plant and equipment

	Consolidated	
		Restated
	2020	2019
	£'000	£'000
Non-current assets		
Land and buildings improvements - at cost	1,002	1,002
Less: Accumulated depreciation	(269)	(247)
	733	755
Plant and equipment - at cost	5,286	2,796
Less: Accumulated depreciation	(1,012)	(565)
	4,274	2,231
Motor vehicles - at cost	15	15
Less: Accumulated depreciation	(5)	(3)
	10	12
Computer equipment - at cost	1,062	772
Less: Accumulated depreciation	(486)	(338)
	576	434
	5,593	3,432

Angling Direct

Note 12. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings improvements £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2018	775	924	13	400	2,112
Additions	7	1,509	-	115	1,631
Depreciation expense	(27)	(202)	(1)	(81)	(311)
Balance at 31 January 2019	755	2,231	12	434	3,432
Additions	-	2,325	-	290	2,615
Additions through business combinations (note 29)	-	165	-	-	165
Depreciation expense	(22)	(447)	(2)	(148)	(619)
Balance at 31 January 2020	733	4,274	10	576	5,593

Note 13. Right-of-use assets

	Consolidated 2020 £'000	Consolidated Restated 2019 £'000
Non-current assets		
Land and buildings - right-of-use	13,144	7,683
Less: Accumulated depreciation	(3,300)	(2,298)
	9,844	5,385
Plant and equipment - right-of-use	575	575
Less: Accumulated depreciation	(109)	(53)
	466	522
Motor vehicles - right-of-use	246	122
Less: Accumulated depreciation	(107)	(42)
	139	80
Computer equipment - right-of-use	59	59
Less: Accumulated depreciation	(28)	(22)
	31	37
	10,480	6,024

The Group leases land and buildings for its offices, warehouses and retail outlets under agreements of between two to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases motor vehicles under agreements of three years, plant equipment under agreements of five years, and computer equipment under agreements of four years.

The Group leases office equipment under agreements of less than two years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Details of leasing liabilities are included within note 17.

Note 13. Right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2018	4,114	59	32	43	4,248
Additions	1,941	495	80	-	2,516
Depreciation expense	(670)	(32)	(32)	(6)	(740)
Balance at 31 January 2019	5,385	522	80	37	6,024
Additions	3,881	-	124	-	4,005
Additions through business combinations (note 29)	1,580	-	-	-	1,580
Depreciation expense	(1,002)	(56)	(65)	(6)	(1,129)
Balance at 31 January 2020	9,844	466	139	31	10,480

Impairment testing
Property plant and equipment and right-of-use assets ('ROU') are allocated to each individual cash-generating unit, for which the Directors consider to be each individual store.

Each CGU is reviewed for indicators of impairment through current and budgeted trading performance. Where indicators of impairment existed a recoverable amount of the CGU was determined based on a value in use calculation. Cash flow projections used in the value in use calculation were based on financial budgets approved by management covering a one year period extrapolated to year 5 or the end of the lease to which the ROU related.

Cash flows to evaluate value in use included the lease rentals in respect of the associated ROU assets and the recoverable amount was reviewed against the carrying value of the property, plant and equipment and net book value of the ROU asset net of the remaining lease liability.

Two stores were identified with impairment indicators as at 31 January 2020 (2019: nil).

Key assumptions used in the value-in-use calculations:

	2020 %
Compound revenue growth rate	8.90%
Pre-tax discount rate	10.60%

Based on the assessment, no impairment charge is required. Management have performed a number of sensitivity tests on the above rates and note there are no impairment indicators arising from this analysis. The recoverable amounts exceeded the carrying amount by £44,000.

Sensitivity
As disclosed in note 3, the Directors have made judgments and estimates in respect of testing of property, plant and equipment and ROU. Should these judgements and estimates not occur the resulting property, plant and equipment and ROU may decrease. Sensitivity analysis has been performed on the value-in-use calculations. Holding all other variables constant, the following represents the effect of reasonably possible changes in key assumptions.

(i) the application of a 1.0% increase in discount rate from 10.6% to 11.6% would not result in impairment.
(ii) reducing the compound revenue growth rate from 8.9% to 8.2% would not result in impairment.

Note 14. Inventories

	Consolidated 2020 £'000	2019 £'000
Current assets		
Finished goods - at cost	13,453	9,348

Note 15. Trade and other receivables

	Consolidated 2020 £'000	2019 £'000
Current assets		
Trade receivables	178	59
Other receivables	331	305
	509	364

Note 16. Trade and other payables

	Consolidated 2020 £'000	2019 £'000
Current liabilities		
Trade payables	4,824	3,406
Accrued expenses	725	461
Social security and other taxes	345	678
Contingent consideration *	50	-
Other payables	486	137
	6,430	4,682

Refer to note 23 for further information on financial instruments.

* Refer to note 29 for further information on business combinations. Contingent consideration is subject to a six month payment profile and is subject to adjustment for final values of stock levels at completion. No fair value adjustment has been recognised at the year end in respect of this balance which is payable in the financial year 2021. The maximum amount payable is £50,000.

Note 17. Lease liabilities

	Consolidated 2020 £'000	Restated 2019 £'000
Current liabilities		
Lease liability	1,182	811
Non-current liabilities		
Lease liability	9,334	5,280
	10,516	6,091

Refer to note 23 for further information on financial instruments. Details of finance costs are included within note 8.

Note 18. Restoration provision

	Consolidated 2020 £'000	Restated 2019 £'000
Non-current liabilities		
Restoration provision	249	168

Restoration
The provision represents the present value of the estimated costs for future restoration of the premises leased by the Group at the end of the respective lease terms. The provision therefore includes estimates associated with the timing of future closures of premises and the costs of restoration prior to return to the lessor. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at each reporting date. The discount rate applied to future cash outflows is 4%.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2020	Restoration provision £'000
Carrying amount at the start of the year	168
Additional provisions recognised	81
Carrying amount at the end of the year	249

Note 19. Deferred tax

	Consolidated 2020 £'000	Restated 2019 £'000
Non-current liabilities		
Deferred tax liability comprises temporary differences attributable to:		
Property, plant and equipment	-	212
IFRS 16 transitional adjustment	-	(22)
Deferred tax liability	-	190
Movements:		
Opening balance	190	145
Charged/(credited) to profit or loss (note 10)	(190)	67
IFRS 16 transitional adjustment	-	(22)
Closing balance	-	190

Note 20. Share capital

	2020 Shares	2019 Shares	Consolidated 2020 £'000	2019 £'000
Ordinary shares of £0.01 each - fully paid	64,621,993	64,621,993	646	646

Note 20. Share capital (continued)

Movements in ordinary share capital

Details	Date	Shares	£'000
Balance	1 February 2018	42,999,993	430
Issued during the year	9 November 2018	21,622,000	216
Balance	31 January 2019	64,621,993	646
Balance	31 January 2020	64,621,993	646

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

Note 21. Share premium

	Consolidated 2020 £'000	2019 £'000
Share premium account	26,017	26,017

Movements in share premium account

Detail	Date	£'000
Balance	1 February 2018	7,033
Issued during the year	9 November 2018	18,984
Balance 31 January 2019		26,017
Balance	31 January 2020	26,017

The share premium account is used to recognise the difference between the issued share capital at nominal value and the capital received, net of transaction costs. There were no movements in share premium in the current year.

Note 22. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 23. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not currently use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange and other price risks, and ageing analysis for credit.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's sales are denominated in British Pounds Sterling ('GBP'), however, the Group sources some of its products from outside the UK where the principal currency of purchase is United States Dollars ('USD'). This may give rise to an exposure to exchange rates between the USD and GBP. This is regularly monitored and the Company may use forward contracts to fix exchange rates for future purchases to mitigate the risk against currency fluctuations.

The carrying amount of the Group's foreign currency denominated financial assets at the reporting date were as follows:

		Assets		Liabilities
Consolidated	**2020 £'000**	**2019 £'000**	**2020 £'000**	**2019 £'000**
US dollars	33	14	-	-
Euros	173	4	-	-
	206	18	-	-

The Group had net assets denominated in foreign currencies of £206,000 as at 31 January 2020 (2019: £18,000). Based on this exposure, had the Pound sterling weakened by 10%/strengthened by 10% (2019: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the Group's loss before tax for the year would have been £21,000 lower/£21,000 higher (2019: £2,000 lower/£2,000 higher) and equity would have been £17,000 lower/£17,000 higher (2019: £2,000 lower/£2,000 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 31 January 2020 was £25,000 (2019: loss of £4,000).

Price risk
The Group is not exposed to any significant price risk.

Note 23. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including, confirming references and setting appropriate credit limits. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral. Credit risk in relation to cash held with financial institutions is considered low, given the credit rating of these institutions.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables. There is no credit loss provision at the year end.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than one year.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2020		1 year or less £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Remaining contractual maturities £'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	4,824	-	-	-	4,824
Other liabilities	-	881	-	-	-	881
Interest-bearing - variable						
Lease liability	4.00%	1,580	1,637	4,480	4,849	12,546
Total non-derivatives		7,285	1,637	4,480	4,849	18,251

Consolidated - Restated 2019		1 year or less £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Remaining contractual maturities £'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	3,406	-	-	-	3,406
	-	-	-	-	-	-
Other liabilities	-	815	-	-	-	815
Interest-bearing - variable						
Lease liability	4.00%	1,022	1,022	2,878	2,251	7,173
Total non-derivatives		5,243	1,022	2,878	2,251	11,394

Note 23. Financial instruments (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 24. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Contingent consideration (financial liabilities measured at fair value through income statement) (note 16)	-	50	-	50
Total liabilities	-	50	-	50

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 25. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated 2020 £'000	Restated 2019 £'000
Short-term employee benefits	657	637
Post-employment benefits	15	9
	672	646

Key management includes Directors (executives and non-executives) and key heads of departments. Directors remuneration is disclosed in the corporate governance section of the annual report.

Note 26. Auditor remuneration

During the financial year the following fees were paid or payable for services provided by Price Bailey LLP, the auditor of the Company, and its associates:

	Consolidated 2020 £'000	Restated 2019 £'000
Audit services		
Audit or review of the financial statements	27	45

Note 27. Contingent liabilities

The Group had no material contingent liabilities as at 31 January 2020 and 31 January 2019.

Note 28. Related party transactions

Parent entity
Angling Direct PLC is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 25.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2020 £'000	2019 £'000
Payment for goods and services:		
Payment for services (rented property) to other related party (Hillages Ltd) (a)	165	153
Payment for services (holidays acquired through competition prizes) to other related party (Sportquest Holidays Ltd) (b)	9	9
Payment for services (electricity charges) to other related party (Contex Builders Ltd) (c)	1	1
Payment for services (rent and costs) to other related party (Wroxham Angling Ltd) (d)	2	9
Payment for services (payroll and taxation services) to other related party (M&A Partners) (e)	10	8

(a) D I Bailey, W P F Hill and M G Page are Directors of Hillages Ltd.
(b) Hillages Ltd is a shareholder on Sportquest Holidays Ltd.
(c) D I Bailey is a Director of Contex Builders Ltd.
(d) W P F Hill is a Director of Wroxham Angling Ltd.
(e) M Page was a partner of the business (M&A Partners).

There are sales of goods made from the parent company to its subsidiaries as part of the distribution of goods process where such sales are eliminated on consolidation.

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2020 £'000	2019 £'000
Current payables:		
Payables to Sportquest Holidays Ltd (a company in which Hillages Ltd is a shareholder) *	-	9
Payables to M&A Partners (a company in which M Page is a partner of the business)	-	2

Note 28. Related party transactions (continued)

* D I Bailey, W P F Hill and M G Page are Directors of Hillages Ltd.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 29. Business combinations

Chapmans Angling Limited ('Chapmans')
On 25 February 2019, the Group purchased assets including inventories and goodwill of Chapmans for the total consideration transferred of £1,409,000. The business operated two tackle stores in Scunthorpe and Hull. Both stores cater for all types of fishing and have a strong angling community with a regular customer base. The Scunthorpe store is approximately 4,000 square foot and the Hull store is approximately 6,500 square foot. The goodwill of £386,000 represents continued strategic growth across the country giving a strong foothold in the North East of England. Revenue for the period since acquisition (11 +/- months) was £1,604,000 and expected to be £1,691,000 in the next financial year. Profit for the period since acquisition (11 +/- months) was £164,000 and expected to be £178,000 in the next financial year. The values identified in relation to the acquisition of assets are final as at 31 January 2020.

Erics Angling Limited ('Erics')
On 22 October 2019, the Group purchased assets including inventories and goodwill of Erics for the total consideration transferred of £1,118,000. The business operated a new tackle store on prestigious Farlow's Lake which is Angling Directs first ever store at a venue. The goodwill of £620,000 represents continued strategic growth in the significant west M25 corridor of the country. Revenue for the period since acquisition was £101,000 and expected to be £951,000 in the next financial year. Loss for the period since acquisition was £22,000 and expected to be a profit of £141,000 in the next financial year. The values identified in relation to the acquisition of assets are final as at 31 January 2020.

Details of the acquisition are as follows:

	Chapmans Fair value £'000	Erics Fair value £'000	Total £'000
Cash and cash equivalents	2	-	2
Inventories	1,064	363	1,427
Plant and equipment	30	135	165
Right-of-use assets	427	1,153	1,580
Employee benefits	(73)	-	(73)
Lease liability	(427)	(1,153)	(1,580)
Net assets acquired	1,023	498	1,521
Goodwill	386	620	1,006
Acquisition-date fair value of the total consideration transferred	1,409	1,118	2,527
Representing:			
Cash paid or payable to vendor	1,409	1,068	2,477
Contingent consideration (note 16)	-	50	50
	1,409	1,118	2,527
Acquisition costs expensed to profit or loss within administrative expenses	13	23	36
Cash used to acquire business, net of cash acquired:			
Acquisition-date fair value of the total consideration transferred	1,409	1,118	2,527
Less: cash and cash equivalents	(2)	-	(2)
Less: contingent consideration	-	(50)	(50)
Net cash used	1,407	1,068	2,475

Note 29. Business combinations (continued)

The goodwill above amounting to £1,006,000 is not deductible for tax purposes.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries held by the Company in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Principal activities	Proportion held %
H L & S Ltd	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Trading company	100.00%
J Simpson (Angling) Ltd	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Dormant	100.00%
Climax Fishing Tackle Ltd	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Dormant	100.00%
Fosters Fishing Ltd	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Non-trading	100.00%

Note 31. Changes in liabilities arising from financing activities

Consolidated	Lease liability £'000	Bank loans £'000	Total £'000
Balance at 1 February 2018	4,404	850	5,254
Net cash used in financing activities	(829)	(850)	(1,679)
Acquisition of leases	2,516	-	2,516
Balance at 31 January 2019	6,091	-	6,091
Net cash used in financing activities	(1,160)	-	(1,160)
Acquisition of leases	5,585	-	5,585
Balance at 31 January 2020	10,516	-	10,516

Note 32. Earnings per share

	Consolidated 2020 £'000	Consolidated Restated 2019 £'000
Loss after income tax attributable to the owners of Angling Direct PLC	(1,310)	(371)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	64,621,993	48,864,590
Weighted average number of ordinary shares used in calculating diluted earnings per share	64,621,993	48,864,590

Note 32. Earnings per share (continued)

	Pence	Pence
Basic earnings per share	(2.03)	(0.76)
Diluted earnings per share	(2.03)	(0.76)

1,645,311 (2019: 1,645,311) options over ordinary shares have been excluded from the 2020 diluted earnings calculation as they are anti-dilutive for the year.

Note 33. Share-based payments

The Company has an Enterprise Management Incentive ('EMI') Share Option Scheme that entitles the holders to purchase shares in the Company with the options exercisable at the price determined at the date of granting the option. The terms and conditions of the grants active in the year are as follows; there is a three year vesting period, the holder must be an employee committed to at least 25 hours work per week and must not either solely or together with any associate have a material interest in the Company, and all options are to be settled by the issue of shares:

Grant date	Number of options	Contractual life of options
24 March 2017	1,645,311	10

There has been no movement on the number of options over ordinary shares during the year.

The weighted average share price during the financial year was £0.69.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 7.15 years (2019: 8.15 years). The options have a three year vesting period and cannot be exercised until 24 March 2020.

For the options granted the valuation model inputs used to determine the fair value at the grant date, were as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
24/03/2017	24/03/2027	£0.01	£0.01	25.00%	-	1.25%	£0.005

Note 34. Events after the reporting period

Subsequent to the reporting date, the existence of the infectious disease COVID-19 ('Coronavirus') has become widely known, and begun to rapidly spread throughout the world, including the UK. The Company considers this to be a non-adjusting event after the reporting date. Since the reporting date this has caused increasing disruption to populations, to business and economic activity. See note 3 of these financial statements. As this situation is rapidly developing, it is not yet practicable to estimate the potential impact this may have on the Company and Group.

No other matter or circumstance has arisen since 31 January 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Angling Direct

	Note	2020 £'000	Restated 2019 £'000	Restated 1 Feb 2018 £'000
Non-current assets				
Intangibles	3	6,216	4,848	2,438
Property, plant and equipment	4	5,558	3,392	1,546
Right-of-use assets	5	10,378	5,889	4,082
Investments in subsidiaries	6	5	5	2,211
Total non-current assets		22,157	14,134	10,277
Current assets				
Inventories	7	13,179	9,096	5,409
Trade and other receivables	8	509	478	1,891
Income tax refund due		-	53	-
Prepayments		474	322	281
Cash and cash equivalents		5,978	13,541	624
Total current assets		20,140	23,490	8,205
Current liabilities				
Trade and other payables	9	6,489	4,687	5,375
Borrowings		-	-	850
Lease liabilities	10	1,182	811	519
Income tax		17	-	53
Total current liabilities		7,688	5,498	6,797
Net current assets		12,452	17,992	1,408
Total assets less current liabilities		34,609	32,126	11,685
Non-current liabilities				
Lease liabilities	10	9,206	5,115	3,674
Restoration provision	11	241	161	128
Total non-current liabilities		9,447	5,276	3,802
Net assets before deferred tax liability		25,162	26,850	7,883
Deferred tax		-	187	137
Net assets		25,162	26,663	7,746
Equity				
Share capital	12	646	646	430
Share premium	13	26,017	26,017	7,033
(Accumulated losses)/retained profits		(1,501)	-	283
Total equity		25,162	26,663	7,746

Refer to note 2 for detailed information on Restatement of comparatives - adoption of IFRS 16 'Leases'.

The above company statement of financial position should be read in conjunction with the accompanying notes

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account. In 2020, the loss for the year amounted to £1,501,000 (2019: £nil).

The financial statements of Angling Direct PLC (company number 05151321 (England and Wales)) were approved by the Board of Directors and authorised for issue on 2nd June 2020. They were signed on its behalf by:

A Torrance
Executive Director and Chief Executive Officer

2nd June 2020

The above company statement of financial position should be read in conjunction with the accompanying notes

	Share capital £'000	Share premium account £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2018	430	7,033	526	7,989
Adjustment for change in accounting policy (note 2)	-	-	(243)	(243)
Balance at 1 February 2018 - restated	430	7,033	283	7,746
Loss after income tax benefit for the year	-	-	(283)	(283)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(283)	(283)
Transactions with owners in their capacity as owners:				
Contributions of equity (note 12)	216	-	-	216
Share premium, net of transaction costs (note 13)	-	18,984	-	18,984
Balance at 31 January 2019	646	26,017	-	26,663

Refer to note 2 for detailed information on Restatement of comparatives - adoption of IFRS 16 'Leases'.

	Share capital £'000	Share premium account £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 February 2019	646	26,017	-	26,663
Loss after income tax benefit for the year	-	-	(1,501)	(1,501)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,501)	(1,501)
Balance at 31 January 2020	646	26,017	(1,501)	25,162

The above company statement of changes in equity should be read in conjunction with the accompanying notes

Note 1. Accounting policies

The Company financial statements comprise the separate financial statements of Angling Direct PLC.

Basis of preparation
These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of all of the disclosure exemptions available to it, including (where applicable): statement of cash flows, new Accounting Standards not yet mandatory, presentation of comparative information for certain assets, impairment of assets, capital risk management, financial instruments, fair value measurement, key management personnel, related party transactions, business combinations, revenue, share-based payments and leases.

The accounting policies applied in the preparation of these Company financial statements are the same as those set out in note 2 to the consolidated financial statements with the addition of the following:

Investments
Investments in subsidiaries are stated at initial cost plus any subsequent contributions, less accumulated impairment.

Amounts owed by subsidiaries
Amounts owed by subsidiaries can be called upon on short notice, or are repayable on demand.

Note 2. Restatement of comparatives - adoption of IFRS 16 'Leases'

Adoption of IFRS 16 'Leases'
The Company has adopted IFRS 16 'Leases' from 1 February 2019, using the full retrospective approach to restatement. The restatement to comparatives of the statement of profit or loss and other comprehensive income for the year ended 31 January 2019 and the statement of financial position as at 31 January 2019 and as 1 February 2018 is as follows:

- Additional lease liabilities of £5,484,000 were recognised (current £691,000 and non-current £4,793,000) (discounted based on the weighted average incremental borrowing rate of 4%) as at 31 January 2019 (1 February 2018: £4,115,000; current £490,000 and non-current £3,625,000);
- Right-of-use assets of £5,330,000 were recognised as at 31 January 2019 (1 February 2018: £3,980,000);
- Right-of-use assets of £559,000 were reclassified from property, plant and equipment corresponding to the finance leases previously recognised in the Statement of financial position as at 31 January 2019 (1 February 2018: £102,000);
- Depreciation of £671,000 was recognised against the right-of-use assets as at 31 January 2019 (1 February 2018: £1,493,000);
- Lease payments of £734,000 (1 February 2018: £1,741,000) were reclassified from other expenses to principal repayments of lease liabilities and finance costs of £191,000 (1 February 2018: £550,000);
- Restoration provision of £161,000 was recognised against the right-of-use assets as at 31 January 2019 (1 February 2018: £128,000) and a restoration expense of £6,000 was recognised as at 31 January 2019 (1 February 2018: £13,000);
- Prepayment of £77,000 was recognised (credited) against the right-of-use assets as at 31 January 2019 (1 February 2018: £38,000);
- Deferred tax liability decreased by £22,000 as at 31 January 2019 (as a result of the net tax effect on right-of-use assets and lease liabilities) (1 February 2018: £58,000);
- Finance lease liabilities of £120,000 (current) and £322,000 (non-current) were reclassified from borrowings to lease liabilities as at 31 January 2019 (1 February 2018: £29,000 (current) and £49,000 (non-current); and
- The overall impact on total equity as at 31 January 2019 was a decrease of £350,000 comprising of a reduction to opening retained profits of £243,000 as at 1 February 2018 and prior period profit reduction of £107,000.

Note 2. Restatement of comparatives - adoption of IFRS 16 'Leases' (continued)

Statement of financial position at the beginning of the earliest comparative period

Extract	1 Feb 2018 £'000 Reported	£'000 Adjustment	1 Feb 2018 £'000 Restated
Non-current assets			
Intangibles	2,358	80	2,438
Property, plant and equipment	1,728	(182)	1,546
Right-of-use assets	-	4,082	4,082
Total non-current assets	6,297	3,980	10,277
Current assets			
Prepayments	319	(38)	281
Total current assets	8,243	(38)	8,205
Current liabilities			
Lease liabilities	29	490	519
Total current liabilities	6,307	490	6,797
Net current assets	1,936	(528)	1,408
Total assets less current liabilities	8,233	3,452	11,685
Non-current liabilities			
Lease liabilities	49	3,625	3,674
Restoration provision	-	128	128
Total non-current liabilities	49	3,753	3,802
Net assets before deferred tax liability	8,184	(301)	7,883
Deferred tax	195	(58)	137
Net assets	7,989	(243)	7,746
Equity			
Retained profits	526	(243)	283
Total equity	7,989	(243)	7,746

In addition to the adoption of IFRS 16, during the year certain property, plant and equipment was reclassified from computer equipment into software in intangible assets. £80,000 as at 1 February 2018 have been reclassified accordingly.

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Note 2. Restatement of comparatives - adoption of IFRS 16 'Leases' (continued)

Statement of financial position at the end of the earliest comparative period

Extract	2019 £'000 Reported	£'000 Adjustment	2019 £'000 Restated
Non-current assets			
Intangibles	4,614	234	4,848
Property, plant and equipment	4,185	(793)	3,392
Right-of-use assets	-	5,889	5,889
Total non-current assets	8,804	5,330	14,134
Current assets			
Prepayments	437	(115)	322
Total current assets	23,605	(115)	23,490
Current liabilities			
Lease liabilities	120	691	811
Total current liabilities	4,807	691	5,498
Net current assets	18,798	(806)	17,992
Total assets less current liabilities	27,602	4,524	32,126
Non-current liabilities			
Lease liabilities	322	4,793	5,115
Restoration provision	-	161	161
Total non-current liabilities	322	4,954	5,276
Net assets before deferred tax liability	27,280	(430)	26,850
Deferred tax	267	(80)	187
Net assets	27,013	(350)	26,663
Equity			
Retained profits	350	(350)	-
Total equity	27,013	(350)	26,663

In addition to the adoption of IFRS 16, during the year certain property, plant and equipment was reclassified from computer equipment into software in intangible assets. £234,000 as at 31 January 2019 have been reclassified accordingly.

Note 3. Intangibles

	2020 £'000	Restated 2019 £'000
Non-current assets		
Goodwill - at cost	5,802	4,796
Less: Impairment	(182)	(182)
	5,620	4,614
Software - at cost	766	265
Less: Accumulated amortisation	(170)	(31)
	596	234
	6,216	4,848

Company law requires goodwill to be written off over a finite period. Non-amortisation of goodwill, in accordance with International Financial Reporting Standards, is a departure from the requirements of company law for the overriding purpose of giving a true and fair view. If this departure from company law had not been made, the profit for the financial year would have been reduced by amortisation of goodwill. However, the amount of amortisation cannot reasonably be quantified other than by reference to an arbitrary assumed period for amortisation.

Note 4. Property, plant and equipment

	2020 £'000	Restated 2019 £'000
Non-current assets		
Land and buildings improvements - at cost	1,002	1,002
Less: Accumulated depreciation	(269)	(247)
	733	755
Plant and equipment - at cost	5,113	2,638
Less: Accumulated depreciation	(873)	(432)
	4,240	2,206
Motor vehicles - at cost	15	15
Less: Accumulated depreciation	(5)	(3)
	10	12
Computer equipment - at cost	1,015	712
Less: Accumulated depreciation	(440)	(293)
	575	419
	5,558	3,392

Note 5. Right-of-use assets

	2020 £'000	Restated 2019 £'000
Non-current assets		
Land and buildings - right-of-use	12,835	7,372
Less: Accumulated depreciation	(3,093)	(2,122)
	9,742	5,250
Plant and equipment - right-of-use	575	575
Less: Accumulated depreciation	(109)	(53)
	466	522
Motor vehicles - right-of-use	246	122
Less: Accumulated depreciation	(107)	(42)
	139	80
Computer equipment - right-of-use	59	59
Less: Accumulated depreciation	(28)	(22)
	31	37
	10,378	5,889

Note 6. Investments in subsidiaries

	2020 £'000	2019 £'000
Non-current assets		
Investments in subsidiaries	5	5

A detailed list of subsidiaries is detailed within note 30 to the consolidated financial statements.

Note 7. Inventories

	2020 £'000	2019 £'000
Current assets		
Finished goods - at cost	13,179	9,096

Note 8. Trade and other receivables

	2020 £'000	2019 £'000
Current assets		
Trade receivables	178	59
Other receivables	331	305
Amounts owed by group undertakings	-	114
	509	478

Note 9. Trade and other payables

	2020 £'000	2019 £'000
Current liabilities		
Trade payables	4,824	3,406
Amounts owed to group undertakings	59	5
Accrued expenses	725	461
Social security and other taxes	345	678
Contingent consideration *	50	-
Other payables	486	137
	6,489	4,687

* Refer to note 29 to the consolidated financial statements for further details on business combinations.

Note 10. Lease liabilities

	2020 £'000	Restated 2019 £'000
Current liabilities		
Lease liability	1,182	811
Non-current liabilities		
Lease liability	9,206	5,115
	10,388	5,926

Note 11. Restoration provision

	2020 £'000	Restated 2019 £'000
Non-current liabilities		
Restoration provision	241	161

Restoration
The provision represents the present value of the estimated costs for future restoration of the premises leased by the Company at the end of the respective lease terms. The provision therefore includes estimates associated with the timing of future closures of premises and the costs of restoration prior to return to the lessor. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at each reporting date. The discount rate applied to future cash outflows is 4%.

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Note 12. Share capital

	2020 Shares	2019 Shares	2020 £'000	2019 £'000
Ordinary shares of £0.01 each - fully paid	64,621,993	64,621,993	646	646

Movements in ordinary share capital

Details	Date	Shares	£'000
Balance	1 February 2018	42,999,993	430
Issued during the year	9 November 2018	21,622,000	216
Balance	31 January 2019	64,621,993	646
Balance	31 January 2020	64,621,993	646

Note 13. Share premium

	2020 £'000	2019 £'000
Share premium account	26,017	26,017

Movements in share premium account

Detail	Date	£'000
Balance	1 February 2018	7,033
Issued during the year	9 November 2018	18,984
Balance 31 January 2019		26,017
Balance	31 January 2020	26,017

The share premium account is used to recognise the difference between the issued share capital at nominal value and the capital received, net of transaction costs. There were no movements in share premium in the current year.

Note 14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 15. Key management personnel disclosures

The aggregate compensation made to Directors and other members of key management personnel of the Company is set out in "corporate governance" section of the annual report.

Note 16. Auditor remuneration

The auditor's remuneration for audit and other services is disclosed within note 26 to the consolidated financial statements.

Note 17. Contingent liabilities

The Company had no material contingent liabilities as at 31 January 2020 and 31 January 2019.

Note 18. Related party transactions

Transactions with related parties
The following transactions occurred with related parties:

	2020 £'000	Restated 2019 £'000
Other income:		
Dividends received from subsidiaries (Fosters Fishing Ltd)	-	2,427
Payment for goods and services:		
Payment for services (rented property) to other related party (Hillages Ltd) (a)	165	153
Payment for services (holidays acquired through competition prizes) to other related party (Sportquest Holidays Ltd) (b)	9	9
Payment for services (electricity charges) to other related party (Contex Builders Ltd) (c)	1	1
Payment for services (rent and costs) to other related party (Wroxham Angling Ltd) (d)	2	9
Payment for services (payroll and taxation services) to other related party (M&A Partners) (e)	10	8
Other transactions:		
Transfer of trade as going concern from subsidiary (Fosters Fishing Ltd)	-	2,206

(a) D I Bailey, W P F Hill and M G Page are Directors of Hillages Ltd.
(b) Hillages Ltd is a shareholder on Sportquest Holidays Ltd.
(c) D I Bailey is a Director of Contex Builders Ltd.
(d) W P F Hill is a Director of Wroxham Angling Ltd.
(e) M Page was a partner of the business (M&A Partners).

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2020 £'000	Restated 2019 £'000
Current receivables:		
Receivables from subsidiaries	-	114
Current payables:		
Payables to subsidiaries	59	5
Payables to Sportquest Holidays Ltd (a company in which Hillages Ltd is a shareholder) *	-	9

* D I Bailey, W P F Hill and M G Page are Directors of Hillages Ltd.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

In addition to the rented services, the Group provided Hillages Limited with some bookkeeping services and hosted the accounts software on its onsite servers during the year and in prior periods.

Note 19. Parent entity and ultimate controlling party

The parent entity and ultimate parent entity is Angling Direct PLC. There is no ultimate controlling party.

Note 20. Events after the reporting period

Subsequent to the reporting date, the existence of the infectious disease COVID-19 ('Coronavirus') has become widely known, and begun to rapidly spread throughout the world, including the UK. The Company considers this to be a non-adjusting event after the reporting date. Since the reporting date this has caused increasing disruption to populations, to business and economic activity. See note 3 to the consolidated financial statements. As this situation is rapidly developing, it is not yet practicable to estimate the potential impact this may have on the Company.

No other matter or circumstance has arisen since 31 January 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.