Angling Direct

Serious about your fishing

FULL YEAR RESULTS

2018-2019

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019

FOR

ANGLING DIRECT PLC GROUP OF COMPANIES

13 May 2019

Angling Direct plc

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

Full year results for the 12 months ended 31 January 2019

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 2019.

Financial Highlights:

- Group sales of £42.0m up by 39% (2018: £30.2m)
- Online sales of £22.3m up by 30% (2018: £17.1m) with international sales up by 112%
- Store sales of £19.7m up by 50% (2018: £13.2m) including like-for-like store growth of 6.2%
- Gross profit of £13.8m up by 40% (2018: £9.9m) with gross margin increasing to 32.9%
- Net cash equivalents at 31 January 2019 of £13.5m (2018: £0.8m)
- Successfully completed a placing raising £20.0m.

Operational Highlights:

- Store network increased to 24 at the year-end (2018: 21), with new stores opened in:
  - Guildford (6,500 sq ft),
  - Peterborough (3,500 sq ft)
  - Preston (3,000 sq ft) – following the acquisition of Ted Carter Fishing Tackle
- Three additional stores opened post year-end including the acquisition of Chapmans Angling, increasing the network to 27 stores. The Group is targeting opening 7 additional stores during the fiscal year
- Continued investment in online marketing including the opening of the German, French and Benelux websites
- International sales up by 112% exporting to more than 48 countries
- Introduction of the new Kardex stock control and picking system is delivering efficiencies in distribution and warehousing, whilst also future proofing capacity.

Commenting on the results, Martyn Page, Executive Chairman, said: "It has been a transformational year for Angling Direct, achieving record sales across the store network and online. The successful £20.0 million placing in October 2018, has enabled us to accelerate our expansion strategy with three stores opened in the period, cementing Angling Direct's position as the UK's number one fishing tackle retailer."

"As the UK market consolidates, we are seeing a corresponding increase on our margins as the level of discounting from competitors decreases. Coupled with this are encouraging customer habits with increasing numbers of returning customers both in-store and online as Angling Direct becomes the retailer of choice."

"We are excited by the sales growth outside the UK through our native language websites, which will be a key focus for the Group in 2019. The European market is highly fragmented with limited competition online. We expect to increase our market share through targeted marketing campaigns, unrivalled customer experience and carefully considered M&A opportunities."

"The Company has made an excellent start to the fiscal year and, in the first two months like-for-like sales were up by 28.5% and overall sales were up by 50.7% compared to the previous year. We will continue to build on this momentum in the year ahead, with exciting new store openings planned and continued targeted online growth. Our plans for the summer season are progressing very well and the Board is confident that the Company is on track to meet its full year targets."

For further information:

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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 27 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'.

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 site 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 27retail 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

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Showroom
ADVANTA

Angling Direct Plc Group of Companies

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for the Year Ended 31 January 2019

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DIRECTORS:	D I Bailey D P R Davies J L Hunter M G Page
SECRETARY:	Mrs S Wright
REGISTERED OFFICE:	2d Wendover Road, Rackheath Industrial Estate, Rackheath, Norwich, Norfolk. NR13 6LH
REGISTERED NUMBER:	05151321 (England and Wales)
AUDITORS:	Price Bailey LLP, Chartered Accountants & Statutory Auditors, Tennyson House, Cambridge Business Park, Cambridge CB4 0WZ

Chairman's Report
for the Year Ended 31 January 2019

Introduction
I am pleased to report that the Group made excellent progress throughout the financial year, as it continued to execute on its growth plans to build a market leading position in the UK and mainland European fishing tackle markets. Whilst Angling Direct has been investing heavily in its growth strategy, its sales performance has been excellent, which reflects the success of its acquisitions, its well-executed store expansion programme and organic growth across the existing store network and online platforms. Given the high level of investment, the Group was delighted to exceed expectations in reporting an operating loss before tax of £0.3m.

The year has seen the Company achieve another major milestone in the history of the business. Following Angling Direct's successful admission to AIM in July 2017, which raised gross proceeds of £7.5m, the Company raised a further £20.0m in October 2018. The funds have enabled Angling Direct to accelerate both its UK store rollout and online growth and its reach into other major European markets.

The UK fishing tackle market is large and very fragmented, with over 1,800 operators, which are mainly owner-managed. Given Angling Direct's brand, financial strength and marketing capabilities, we see continued growth opportunities through our expanding store network and online. Beyond the UK, the Group has developed the brand online by launching native language websites for Germany, France and the Benelux, all of which have large angling markets. Last year, the Group also saw encouraging online sales growth from other European territories, despite not having websites specific to the country's language.

Financial Results
The business achieved excellent growth for the year to 31 January 2019, with revenue increasing by 39% to £42.0m (2018: £30.2m). Revenue generated from stores increased by 50%, which reflected new acquisitions, new store openings, as well as organic growth from existing stores. The organic growth on a like-for-like basis increased by 6.2%, which the Board considers to be an encouraging performance, given the headwinds that the UK high street faced in recent months, and clearly underlines the success of Angling Direct's in-store strategy. The online business continues to go from strength-to-strength, with revenue up by 30% to £22.3m for the year. Angling Direct continues to make considerable investment in this area, both in online marketing and logistical capabilities, which we expect to drive this growth further.

The Company recorded gross profits of £13.8m, up 40% on the previous year (2018: £9.9m). Gross margins increased in the year by 0.3% to 32.9%, (2018: 32.6%). The loss before tax is £0.3m (2018: profit before tax of £0.2m) as we have invested in the infrastructure of our business for the future.

Share Placing
On the 24 October 2018, Angling Direct completed a placing, raising gross proceeds of £20.0m. The net proceeds from the placing will be used to support the continued expansion of the business both online and in-store.

Dividend
The Board is focused on increasing the scale of the Group and it is re-investing all its surplus cash resources back into the business. As a result of this, in the short term, the Directors do not recommend any dividend payments. However, the dividend policy will be kept under regular review.

The Board

On the 23 January 2019, Stephen Moon resigned as a Non-Executive Director and I would like to take this opportunity to thank him for his contribution to the business. We are currently looking for a replacement for Stephen and will announce this in due course.

Supporting a sustainable market
Core to Angling Direct's ethos is its commitment to encouraging more people to take up fishing by supporting more grass root initiatives, which in turn helps to develop the angling market and improve participation numbers. These initiatives include Fishing for Schools, National Fishing Month, of which Angling Direct is a major sponsor, Angling Trust and various other angling projects around the country, which will allow people to try fishing free of charge, with many of these events being supported by our store network.

Part of the success of the Company can be attributed to its focus on purpose and culture with a strong belief and aim of enhancing the whole angling lifestyle experience for our loyal customer base. To this end, we continue to invest in angling education and our incredible staff to whom I must extend a special message of thanks for all their dedication, support and hard work throughout the year.

The sport of Angling is dependent on a cared for environment and clean waterways. It is, therefore, only natural that the Company is committed to its own initiatives, as well as supporting others in the pursuit of improving the environment and making important changes. As such, we are actively exploring ways to reduce the use of unnecessary plastics in our sector. This includes removing plastic bags from our stores, reducing the packaging used for our own brand Avanta products, encouraging and working with suppliers on ways to further reduce plastics used for their goods and supporting a national fishing line recycling scheme.

Outlook
The Board continues to believe that the prospects for the Group are very positive, and we intend to open a further 10 stores, either through new store openings or strategic acquisitions, over this financial year. These 10 new UK stores would take the Company's total number of stores to 34. We have also developed online platforms for three major European markets in Germany, France and Benelux, which we shall continue to invest in and grow.

We have been pleased to deliver like-for-like turnover growth through our store network and a strong online performance versus the same period last year. The Board is confident that the Company will meet its full year growth target this year, and that our product offering, professional staff and continued improvement in our online platforms, both in the UK and Internationally, will help deliver another year of excellent performance.

Martyn Page CTA TEP
Executive Chairman
Introduction

Chief Executive's Report
for the Year Ended 31 January 2019

Introduction
I am very pleased to report on a significant year of growth and change for Angling Direct plc. The funds raised through the company's IPO and admission to AIM in July 2017, together with the proceeds from the placing in October 2018, have enabled us to accelerate the expansion through acquisitions and growth of our store network. With a firm focus on enhancing our customer experience, we have also invested in the development of our online and digital marketing infrastructure to include the successful launch of three new country specific websites for Germany, France and Benelux, as well as continuing development of our UK online business.

Review of Operations:

Stores
Throughout the year, Angling Direct's store network increased from 21 to 24, which was achieved through acquisitions and new store openings. Angling Direct completed the acquisition of Ted Carter Fishing Tackle in Preston in June 2018 for a consideration of £125,000. This was followed by the opening of the Guildford store, in September 2018 and the Peterborough store in October 2018. As with all our stores, Preston, Guildford and Peterborough 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 looks forward to the contribution they will make in the next full year.

More recently, in February 2019, we were delighted to announce the acquisition of the Chapmans Angling Ltd, Hull and Scunthorpe stores. Angling Direct's brand-new Nottingham store opened in April 2019 and work is currently underway to open a new store in Sutton-in-Ashfield. Further new stores are planned and in the pipeline to open over the coming months.

The new store openings and acquisitions throughout the year have helped to drive the significant growth in retail store sales, which increased by 50% to £19.7m (2018: £13.2m). Like-for-like sales with the equivalent stores increased by 6.2%, which is a commendable result considering the very harsh winter and unusually hot summer experienced across the whole of the UK, the football world cup and Brexit uncertainty. Such growth during turbulent times for UK retailers can be attributed to our strategy and the tremendous efforts of the teams in our stores, who ensure that all our customers are given the very best focus, advice and support when shopping.

E-Commerce
Upgrades in our e-commerce sales channels in both the UK and Europe have helped our online sales increase by 30% to £22.3m (2018: £17.1m). Development in this area is on-going with focus and exploration into other international markets in addition to maintaining/increasing our competitive edge.

During July/August 2018, Angling Direct invested in Kardex technology, a vertical storage solution and automated picking system. The installation created an immediate benefit by increasing our warehouse capacity facilitating our immediate and future expansion plans. I'm very pleased to say we are starting to see many benefits of this investment washing through, which will ensure we continue to deliver to the very high standards we have set ourselves in respect to stock availability. The installation of Kardex alongside the introduction of a LEAN programme throughout the warehouse, which launched in October 2018, will deliver greater efficiencies as we continue to grow our online sales and UK distribution.

With the on-going development of our teams and software, we aim to continually deliver an outstanding technical experience and are currently increasing our investment in optimisation, with personalised marketing to support. Having thoroughly explored opportunities for international growth, we successfully launched dedicated German, French and Benelux websites during the year. Each country has dedicated customer support and we have increased the number of multilingual telesales staff to support with calls, live chat and social media interaction. With a continued focus around international customer acquisition and retention, we believe our acquisition costs will remain favourable despite a requirement to increase non-organic marketing to strengthen the brand in various countries and continuing to build awareness.

Through our existing UK focused website, Angling Direct have established a strong and loyal international customer base. Plans are underway to increase our brand awareness, further supporting our targeted international sales growth ambition. Strategic marketing initiatives directed at specific countries are scheduled throughout the year. The majority of campaigns are aligned to our UK strategies; however, some require individual focus, particularly around dedicated fishing styles. All activities will be supported by social and digital media.

Our ability to remain reactive to ambiguous retail buying habits remains a priority. We continually monitor stock availability, stock-turn, returning metrics and acquisition costs very closely. Data drives our business and continued investment into the stability of our growth is key.

Staff
We are experiencing significant employee growth, with the largest ever number of new recruits joining the Angling Direct family over this past year. I would like to take this opportunity to personally welcome them all and wish them every success in their roles. Ultimately, the success of our business is built on the efforts of our people and in this past year, we have enjoyed many successes.

Throughout a year of exceptional progress, I would like to extend my gratitude to everyone for their hard work, passion and dedication. We pride ourselves on employing the best staff in the sector, something that is essential to our future ambitions. We are fully committed to ensuring that Angling Direct is an enjoyable and rewarding workplace for everyone and we strive to engage, coach and develop people across the entire business. This in turn helps to ensure that our customers have an unmatched fishing retail experience, both online and in-store whilst building long term brand loyalty.

Outlook
We are extremely positive about the outlook and the management's ability to strengthen Angling Direct's position as the market's leading retail brand. Our strategy will see us continue to open new destination stores in popular angling areas and to develop our e-commerce platform for our UK and international customers. Our passion to deliver the very best experience to our customers, staff and suppliers remains a key focus as ever in the coming year.

Darren Bailey
Chief Executive Officer

Income Statement
In the year to 31 January 2019, sales increased by 39% to £42.0m (2018: £30.2m) as the Group continued with its growth. Gross profit also increased 40% to £13.8m (2018: £9.9m). Gross margin increased to 32.9% in 2019, an increase of 0.3% (2018: 32.6%).

Online grew strongly, with sales up 30% and margins maintained at expected levels reflecting market dynamics. Operating loss before tax was £0.3m against an operating profit before tax in the prior year (2018: £0.2m) as we continue to invest for future growth both online in the UK and main European markets and in stores in the UK.

Finance costs for the year were £0.031m 39% lower, £0.021m than prior year (2018: £0.052m).

Income tax for the year is £0.001m, a decrease of 99% on prior year (2018: £0.132m)

The basic earnings per share in the year equates to a loss of 0.55 pence against a profit per share in the prior year (2018: 0.10 pence) this has been driven by the investment in the future of the business.

Statement of financial position
Total equity at 31 January 2019 increased by £18.9m to £27.2m (2018: £8.3m) primarily due to the additional Ordinary Shares issued in the October 2018 placing.

Investment in Fixed Assets increased by £1.9m to £4.2m (2018: £2.3m) due to the acquisition of the Ted Carter business, the opening of 2 new stores, Investment in the Kardex warehouse system, investment in the German, French and Netherland websites and the investment in IT systems.

Investment in stock has increased by £2.5m 37% to £9.3m (2018: £6.8m) due to 2 additional new stores, the acquisition of the Ted Carter business, additional Advanta stock as we extend the number of products in the Advanta range and some stock building of essential selling items pre-Brexit.

Current liabilities, trade and other creditors have decreased by 15% to £4.7m (2018: £5.5m) some of which is due to the deferred consideration regarding the acquisitions that we have made and due to the additional new stores and the acquisitions outlined above.

The Group repaid its bank loans of £0.9m and its bank overdraft facility, and it leased part of the New Kardex warehouse system investment of £0.4m.

The Group also had cash and cash equivalents of £13.5m an increase of £12.8m (2018: £0.7m), the growth of which has come primarily by the placing in October 2018 to continue the growth of the business.

Cashflow
At the year end the Group's net cash position (representing cash and bank balances less loans and borrowings) was a net cash position of £13.1m, an increase of £13.3m on prior years' net borrowing of (2018: £0.2m).

Gross proceeds from the ordinary share issue in October 2018 was £20.0m, with the cost of the issue being £0.8m.

The Group invested in in tangible fixed assets of £2.3m to support the continued growth of the business.

John Hunter FCMA, GCMA
Finance Director

Group Strategic Report
for the Year Ended 31 January 2019

The directors present their strategic report of the company and the group for the year ended 31 January 2019.

PRINCIPAL ACTIVITY AND BUSINESS MODEL

The principal activity of the group in the year under review continued to be the retail of fishing tackle. The group's business model is to generate growth by providing excellent customer service, giving expert advice and ensuring product lines include a full range of premium equipment to cater for the needs of the casual hobbyist through to the professional angler.

To facilitate this growth the group continues to open new stores and update the existing ones to ensure they meet the high standards demanded by customers. The group has embraced the potential created by the digital age and its heavy investment in e-commerce has started to show rewards.

KEY HIGHLIGHTS

- A very important year for the company where it successfully raised an additional £20m (gross) through a placement on the AIM Stock Market on the 24th October 2018 to support the funding of its growth plans both in store and on-line.
- A year that saw significant growth in line with the Board's strategy of building on its leading position in the UK fishing tackle market.
- Revenue increased by c39% to £42.004m (2018: £30.241m) reflecting the company's growth through acquisitions, e-commerce, its continued store expansion programme, and organic growth.
- Operating Loss before Tax of £0.267m, against a profit before tax of £0.159m in 2018 as we have invested for future growth in the business.
- Additional staff and staff training.
- Reported earnings loss per share of 0.55 pence, with earnings per share in prior year (2018: 0.10pence).
- Acquisition of Ted Carter Fishing Tackle in Preston.
- Retail store growth continues in line with our strategy.
- Opening new stores at Guildford and Peterborough taking our store network to 24 at the end of the year.
- Retail Stores sales increases by c50% to £19.740m.
- Like for like sales growth (which measures the sales performance of stores operating for 12 months' in FY 2019 with the same stores operating for 12 month's in FY 2018) of 6.2%.
- E Commerce sales strategy is performing exceptionally well with Revenue up +c30% to £22.262m.
- European sales up 112% with native language websites and customer service going live in Germany, France and the Netherlands.
- The group remains well placed for further expansion in the future.

PRINCIPAL RISKS AND UNCERTAINTIES
The Board has a policy of reviewing key business risks and oversees the development of processes to ensure that these risks are managed appropriately.

The board has identified the key risks as follows:

BUSINESS RISKS

BREXIT
The purchasing risk is limited to two suppliers who have forward ordered stock to ensure the continuous availability of product to their customers. The remaining suppliers are shipped directly from the Far East to the UK. To minimise this risk, we have increased our stock levels of key products to ensure we have reduced the risk of stock shortages.

In terms of our export sales, there is a potential risk of new tariffs being established by the EU, which to minimise, we have agreed with a third party in the EU to distribute the goods from their premises if required.

The popularity of fishing may decrease
The group is a retailer that provides equipment to anglers and the broader fishing community. There can be no assurance that fishing will retain its popularity as a sport, which would mean a drop in the numbers of anglers and therefore, the Directors would expect, a decrease in the overall spend on fishing related equipment. The Directors believe the size of the fishing equipment market is marginally decreasing, however do not expect this decrease to affect the overall prospects of the Group. If the popularity of fishing as a sport does decline, and there is a reduction in the purchase levels of anglers, the financial position of the Group may be adversely affected.

The Group's business depends on the timely delivery by its suppliers of products in anticipated quantities
The group depends on manufacturers, suppliers and distributors to deliver fishing equipment and/or supplies on a timely basis and in anticipated quantities. Poor logistical planning by the Group or delivery delays by suppliers could result in delays or the inability to get products in-store or online in a timely manner. Any material delay in the introduction or delivery, or limited allocations, of fishing equipment and/or supplies, for whatever reason, could result in reduced sales and negatively affect the Group's reputation.

The Group's market share and business position may be adversely affected by economic, political and market factors beyond the Group's control
Many factors affect the level of consumer spending in the leisure and retail sector, including interest rates, currency exchange rates, recession, inflation, deflation, political uncertainty, the availability of customer credit, taxation, stock market performance, unemployment and other matters that influence consumer confidence. The performance of the Group may decline during recessionary periods or in other periods where one or more macro-economic factors, or potential macro-economic factors, negatively affect the level of consumer spending or the amount that consumers spend on recreational activities.

The group competes in the United Kingdom against other national and independent fishing equipment retailers. The group may experience increased competition from existing or new companies in the fishing equipment retailer sector or the wider leisure pursuit market, which might require the Group to grow its business in order to maintain its market share.

If the group is unable to maintain its competitive position, it could experience downward pressure on prices, lower demand for its products, reduced margins, an inability to take advantage of new business opportunities and a loss of market share, all of which would have an adverse impact on the group's business, financial and other conditions, profitability and results of operations. The group also competes with other businesses for management, hourly paid employees and suitable real estate sites. Difficulty in securing suitable management, hourly employees and sites for new stores could have a material adverse effect on the group's prospects, results of operations and financial condition.

Changes in the cost of labour could adversely affect the Group's profitability
An increase in labour and employee benefit costs may adversely affect the group's operating costs. The group is dependent upon an available labour pool of employees in the UK. A shortage in the labour pool or other general inflationary pressures or changes will also increase the group's labour costs. Any increases in labour costs could have a material adverse effect on the group's prospects, results of operations and financial condition.

The weather may adversely affect the business
The group depends on the weather conditions not to be too adverse for long periods of time which may result in consumers not going fishing or being able to get to retail stores or the delivery of products by mail being able to get to consumers' homes/delivery addresses.

The Group's business may be adversely affected by a breakdown of its information technology systems or a failure to develop those systems
The group is reliant upon its information technology systems to enable it to manage a growing business and to service its online customers. As online sales account for a growing proportion of the company's revenue, an outage of the Angling Direct website could have a significant effect on sales. Furthermore, information systems are used across all aspects of the group's business including sales forecasting, production planning, stock control and accounting. The group's business would be adversely affected by a material or sustained breakdown in its key information systems. In such circumstances there would be a risk that issues took time to be highlighted, resulting in delayed resolution and a risk that more management time was required to be invested generally. A sustained breakdown in the group's key information technology systems would likely have an adverse impact on the group's financial performance and customer service.

FINANCIAL RISKS
Credit Risk
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 and in order to manage credit risk, limits are set for customers based upon a combination of payment history and third-party credit references.

Interest Rate Risk
Interest rate risk is the risk that the value of financial assets will fluctuate due to changes in market interest rates. The group's income and operating cash flows and the value of its financial assets are largely independent of changes in market interest rates. However, low levels of surplus funds are invested in short term secured deposit accounts such that the group is not unduly exposed to market interest rate fluctuations.

The group's exposure to interest rate movements on borrowings has been historically controlled through the use of floating rate debt and by achieving a balanced interest rate profile. The group does not currently have any interest rate swaps in place as the current market conditions results in a low level of exposure. The group's exposure will continue to be monitored and the use of interest rate swaps may be considered in the future.

Liquidity Risk
Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. 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.

Currency Fluctuations
The group's results can be affected by fluctuations in currency exchange rates. The group's sales are denominated in Pounds Sterling, however, the group sources some of its products from outside the UK where the principle currency of purchase is US Dollars, which may give rise to an exposure to exchange rates between the US Dollar and Pounds Sterling. 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.

KEY PERFORMANCE INDICATORS

The Directors consider the following to be the KPI's of the group:

	FY 2019	FY 2018
Group Sales	£42.004m	£30.241m
EBITDA	£0.333m	£1.103m
Average Customer Baskets		
Retail Store	£36.65	£32.03
Web	£77.92	£95.97
E-Commerce customer Satisfaction	99%	99%

ON BEHALF OF THE BOARD:

.....
Mr D I Bailey - Director

Date: .....

Report of the Directors
for the Year Ended 31 January 2019

The directors present their report with the financial statements of the company and the group for the year ended 31 January 2019.

DIVIDENDS
No dividends will be distributed for the year ended 31 January 2019.

FUTURE DEVELOPMENTS
Since the year end, the company has continued to expand its Retail Store network with the acquisition of 2 stores from Chapmans Angling Ltd one at Hull and the other at Scunthorpe, along with a new store in Nottingham with a further seven expected in the Financial Year.

RESEARCH AND DEVELOPMENT
The group invests in technology, in terms of in house specialists and allocating resource into developing its e-commerce platforms with the objective of improving sales. Where it is considered that an asset has been created which provides economic benefits extending to future financial periods, related costs are capitalised. The amounts attributable to this is £nil for FY 2019 and is treated as software development (FY 2018 £80,112).

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 February 2018 to the date of this report.

D I Bailey
D P R Davies
J L Hunter
M G Page

D Davies is due to retire by rotation and is eligible for re-election at the forthcoming Annual General Meeting.

The beneficial interests of the directors holding office on 31 January 2019 in the issued share capital of the company were as follows:

	31.1.19	31.1.18
Number of Ordinary Shares	1p	1p
Mr D I Bailey	2,530,000	2,530,000
Mr M G Page	11,385,000	11,385,000
Mr D P R Davies	15,625	15,625
Mr J L Hunter	46,875	46,875

Certain directors have been granted options to subscribe for the company's ordinary shares, the terms which are disclosed in Note 27.

The directors' interests in share options at 31st January 2019 are as follows-:

Ordinary 1p shares under option

	Number	Exercise price	Expiry date
Mr D I Bailey	658,125	1p	24.03.2027

INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT

Darren Bailey
Chief Executive Officer

Darren has over 30 years' experience working within the angling retail sector, beginning with his first role at Norwich Angling Centre Limited in 1986. Darren progressed to management within the company then, with the addition of other stores, to area management before being appointed managing director. Darren has been managing director of the group for the past 14 years, during which time he has been responsible for online and in-store growth, the integration of all acquisitions undertaken by the company, as well as all supplier contracts within the insurance division. Darren was appointed as a director of the company on 11 June 2004.

Martyn Page CTA TEP
Chairman

Martyn is a co-founder and major shareholder of the company and the visionary behind Angling Direct. Martyn founded the Angling Direct Brand in 1997 following the acquisition of Norwich Angling Centre. Martyn was appointed as a director of the company on 11 June 2004. Alongside his executive role at the company, Martyn has worked as a corporate accountant for over 40 years advising and guiding companies from start-ups to UK and international operations with revenue in excess of several hundred million. 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.

John (Ian) Hunter FCMA GCMA
Finance Director

Ian set up Hunters Business Services Limited in October 2001 to provide executive consultancy services specialising in finance and business turnaround. Since this time Ian has worked on a number of finance director assignments across various sectors. Prior to establishing his consultancy company, Ian was the finance director of Dairy Crest Dairies Thames and Essex Divisions, the financial planning and analysis controller for Europe at Guinness plc and finance director of AGCO Corporation. Ian began working with the Company in 2015.

David (Paul) Davies ACA
Non-executive Director

Paul is a qualified chartered accountant having qualified with Price Waterhouse in 1994. Following a period of time working as an auditor in Abu Dhabi with Ernst & Young, he commenced a career in small-cap corporate finance advisory in the City. Paul joined Beeson Gregory in 1995 and moved to Collins Stewart in 1999, Arden Partners in 2004 and Seymour Pierce in 2007. Paul has worked on a large number of flotations and secondary fundraisings (both on AIM and the Full List) and small-cap M&A transactions. Paul was previously the finance director of Fibre 7 UK Limited from March 2011 to November 2016.

Keith Easton
Finance Controller

Keith joined the Angling Direct senior management team in November 2008 as the finance controller and is responsible for all aspects of the group's accounting function. Prior to joining the company, Keith worked as an accountant with a number of Norfolk based businesses including Goymour Properties Limited (an investment property company and diverse group of trading companies) for 13 years and Anglian Leisure Limited (the Norfolk Dinosaur Park) and has significant financial and management experience within the commercial sector.

Wouter Putman
Operations Manager

Wouter joined the company in December 2007 as the EPOS administrator. Prior to joining Angling Direct, Wouter graduated with an MSc in Industrial Engineering and Management in 2006. Subsequently, Wouter was promoted to systems manager in March 2009 before being appointed to the senior management team as the operations manager in April 2012. Wouter's main responsibilities include delivering online growth through managing acquisition, development and optimisation as well as the management of group logistics and ERP systems.

Stewart Downing
Commercial Manager

Stewart joined the company in October 2013 as the commercial manager. Prior to joining Angling Direct, Stewart had worked in the fishing tackle business for eight years. Following three years with Shakespeare (a UK brand of general fishing tackle), Stewart was appointed the UK sales director of Pure Fishing (a US owned fishing tackle supplier) when they acquired the Shakespeare brand in 2008. Previously, Stewart had held a number of senior sales and marketing positions in food supply businesses.

Shona Wright
Company Secretary

Shona joined the company in April 2017 as the HR Manager. Prior to joining Angling Direct, Shona was P&O Manager for Mars Food UK Ltd and HR Business Partner for Ardagh Metal Packaging; both multimillion FMCG manufacturing organisations. Shona is qualified CIPD and holds a PGC in employment law. Prior to working in HR, Shona held positions in hospitality operations management and sales.
Shona was appointed as Company Secretary July 2017 in conjunction with her current role of HR Manager.

DIRECTORS - continued

CHARITABLE AND POLITICAL DONATIONS

There were no Charitable or Political donations made during the year.

GOING CONCERN

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 date of approval of the financial statements on the going concern basis.

SUBSTANTIAL SHAREHOLDINGS

At 31 January 2019, the company had been notified of the following shareholders amounting to more than 3% of the parent company's ordinary share capital of 64,621,993 shares of 1 pence.

	Shareholding	% holding
M G Page	11,385,000	17.61%
W Hill	9,223,000	14.27%
Canaccord Genuity Wealth Management	7,620,000	11.79%
BlackRock	6,460,219	10.00%
Business Growth Fund	5,405,000	8.36%
Gresham House Asset Management	3,568,000	5.52%
R Beaumont	3,450,000	5.34%
Fidelity International	3,243,000	5.02%
Otus Capital Management	2,577,923	3.99%
D Bailey	2,530,000	3.92%

HEALTH AND SAFETY

The Board recognises it has responsibility to provide strategic leadership and direction in the development of the group's Health and Safety Strategy in order to protect all of its stakeholders. The company takes into account its Health and Safety Policy to clearly define roles and responsibilities in order to identify and manage risk.

SIGNIFICANT AGREEMENTS

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

RISK MANAGEMENT

The risks to which the business is exposed are detailed in the Strategic Report and note 23 to the financial statements.

DIRECTORS' REMUNERATION

A full breakdown of the Directors' remuneration is provided in the remuneration report.

REMUNERATION REPORT

As an AIM listed company, the company is not required to comply with the UK Corporate Governance Code nor the Companies Act 2006 Section 420 regarding directors' remuneration reports. The company has however chosen to prepare a directors' remuneration report in the interests of good governance.

A resolution to approve the report will be proposed at the Annual General Meeting of the company at which the Financial Statements are submitted for shareholder approval.

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 executive remuneration packages are designed to attract, drive, motivate and retain executive directors and senior management 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 chief executive officer 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 adopted by the Quoted Companies Alliance for small and mid-size quoted Companies.

Non-executive Directors' terms of engagement

The non-executive directors have specific terms of engagement. Their remuneration is determined by the Board. In the event that a non-executive director undertakes additional assignments for the company, a fee will be agreed by the Board in respect of each assignment.

Aggregate Directors' Remuneration

The remuneration paid to the directors, inclusive of employee benefits and employer national insurance contributions, in accordance with the service contracts, during the year ended 31 January 2019 was as follows:

	Salary & fees	Pensions	2019 Total	2018 Total
	£	£	£	£
Executive				
Mr D I Bailey	152,468	2,517	154,985	113,179
Mr M G Page	66,169	1,092	67,261	56,055
Mr J L Hunter *	98,544	-	98,544	60,438
Non-executive				
Mr D P R Davies	38,667	642	39,309	21,068
Mr S N Moon (Resigned 23.1.2019)	37,943	58	38,001	21,068

(* Includes income of £86,544 in 2019, (£53,938 in 2018) in respect of consultancy business fees.)
(2018: represents a partial year for some directors)

Directors' Service Contracts

The Directors have contracts with an indefinite term and a stated termination notice period.

	Date of appointment	Notice period
Executive		
Mr D I Bailey	1.05.1988	6 months
Mr M G Page	6.04.2017	6 months
Mr J L Hunter	12.06.2017	3 months
Non-executive		
Mr D P R Davies	9.06.2017	-
		-

CORPORATE GOVERNANCE REPORT
The AIM rules do not require the company to comply with the UK Corporate Governance Code. However, the company recognises the importance of good governance and has adopted governance procedures as are appropriate for the size and nature of the group. These procedures have been selected with due regard to the provisions of the UK Corporate Governance Code.

Board and Board Committees
The Board of directors currently comprises of three executives: the chairman, the chief executive officer and the finance director, along with two non-executive directors (one of which has resigned and is in the process of being recruited). The Board considers that this structure is suitable for the company having considered the specific skills and experience deemed necessary.

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 interfere with their judgement.

Details of Directors' service contracts are given in the Remuneration Report. None of the Board have any conflicts of interest arising from cross-directorships or day-to-day involvement in running the business. All directors are subject to election by shareholders at the first Annual General Meeting after their appointment. All directors are submitted for re-election after three years, subject to continued satisfactory performance. All directors had access throughout the year to the advice and services of the Company Secretary, Mrs Wright, who is responsible for ensuring that Board procedures and applicable regulations under the Company's Articles of Association or otherwise are complied with. Each director is entitled, if necessary, to seek independent professional advice at the company's expense.

The directors carry out annually an internal review of the effectiveness of the Board and this process was repeated in early 2019.

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. The board holds quarterly meetings for these purposes and hold additional meetings when and as necessary to transact the business. The Board receives monthly Board reports and other reports as necessary for consideration on all significant strategic and operational matters.

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

Audit Committee
The Audit Committee comprises of the two non-executive directors and is chaired by D Davies.

The Committee meets at least twice a year and assists the Board in meeting responsibilities in respect to external financial reporting and internal controls. The Audit Committee also keeps under review the scope and results of the annual financial audit. It also considers the cost-effectiveness, independence and objectivity of the Auditors, taking into account of any non-audit services provided by them.

The Committee met twice in 2019.

Remuneration Committee
The Remuneration Committee, comprises of the two non-executive directors, and is chaired by D Davies. The Remuneration Committee meets at least twice a year to determine the appropriate remuneration for the company'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 company has in place an HM Revenue and Customs approved Share Option Scheme and unapproved options to subscribe for shares. These have been granted to one director and employees. Directors' emoluments are disclosed in the remuneration report details of directors' options are disclosed in the Directors' Report.

The Committee met once in 2019.

Conflicts of Interest
The Companies Act 2006, permits the Directors of Public Companies to authorise director's conflicts and potential conflicts, where appropriate. There are considered to be no conflicts of interest during the year.

Corporate Responsibility
The Board takes regular account of the significance of social, environmental, and ethical matters affecting the business of the group. At this stage of the group's development, the Board has not adopted a specific written Policy on Corporate Social responsibility as it has a limited pool of stakeholders other than its Shareholders. In establishing businesses in different regions within the UK, the objective is to engage positively with the local communities and stakeholders as necessary.

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 informally meet and communicate with investors.

Environment
The Board recognises that its activities can have an impact, to some extent on the local environment with regards to packaging etc The group's activities are carried out to achieve a minimal environmental impact and recycles as much as it possibly can. This policy is regularly reviewed.

Employees
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. The group is very keen to train and develop its employees and holds various in house and external training courses throughout the year to develop the skills of our team.

The group also gives full and fair consideration to applications for employment, regardless of age, gender, colour, ethnicity, nationality, religious beliefs, transgender status or sexual orientation. The Board takes into account employee's interests when making decision, and suggestions from employees aimed at improving the group's performance are welcomed.

The company has adopted an Anti-corruption Policy and Code of Conduct.

Suppliers
The group recognises that the goodwill of its suppliers is important to its business success and seeks to build and maintain this goodwill through fair dealings. 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 56 days of average daily purchases (2018 : 62 days)

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
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 auditors are 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 auditors are aware of that information.

AUDITORS
The auditors will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

.....
Director

Date: .....

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 2019 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Company Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 2019 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 IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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.

Conclusions relating to going concern
We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:
- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

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 Income Statement.

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 complete.
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.

Stock

The Group holds material inventory given the nature of the trade. The main risks are ensuring that the stock 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 stock system is working correctly ensuring that all stock held is recognised within the stock report and that the stock report is up to date.

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

Our procedures included:

Attendance of year end stock takes carrying out sample counts and observing procedures.
Testing to ensure stocks were carried at cost, further testing was also performed to ensure stocks were held at the lower of cost or net realisable value.
Testing to ensure cut off has been applied correctly.
Slow moving and obsolete stock 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.

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 turnover of the group and concluded materiality to be £500,000. We consider that turnover 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 in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 Group Strategic Report or the Report of the Directors.

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 OWZ

Date: .....

Angling Direct Plc Group of Companies

Consolidated Statement of Profit or Loss
for the Year Ended 31 January 2019

	Notes	31.1.19 £	31.1.18 £
CONTINUING OPERATIONS			
Revenue	3	42,003,540	30,240,627
Cost of sales		(28,183,108)	(20,387,233)
GROSS PROFIT		13,820,432	9,853,394
Distribution costs		(2,690,724)	(1,793,675)
Administrative expenses		(11,177,263)	(7,119,495)
OPERATING PROFIT/(LOSS) BEFORE EXCEPTIONAL COSTS		(47,555)	940,224
Exceptional costs		(187,974)	(730,113)
OPERATING (LOSS)/PROFIT		(235,529)	210,111
Finance costs	6	(31,245)	(51,580)
(LOSS)/PROFIT BEFORE INCOME TAX	7	(266,774)	158,531
Income tax	8	(627)	(131,662)
(LOSS)/PROFIT FOR THE YEAR		(267,401)	26,869
(Loss)/profit attributable to:			
Owners of the parent		(267,401)	26,869
Earnings per share expressed in pence per share:	11		
Basic		-0.55	0.10
Diluted		-0.53	0.10

Angling Direct Plc Group of Companies

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 January 2019

	31.1.19 £	31.1.18 £
(LOSS)/PROFIT FOR THE YEAR	(267,401)	26,869
OTHER COMPREHENSIVE INCOME		
Item that will not be reclassified to profit or loss:		
Revaluation of property to fair value	-	85,732
	-	-
	-	85,732
Item that may be reclassified subsequently to profit or loss:		
Bonus share issue	-	(302,500)
	-	-
	-	(302,500)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	-	(216,768)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(267,401)	(189,899)
Total comprehensive income attributable to:		
Owners of the parent	(267,401)	(189,899)

Consolidated Statement of Financial Position
31 January 2019

	Notes	31.1.19 £	31.1.18 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	11	4,613,640	4,563,539
Property, plant and equipment	12	4,225,340	2,294,029
Investments	13	-	-
		8,838,980	6,857,568
CURRENT ASSETS			
Inventories	14	9,347,749	6,815,247
Trade and other receivables	15	800,758	617,082
Cash and cash equivalents	16	13,540,551	749,169
		23,689,058	8,181,498
TOTAL ASSETS		32,528,038	15,039,066
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	646,220	430,000
Share premium	18	26,016,612	7,032,496
Revaluation reserve	18	85,732	85,732
Retained earnings		439,695	707,096
TOTAL EQUITY		27,188,259	8,255,324
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	19	-	7,160
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	321,537	54,345
Deferred tax	23	269,956	202,892
		591,493	264,397
CURRENT LIABILITIES			
Trade and other payables	19	4,681,241	5,517,534
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	119,922	887,597
Tax payable / (receivable)		(52,877)	114,214
		4,748,286	6,519,345
TOTAL LIABILITIES		5,339,779	6,783,742
TOTAL EQUITY AND LIABILITIES		32,528,038	15,039,066

The financial statements were approved by the Board of Directors on ..... and were signed on its behalf by:

.....
Mr D I Bailey - Director

Company Statement of Financial Position
31 January 2019

	Notes	31.1.19 £	31.1.18 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	11	4,613,640	2,357,818
Property, plant and equipment	12	4,185,442	1,727,987
Investments	13	5,310	2,211,031
		8,804,392	6,296,836
CURRENT ASSETS			
Inventories	14	9,096,330	5,408,603
Trade and other receivables	15	914,925	2,209,950
Cash and cash equivalents	16	13,540,551	623,930
		23,551,806	8,242,483
TOTAL ASSETS		32,356,198	14,539,319
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	646,220	430,000
Share premium	18	26,016,612	7,032,496
Retained earnings		352,243	525,586
TOTAL EQUITY		27,015,075	7,988,082
LIABILITIES			
NON-CURRENT LIABILITIES			
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	321,537	48,937
Deferred tax	23	266,000	194,765
		587,537	243,702
CURRENT LIABILITIES			
Trade and other payables	19	4,686,541	5,375,261
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	119,922	879,397
Tax payable / (receivable)		(52,877)	52,877
		4,753,586	6,307,535
TOTAL LIABILITIES		5,341,123	6,551,237
TOTAL EQUITY AND LIABILITIES		32,356,198	14,539,319

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(173,343) (2018 - £(113,683)).

The financial statements were approved by the Board of Directors on ..... and were signed on its behalf by:

.....
Director

Angling Direct Plc Group of Companies

Consolidated Statement of Changes in Equity
for the Year Ended 31 January 2019

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 February 2017	1,410,000	990,015	-	-	2,400,015
Changes in equity					
Profit for the year	-	26,869	-	-	26,869
Other comprehensive income	-	(302,500)	-	85,732	(216,768)
Total comprehensive income	-	(275,631)	-	85,732	(189,899)
Transactions with owners in their capacity as owners					
Dividends	-	(7,288)	-	-	(7,288)
Issue of share capital	420,000	-	7,032,496	-	7,452,496
Reduction in share capital	(1,400,000)	-	-	-	(1,400,000)
Total transactions with owners, recognised directly in equity	(980,000)	(7,288)	7,032,496	-	6,045,208
Balance at 31 January 2018	430,000	707,096	7,032,496	85,732	8,255,324
Changes in equity					
Deficit for the year	-	(267,401)	-	-	(267,401)
Total comprehensive deficit for the year	-	(267,401)	-	-	(267,401)
Transactions with owners in their capacity as owners					
Issue of share capital	216,220	-	18,984,116	-	19,200,336
Total transactions with owners, recognised directly in equity	216,220	-	18,984,116	-	19,200,336
Balance at 31st January 2019	646,220	439,695	28,016,612	85,732	27,188,259

Company Statement of Changes in Equity
for the Year Ended 31 January 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 February 2017	1,410,000	949,057	-	2,359,057
Changes in equity				
Deficit for the year	-	(113,683)	-	(113,683)
Other comprehensive income	-	(302,500)	-	(302,500)
Total comprehensive income	-	(416,183)	-	(416,183)
Transactions with owners in their capacity as owners				
Dividends	-	(7,288)	-	(7,288)
Issue of share capital	420,000	-	7,032,496	7,452,496
Reduction in share capital	(1,400,000)	-	-	(1,400,000)
Total transactions with owners, recognised directly in equity	(980,000)	(7,288)	7,032,496	6,045,208
Balance at 31 January 2018	430,000	525,586	7,032,496	7,988,082
Changes in equity				
Deficit for the year	-	(173,343)	-	(173,343)
Total comprehensive deficit for the year	-	(173,343)	-	(173,343)
Transactions with owners in their capacity as owners				
Issue of share capital	216,220	-	18,984,116	19,200,336
Total transactions with owners, recognised directly in equity	216,220	-	18,984,116	19,200,336
Balance at 31 January 2019	646,220	352,243	26,016,612	27,015,075

Angling Direct Plc Group of Companies

Consolidated Statement of Cash Flows
for the Year Ended 31 January 2019

	Notes	31.1.19 £	31.1.18 £
Cash flows from operating activities			
Cash generated from operations	1	(3,414,691)	(222,517)
Interest paid		(20,756)	(45,189)
Interest element of finance lease payments paid		(10,489)	(6,391)
Tax paid		(114,214)	(138,552)
Tax refund		13,560	-
Net cash from operating activities		(3,546,590)	(412,649)
Cash flows from investing activities			
Purchase of goodwill		(50,101)	(2,747,747)
Purchase of tangible fixed assets		(2,311,780)	(1,234,276)
Net cash from investing activities		(2,361,881)	(3,982,023)
Cash flows from financing activities			
New loans in year		-	850,000
Loan repayments in year		(850,000)	(1,514,985)
New finance lease in year		415,409	-
Finance lease capital repayments in year		(65,892)	(30,270)
Share issue		20,000,350	7,519,996
Cost of issue		(800,014)	(370,000)
Redemption preference shares		-	(1,400,000)
Equity dividends paid		-	(7,288)
Net cash from financing activities		18,699,853	5,047,453
Increase in cash and cash equivalents		12,791,382	652,781
Cash and cash equivalents at beginning of year	2	749,169	96,388
Cash and cash equivalents at end of year	2	13,540,551	749,169

Angling Direct Plc Group of Companies

Company Statement of Cash Flows
for the Year Ended 31 January 2019

	Notes	31.1.19 £	31.1.18 £
Cash flows from operating activities			
Cash generated from operations	1	(3,064,771)	(746,449)
Interest paid		(20,756)	(45,189)
Interest element of finance lease payments paid		(10,489)	(6,234)
Tax paid		(52,877)	(163,794)
Tax refund		13,560	-
Net cash from operating activities		(3,135,333)	(961,666)
Cash flows from investing activities			
Purchase of goodwill		(2,255,821)	(542,026)
Purchase of tangible fixed assets		(2,832,787)	(813,118)
Acquisition of subsidiaries		-	(3,252,122)
Cash Acquired on acquisition of subsidiary		-	272,204
Dividends received		2,427,101	1,046,301
Net cash from investing activities		(2,661,507)	(3,288,761)
Cash flows from financing activities			
New loans in year		-	850,000
Loan repayments in year		(850,000)	(1,514,985)
New finance lease in year		429,017	-
Finance lease capital repayments in year		(65,892)	(27,550)
Share issue		20,000,350	7,519,996
Cost of issue		(800,014)	(370,000)
Redemption preference shares		-	(1,400,000)
Equity dividends paid		-	(7,288)
Net cash from financing activities		18,713,461	5,050,173
Increase in cash and cash equivalents		12,916,621	799,746
Cash and cash equivalents at beginning of year	2	623,930	(175,816)
Cash and cash equivalents at end of year	2	13,540,551	623,930

1. RECONCILIATION OF (LOSS)/PROFIT/ BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

Group

	31.1.19	31.1.18
	£	£
(Loss)/profit before income tax	(266,774)	158,531
Depreciation charges	380,469	162,830
Finance costs	31,245	51,580
	144,940	372,941
Increase in inventories	(2,532,502)	(2,437,012)
Decrease/(increase) in trade and other receivables	(183,676)	(120,795)
(Decrease)/increase in trade and other payables	(843,453)	1,962,349
Cash generated from operations	(3,414,691)	(222,517)

Company

	31.1.19	31.1.18
	£	£
Loss before income tax	(172,536)	(26,243)
Depreciation charges	375,331	154,946
Loss on Revaluation of investment	2,205,721	1,046,301
Finance costs	31,245	51,423
Finance income	(2,427,101)	(1,157,919)
	12,660	68,508
(Increase) in inventories	(3,687,727)	(1,248,311)
(Increase) in trade and other receivables	(201,300)	(831,345)
Increase in trade and other payables	811,596	1,264,699
Cash generated from operations	(3,064,771)	(746,449)

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statements of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	Group		Company	
Year ended 31 January 2019				
	31.1.19	1.2.18	31.1.19	1.2.18
	£	£	£	£
Cash and cash equivalents	13,540,551	749,169	13,540,551	623,930
Year ended 31 January 2018				
	31.1.18	1.2.17	31.1.18	1.2.17
	£	£	£	£
Cash and cash equivalents	749,169	283,273	623,930	11,069
Bank overdrafts	-	(186,885)	-	(186,885)
	749,169	96,388	623,930	(175,816)

1. STATUTORY INFORMATION

Angling Direct plc Group is a group domiciled in the United Kingdom. The parent which became a public company on 21 June 2017 following its flotation on AIM is limited by shares and registered in England and Wales. The company's registered number and registered office address can be found on the General Information page. The group is primarily involved in the retail sale of fishing tackle. The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to reporting groups under IFRS.

The financial information has been prepared under the historical cost convention with the exception of certain items which are measured at fair value as disclosed in the accounting policies below. The principal accounting policies set out below have been consistently applied to all periods presented.

Significant accounting judgements and estimates
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for assets and liabilities at the statement of financial position date. However, the nature of estimation means that the actual outcomes could differ from those estimates.

Judgements
Careful judgement by the management is applied in deciding and applying the group's accounting policies in respect of identifying signs of assets requiring impairment review and obsolescence of stock. Judgements are based on the information available at each balance sheet date.

Estimates
The directors estimate the useful lives and residual values of property, plant and equipment in order to calculate depreciation charges. Changes in these estimates could result in changes being required to the annual depreciation charge in the statement of comprehensive income and the carrying values in the balance sheet. Similar estimates are required for intangible assets and goodwill to establish the annual amortisation charge.

Basis of consolidation
The financial information consolidates the financial information of the company and all its subsidiary undertakings drawn up to 31 January each year.

Subsidiaries are entities controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable or convertible are taken into account and control generally accompanying a shareholding of more than one half of the voting rights. The consolidated financial information has been prepared by using the principles of acquisition accounting ("the purchase method"), which includes the results of the subsidiaries in the consolidated financial information from their date of acquisition (i.e. when control commences) until the date that control ceases.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated fully on consolidation. The gain or loss on disposal of a subsidiary company is the difference between net disposals proceeds and the Group's share of its net assets together with any goodwill and exchange differences.

2. **ACCOUNTING POLICIES - continued**

Revenue recognition
Revenue is recognised at the fair value of the consideration received or receivable net of VAT and trade discounts. Revenue is reduced for estimated customer returns, rebates and other similar allowances. The policies adopted for the recognition of revenue are as follows:
Sale of goods
Revenue from the sale of fishing equipment is recognised when control of the goods have transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and there is no unfulfilled obligation that could affect the buyer's acceptance of the goods. This is usually on dispatch of the goods.

Goodwill
Goodwill represents the excess of the fair value of the consideration transferred from over the group's interest in the net fair value of the identifiable assets and liabilities of the acquiree. Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Business combinations
Business acquisitions have been accounted for in accordance with IFRS 3, 'Business Combinations'. Fair values are attributed to the Group's share of net assets. Where the cost of acquisition exceeds the fair values attributed to such assets, the difference is treated as purchased goodwill and is capitalised. In the case of subsequent acquisitions of minority interests, the difference between the consideration payable for the additional interest in the subsidiary and the minority interest's share of the assets and liabilities reflected in the consolidated statement of financial position at the date of acquisition of the minority interest has been treated as goodwill. All business combinations are reviewed annually for any indication of impairment, with adjustments made if required.

Property, plant and equipment
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Improvements to property	-	10% on reducing balance
Plant and machinery	-	10% on cost
Computer equipment	-	33% on cost

Computer Equipment depreciation has been amended to 33.33% on cost from the beginning of this financial year. There is no material effect from this change.

The carrying values of plant and equipment are reviewed at each statement of financial position date to determine whether there are any indications of impairment. If any such indication exists, the assets are tested for impairment to estimate the assets' recoverable amounts. Any impairment losses are recognised in the statement of comprehensive income.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

Investments
Investments in unquoted equity instruments are measured at fair value. Changes in fair value are recognised in the statement of profit or loss.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, bank balances, bank overdrafts and short-term highly liquid investments that are readily convertible into cash.

2. **ACCOUNTING POLICIES - continued**

Financial instruments
Financial assets and financial liabilities are measured initially at fair value plus transactions costs. Financial assets and financial liabilities are measured subsequently as described below.
This is the first financial year in which the company has applied IFRS 9. It has taken the date of initial application to be 1 February 2018 which is the date from which the standard has been applied. While the transition from IAS 39 has not given rise to any measurement differences, there are some changes in classification and terminology, and the comparative balance sheet continues to describe assets and liabilities in terms of their IAS39 categories

Financial assets
The Group classifies its financial assets as 'loans and receivables'. The Group assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the Statement of Financial Position.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulty, high probability of bankruptcy or a financial reorganisation and default are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The loss is recognised in the profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited to the profit or loss.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

Financial liabilities
The Group's financial liabilities include trade and other payables.

Trade payables are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method ("EIR" method).

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Income Statement.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Inventories
Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

2. **ACCOUNTING POLICIES - continued**

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Hire purchase and leasing commitments
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Group. All other leases are classified as operating leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective interest method so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight line basis over the period of the lease.

Employee benefit costs
The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the period to which they relate.

Share based payment transactions
Where equity settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of all options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

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

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

2. **ACCOUNTING POLICIES - continued**

New IFRS standards and interpretations not yet adopted

In preparing these financial statements the Company has reviewed all new standards and interpretations.

New Standards, Interpretations and Amendments effective from 1 February 2018

The following new and revised Standards and Interpretations have been adopted in these financial statements but their adoption has not had any significant impact on the amounts reported in these financial statements:

- IFRS 15 Revenue from Contracts with Customers (amended April 2016)
- IFRS 2 Share-based Payment (amended June 2016)
- IAS 28 Investment in Associates and Joint Ventures (amended 2016)

The other new and revised Standards and Interpretations are not considered to be relevant to the Company's financial reporting and operations and are not detailed in these financial statements.

New and revised IFRSs in issue but not yet effective:

The following new and revised Standards and Interpretations are relevant to the Company but not yet effective for the year commencing 1 February 2018 and have not been applied in preparing these financial statements:

- IAS 1 Presentation of Financial Statements (amended 2018)
- IAS 8 Accounting Policies (amended 2018)
- IAS 12 Income Taxes (amended 2017) - IAS 19 Employee Benefits (amended 2018)
- IAS 23 Borrowing Costs (amended 2017)
- IAS 28 Investment in Associates and Joint Ventures (amended 2017)
- IFRS 9 Financial Instruments (amended 2017)
- IFRS 16 Leases (issued 2016)
- IFRS 3 Business Combinations (amended 2017)

The Directors do not consider that the implementation of any of these new standards will have a material impact upon reported income or reported net assets other than IFRS 16.

IFRS 16 will be effective for financial periods commencing on or after 1 January 2019 and will bring the majority of all operating leases onto the balance sheet in line with the accounting treatment of finance leases. This will increase the value of gross assets and both current and non-current liabilities but is not expected to have a material effect on the consolidated income statement.

3. REVENUE

Segmental reporting

The group's operating segments under IFRS 8 have been assessed based upon the management accounts reviewed by the Board, with the conclusion being that there is a single operating segment of the business, being that of retail operations.

Whilst branches are separate retail units and produce and report regular revenues to management, the strategy, management, controls and resources of the business are all managed centrally. Furthermore the directors do not use the revenue per store to make decisions about the resources to be allocated to the business. It is considered that although branches are geographically dispersed retail outlets, they are not autonomous distinct business segments per IFRS 8, operating in their own right.

During FY 2019, the group operated with 24 retail branches within the UK, located throughout England.

There are also internet sales administered and supplied from Head Office. The revenue split between these areas is as follows:

	31.1.19 £m	31.1.18 £m
Retail store sales	19.74	13.16
E-commerce	22.26	17.08
Total revenue	42.00	30.24

4. EMPLOYEES AND DIRECTORS

	31.1.19 £	31.1.18 £
Wages and salaries	5,811,616	3,679,339
Social security costs	471,238	279,654
Other pension costs	92,393	30,653
	6,375,247	3,989,646

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

	31.1.19	31.1.18
Administration	52	28
Web development	8	4
Stores	165	110
Warehouse	36	28
Marketing	10	7
Management	12	12
Other	5	5
	288	194

4. EMPLOYEES AND DIRECTORS - continued

Directors Remuneration

Details of remuneration for each director is included in the Remuneration Report on page 16.

5. EXCEPTIONAL ITEMS

Exceptional costs of raise on the Alternative Investment Market ('AIM')

On the 24th October 2018 Angling Direct plc successfully raised further investment from AIM, issuing 21,622,000 ordinary 1p shares for the consideration of £20,000,350.
In relation to the raise, costs of £79,473 were incurred and were expensed and charged to the Income Statement for the year as an exceptional item. (2018: £730,113)

Exceptional Cost on the reorganisation of Fosters Fishing Ltd

The Subsidiary of Fosters Fishing Limited was hived up to Angling Direct plc and fully reorganised to change brand from Fosters Fishing Ltd to Angling Direct. The costs of £108,501 were incurred and were expensed and charged to the Income Statement for the year as an exceptional item.

6. NET FINANCE COSTS

	31.1.19 £	31.1.18 £
Finance costs:		
Bank interest	20,756	45,189
Leasing	10,489	6,391
	31,245	51,580

7. (LOSS)/PROFIT BEFORE INCOME TAX

The loss before income tax (2018 - profit before income tax) is stated after charging:

	31.1.19 £	31.1.18 £
Cost of inventories recognised as expense	28,183,108	20,387,233
Hire of plant and machinery	18,870	18,620
Other operating leases	818,827	613,624
Depreciation - owned assets	380,470	162,830
Auditors remuneration	45,437	18,273
Other non-audit services (acting as reporting accountant for IPO)	-	100,000

8. INCOME TAX

Analysis of tax expense

	31.1.19 £	31.1.18 £
Current tax:		
Tax	(66,437)	90,114
Deferred tax	67,064	41,548
Total tax expense in consolidated statement of profit or loss	627	131,662

Factors affecting the tax expense

The tax assessed for the year is the same as 2018, the standard rate of corporation tax in the UK. The difference is explained below:

	31.1.19 £	31.1.18 £
(Loss)/profit before income tax	(266,774)	158,531
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(50,687)	30,121
Effects of:		
Expenses not deductible for tax purposes	(2,218)	115,079
Capital allowances for the period in excess of depreciation	(68,161)	(31,735)
Utilisation of tax losses	30,793	(16,480)
Other tax adjustments	-	(6,871)
Tax losses carried forward	23,836	-
Deferred taxation	67,064	41,548
Tax expense	627	131,662

9. **DIVIDENDS**

	31.1.19 £	31.1.18 £
Preference shares of £1 each		
Interim	-	7,288

Preference share dividends at 0.02246p per share were paid on 14 July 2017 in respect to the £1 shares.

10. **EARNINGS PER SHARE**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share take into account share options in issue as disclosed in note 27.

Reconciliations are set out below.

	Earnings £	31.1.19 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	(267,401)	48,864,590	-0.547
Effect of dilutive securities			
Options	-	1,645,311	
Diluted EPS			
Adjusted earnings	(267,401)	50,509,901	-0.529

10. EARNINGS PER SHARE - continued

	Earnings £	31.1.18 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	26,869	26,225,168	0.10
Effect of dilutive securities			
Options	-	1,410,911	-
Diluted EPS			
Adjusted earnings	26,869	27,636,079	0.10

11. GOODWILL

Group

	£
COST	
At 1 February 2018	4,745,050
Additions	50,100
At 31 January 2019	4,795,150
AMORTISATION	
At 1 February 2018 and 31 January 2019	181,510
NET BOOK VALUE	
At 31 January 2019	4,613,640

	£
COST	
At 1 February 2017	1,997,303
Additions	2,747,747
At 31 January 2018	4,745,050
AMORTISATION	
At 1 February 2017 and 31 January 2018	181,510
NET BOOK VALUE	
At 31 January 2018	4,563,539

11. **GOODWILL - continued**

Company

	£
COST	
At 1 February 2018	2,539,329
Additions	2,255,821
At 31 January 2019	4,795,150
AMORTISATION	
At 1 February 2018 and 31 January 2019	181,510
NET BOOK VALUE	
At 31 January 2019	4,613,640

	£
COST	
At 1 February 2017	488,986
Additions	2,050,342
At 31 January 2018	2,539,328
AMORTISATION	
At 1 February 2017 and 31 January 2018	181,510
NET BOOK VALUE	
At 31 January 2018	2,357,818

12. PROPERTY, PLANT AND EQUIPMENT

Group

	Improvements to property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 February 2018	994,372	1,367,623	14,850	795,578	3,172,423
Additions	7,300	2,003,750	-	300,730	2,311,780
At 31 January 2019	1,001,672	3,371,373	14,850	1,096,308	5,484,203
DEPRECIATION					
At 1 February 2018	219,569	384,438	1,415	272,972	878,394
Charge for year	27,910	233,522	1,344	117,693	380,469
At 31 January 2019	247,479	617,960	2,759	390,665	1,258,863
NET BOOK VALUE					
At 31 January 2019	754,193	2,753,413	12,091	705,643	4,225,340

	Improvements to property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 February 2017	455,458	803,919	-	576,710	1,836,087
Additions	453,182	563,704	14,850	218,868	1,250,604
Revaluations	85,732	-	-	-	85,732
At 31 January 2018	994,372	1,367,623	14,850	795,578	3,172,423
DEPRECIATION					
At 1 February 2017	190,979	308,880	-	215,705	715,564
Charge for year	28,590	75,558	1,415	57,267	162,830
At 31 January 2018	219,569	384,438	1,415	272,972	878,394
NET BOOK VALUE					
At 31 January 2018	774,803	983,185	13,435	522,606	2,294,029

2019 additions to group property, plant and equipment in the year include assets with a net book value of £437,486 acquired on acquisition of the subsidiary Fosters Fishing Ltd. Property was subsequently revalued by the directors to its market value resulting in a revaluation adjustment of £85,732.

Property, plant and equipment with a carrying value of £559,598 (2018: £102,284) is held under finance lease contracts.

12. **PROPERTY, PLANT AND EQUIPMENT - continued**

Company

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 February 2018	329,933	1,349,905	748,824	2,428,662
Additions	507,300	2,024,757	300,730	2,832,787
At 31 January 2019	837,233	3,374,662	1,049,554	5,261,449
DEPRECIATION				
At 1 February 2018	97,562	374,291	228,822	700,675
Charge for year	23,660	234,867	116,805	375,332
At 31 January 2019	121,222	609,158	345,627	1,076,007
NET BOOK VALUE				
At 31 January 2019	716,011	2,765,504	703,927	4,185,442

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 February 2017	291,019	777,606	529,956	1,598,581
Additions	38,914	572,299	218,868	830,081
At 31 January 2018	329,933	1,349,905	748,824	2,428,662
DEPRECIATION				
At 1 February 2017	73,692	299,530	172,507	545,729
Charge for year	23,870	74,761	56,315	154,946
At 31 January 2018	97,562	374,291	228,822	700,675
NET BOOK VALUE				
At 31 January 2018	232,371	975,614	520,002	1,727,987

13. INVESTMENTS

Group

	Shares in group undertakings £
COST OR VALUATION	
Revaluations	(2,205,721)
Impairments	2,205,721
At 31 January 2019	-
NET BOOK VALUE	
At 31 January 2019	-

Company

	Shares in group undertakings £
COST OR VALUATION	
At 1 February 2018	2,211,031
Revaluations	(2,205,721)
At 31 January 2019	5,310
NET BOOK VALUE	
At 31 January 2019	5,310

	Shares in group undertakings £
COST OR VALUATION	
At 1 February 2017	1,513,526
Additions	3,252,122
Revaluations	(1,508,316)
Dividends received	(1,046,301)
At 31 January 2018	2,211,031
NET BOOK VALUE	
At 31 January 2018	2,211,031

13. INVESTMENTS - continued

The company holds 100% of the ordinary share capital of the following companies, all of which are registered in England and Wales with their Registered Office at 2d Wendover Road, Rackheath, Norwich, NR13 6LH:

Company	Nature of business	Capital and reserves	Profit for the period
		£	£
J Simpson (Angling) Ltd	Dormant	5,000	-
H L & S Ltd	Retailer	173,194	127,221
Climax Fishing Tackle Ltd	Dormant	200	-
Fosters Fishing Ltd	Dormant	100	-

For the period ended 31 January 2019, H L & S Ltd, Climax Fishing Tackle Ltd and Fosters Fishing Ltd are exempt from audit under section 479A of Companies Act 2006 relating to subsidiary companies. A guarantee has been given by Angling Direct plc under section 479C.

14. INVENTORIES

	Group		Company	
	31.1.19	31.1.18	31.1.19	31.1.18
	£	£	£	£
Finished goods	9,347,749	6,815,247	9,096,330	5,408,603

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	31.1.19	31.1.18	31.1.19	31.1.18
	£	£	£	£
Current:				
Trade debtors	58,961	142,984	58,961	142,984
Amounts owed by group undertakings	-	-	114,167	1,610,492
Other debtors	305,370	147,169	305,370	137,204
Prepayments and accrued income	436,427	326,929	436,427	319,270
	800,758	617,082	914,925	2,209,950

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.1.19	31.1.18	31.1.19	31.1.18
	£	£	£	£
Bank accounts	13,540,551	749,169	13,540,551	623,930

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

	31.1.19 £	31.1.18 £
64,621,993 (2018 – 42,999,993) Ordinary shares of 1p each	646,220	430,000
	-	-
	646,220	430,000

On 24 October 2018 21,622,000 Ordinary shares of 1p each were allotted as fully paid for cash at a premium of 91.5p per share.

The numbers of Ordinary shares in issue are as follows:

	31.1.19 1p shares No.	31.1.18 1p shares No.
At 1 February 2018	42,999,993	1,000,000
Sub-divide shares	-	-
Bonus issue	-	30,250,000
Issued during the year	21,622,000	11,749,993
At 31 January	64,621,993	42,999,993

18. RESERVES

The following is a description of each of the reserve accounts that comprise equity shareholders' funds:

Called up share capital The called up share capital comprises the issued ordinary and preference shares of the company issued at par.
Retained earnings Retained earnings comprise the group's cumulative accounting profits and losses since inception.
Revaluation reserve The revaluation reserve comprises adjustments to the values of property, plant and equipment.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	31.1.19 £	31.1.18 £	31.1.19 £	31.1.18 £
Current:				
Trade creditors	3,406,103	3,465,182	3,406,103	3,414,015
Amounts owed to group undertakings	-	-	5,300	5,200
Social security and other taxes	677,704	377,056	677,704	320,372
Other creditors	136,848	1,212,308	136,848	1,212,308
Accruals and deferred income	460,586	462,988	460,586	423,366
	4,681,241	5,517,534	4,686,541	5,375,261

19. TRADE AND OTHER PAYABLES - continued

	Group		Company	
	31.1.19	31.1.18	31.1.19	31.1.18
	£	£	£	£
Non-current:				
Other creditors	-	7,160	-	-
	-	7,160	-	-
Aggregate amounts	4,681,241	5,524,694	4,686,541	5,375,261

20. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	31.1.19	31.1.18	31.1.19	31.1.18
	£	£	£	£
Current:				
Bank loans	-	850,000	-	850,000
Finance leases (see note 22)	119,922	37,597	119,922	29,397
	119,922	887,597	119,922	879,397
Non-current:				
Finance leases (see note 22)	321,537	54,345	321,537	48,937

Terms and debt repayment schedule

Group and Company

	1 year or less	1-2 years	2-5 years	Totals
	£	£	£	£
Finance leases	119,922	100,623	220,914	441,459

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Finance leases	
	31.1.19	31.1.18
	£	£
Net obligations repayable:		
Within one year	119,922	37,597
Between one and five years	321,537	54,345
	441,459	91,942

Company

	Finance leases	
	31.1.19	31.1.18
	£	£
Net obligations repayable:		
Within one year	119,922	29,397
Between one and five years	321,537	48,937
	441,459	78,334

Future minimum lease payments under non-cancellable operating leases fall due as follows:

Group

	Non-cancellable operating leases	
	31.1.19	31.1.18
	£	£
Within one year	952,508	570,325
Between one and five years	2,337,823	1,731,007
In more than five years	692,544	632,889
	3,982,875	2,934,221

Company

	Non-cancellable operating leases	
	31.1.19	31.1.18
	£	£
Within one year	910,508	546,525
Between one and five years	2,195,368	1,608,328
In more than five years	692,544	620,352
	3,798,420	2,775,205

22. FINANCIAL INSTRUMENTS

Financial assets and liabilities

The carrying value of the group's financial assets and liabilities as recognised at the balance sheet date of the years under review may also be categorised as follows:

Group

As 31 January 2019	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial liabilities measured at fair value through profit and loss	Total balance sheet heading
	£	£	£	£
Cash and cash equivalents	13,540,551	-	-	13,540,551
Trade receivables	58,961	-	-	58,961
Other receivables	741,797	-	-	741,797
Social Security and VAT	-	(677,704)	-	(677,704)
Bank loans and overdrafts - current	-	-	-	-
Trade payables	-	(3,406,103)	-	(3,406,103)
Finance leases - current	-	(119,922)	-	(119,921)
Finance leases - non current	-	(321,537)	-	(321,538)
Other payables - current	-	(597,434)	-	(597,434)
Total	14,341,309	(5,122,700)	-	9,218,609

As 31 January 2018	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial liabilities measured at fair value through profit and loss	Total balance sheet heading
	£	£	£	£
Cash and cash equivalents	749,169	-	-	749,169
Trade receivables	142,984	-	-	142,984
Other receivables	474,098	-	-	474,098
Taxation	-	(377,056)	-	(377,056)
Bank loans and overdrafts - current	-	(850,000)	-	(850,000)
Trade payables	-	(3,465,182)	-	(3,465,182)
Finance leases - current	-	(37,597)	-	(37,597)
Finance leases - non current	-	(54,345)	-	(54,345)
Other payables - current	-	(1,675,296)	-	(1,675,296)
Other payables - non current	-	(7,160)	-	(7,160)
Total	1,366,251	(6,466,636)	-	(5,100,385)

Financial assets and liabilities - continued

Company

As 31 January 2019	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial liabilities measured at fair value through profit and loss	Total balance sheet heading
	£	£	£	£
Cash and cash equivalents	13,540,551	-	-	13,540,551
Trade receivables	58,961	-	-	58,961
Other receivables	855,964	-	-	855,964
Social Security and VAT	-	(677,704)	-	(677,704)
Bank loans and overdrafts - current	-	-	-	-
Trade payables	-	(3,406,103)	-	(3,406,103)
Finance leases - current	-	(119,922)	-	(119,921)
Finance leases - non current	-	(321,537)	-	(321,538)
Other payables - current	-	(602,734)	-	(602,734)
Total	14,455,476	(5,128,000)	-	9,327,476

As 31 January 2018	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial liabilities measured at fair value through profit and loss	Total balance sheet heading
	£	£	£	£
Cash and cash equivalents	623,930	-	-	623,930
Trade receivables	142,984	-	-	142,984
Other receivables	2,066,966	-	-	2,066,966
Taxation	-	(320,372)	-	(320,372)
Bank loans and overdrafts - current	-	(850,000)	-	(850,000)
Trade payables	-	(3,414,015)	-	(3,414,015)
Finance leases - current	-	(29,397)	-	(29,397)
Finance leases - non current	-	(48,937)	-	(48,937)
Other payables - current	-	(1,640,874)	-	(1,640,874)
Other payables - non current	-	-	-	-
Total	2,833,880	(6,303,595)	-	(3,469,715)

The fair values of financial assets and liabilities at the balance sheet date are not materially different from their book values.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The fair values of financial assets and liabilities at the balance sheet date are not materially different from their book values.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied IFRS 9 prospectively, with an initial application date of 1 February 2018. The Group has not restated the comparative information, which continues to be reported under IAS 39.There have been no significant differences arising from the adoption of IFRS 9.

The assessment of the Group's business model was made as of the date of initial application, 1 February 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of IFRS 9 did not have a significant impact to the Group.
The following are the changes in the classification of the Group's financial assets:
Trade receivables and Other non-current financial assets (i.e., Loan to an associate and Loan to a director) classified as Loans and receivables as at 31 January 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 February 2018.

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

Financial risk management objectives and policies
The group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the groups business whilst managing its risks. The group does not engage in speculative transactions or hedging transactions.

The group's principal financial instruments consist of cash and cash equivalents and loans. The main purpose of these financial instruments is to finance the groups operations. The group has other financial instruments such as trade receivables and trade payables that arise directly from its operations.

The directors have overall responsibility for the establishment and oversight of the groups risk management and they recognise that financial risk management is an area in which they may need to develop specific policies should the group become exposed to further financial risks as the business develops. The directors currently ensure that the group has sufficient cash and cash equivalents to ensure there is sufficient reserves to support the business operations. The exposure to other financial instruments are limited to those generated though the operations and borrowings.

The main risks arising from the group's financial instruments are credit risk, interest rate risk and liquidity risk. The Board have also considered currency and market risk but do not believe these to be significant. This note presents information about the groups exposure to each of the main risks. The Board reviews and agrees policies for managing each of these risks as and when they arise. Further quantitative disclosures are included throughout the financial information.

There have not been any material changes in respect of the exposure to financial risks during the periods presented.

Credit risk
The group's exposure to credit risk is limited to the carrying amount of cash deposits and trade and other receivables recognised at the balance sheet date of £14,341,309 (2018: £1,366,251). The risks associated with cash deposits are limited as the banks used are reputable. The principal credit risk therefore lies with trade receivables and in order to manage credit risk, limits are set for customers based upon a combination of payment history and third party credit references.

Interest rate risk
Interest rate risk is the risk that the value of financial assets will fluctuate due to changes in market interest rates. The group's income and operating cash flows and the value of its financial assets are largely independent of changes in market interest rates. Low levels of surplus funds are invested in short term secured deposit accounts such that the group is not unduly exposed to market interest rate fluctuations.

The group's exposure to interest rate movements on borrowings has been historically controlled through the use of floating rate debt and by achieving a balanced interest rate profile. The group does not currently have any interest rate swaps in place as the current market conditions results in a low level of exposure. The group's exposure will continue to be monitored and the use of interest rate swaps may be considered in the future.

Sensitivity analysis
At the balance sheet date the group had no bank loans and overdrafts (2018: £850,000).

Liquidity Risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. 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.

The following tables illustrate the contractual maturity profiles of its financial liabilities:

2019	Less than one year £	More than one year £	Total £
Trade and other payable	3,406,103	-	3,406,103
Borrowings	-	-	-
Other liabilities	-	-	-
	3,406,103	-	3,406,103

2018	Less than one year £	More than one year £	Total £
Trade and other payable	5,517,534	7,160	5,524,694
Borrowings	850,000	-	850,000
Other liabilities	114,214	-	114,214
	6,481,748	7,160	6,488,908

Fair values
The carrying amounts of all financial assets and liabilities of the group as disclosed in the notes to the financial information are approximately their fair values.

Capital management
The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital with an appropriate level of leverage for the size of the business so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to maintain or adjust the capital structure, the group may return capital to shareholders, issue new shares or sell assets to reduce debt.

23. DEFERRED TAX

Group

	31.1.19 £	31.1.18 £
Balance at 1 February	202,892	160,294
Accelerated capital allowance	67,064	38,643
Acquisition of subsidiary	-	3,955
Balance at 31 January	269,956	202,892

23. DEFERRED TAX - continued

Company

	31.1.19	31.1.18
	£	£
Balance at 1 February	194,765	157,389
Accelerated Capital allowances	67,244	37,376
Acquisition of subsidiary	3,991	-
Balance at 31 January	266,000	194,765

24. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the year to which they relate and the charge for the year was £92,393 (2018: £31,877).

25. RELATED PARTY DISCLOSURES

Hillages Ltd
D I Bailey, W P F Hill and M G Page are directors of Hillages Ltd, a company with which the group rented property for £153,269 (2018: £175,840) on a commercial basis throughout the year. The group repaid all liabilities during the year and no balance was owed to the company at the balance sheet date (2018: nil).

Sportquest Holidays Ltd
A company in which Hillages Ltd is a shareholder. The group acquired holidays for competition prizes of £9,208 during the year. At the balance sheet date the company owed £9,208 (2018: nil).

J Simpson (Angling) Ltd
At the balance sheet date Angling Direct plc owed £5,000 (2018: £5,000) to its wholly owned dormant subsidiary.

H L & S Ltd
Angling Direct plc traded on a commercial basis with its wholly owned subsidiary, making sales net of purchase costs of £82,119 (2018: £143,016) during the year. At the balance sheet date the company was owed £114,167 (2018: £196,285) by its subsidiary.

Climax Fishing Tackle Ltd
At the balance sheet date Angling Direct plc owed £200 (2018: £200) to its wholly owned dormant subsidiary.

Contex Builders Ltd
D I Bailey is a director of Contex Builders Ltd, a company with which the group recharged electricity of £1,440 (2018: £2,203) on a commercial basis throughout the year. The company repaid all liabilities to the group during the year and no balance was owed by the company at the balance sheet date (2018: nil).

Wroxham Angling Ltd
W P F Hill is a director of Wroxham Angling Ltd. During the year the group was charged rent and costs of £8,610 (2018: £12,346) by the company and recharged costs of £3,543 (2018: £4,071) to the company, all on a commercial basis. The company repaid all liabilities to the group during the year and no balance was owed by the company at the balance sheet date (2018: nil).

Fosters Fishing Ltd
During the year the subsidiary company paid a dividend of £2,427,101 to Angling Direct plc and transferred its trade as a going concern for £2,205,721. At the balance sheet date Angling Direct plc owed £100 (2018: was owed £1,414,207) to its wholly owned dormant subsidiary.

M&A Partners
M Page is a partner of the business. During the year the business provided payroll and taxation services to the group on a commercial basis for £8,225 (2018: £2,278). At the balance sheet date the group owed £2,263 to the business (2018: £2,278).

Key management personnel compensation
The directors' and key management personnel of the group during the year were as follows:
Mr D I Bailey (Managing director)
Mr M G Page
Mr D P R Davies
Mr J L Hunter
Mr S N Moon (Resigned 23.1.19)
Mr K Easton (Financial controller)
Mr W Putman (Operations manager)
Mr S Downing (Commercial manager)
Mrs S M Wright

The aggregate compensation made to key management personnel of the group is set out below:

	31.1.19	31.1.18
	£	£
Short-term employee benefits	613,672	496,049
Post-employment benefits	9,400	4,916
Termination benefits	-	-
Share-based benefits	-	-
	623,072	500,965

Details of key management personnel compensation are disclosed in the Directors' Report.

Key management personnel equity holdings
Details of key management personnel beneficial interests in the fully paid ordinary shares of the company are disclosed in the Directors Report.

26. EVENTS AFTER THE REPORTING PERIOD

Since the year end, the company has continued to expand its retail store network, with the acquisition of 2 Retail Stores from Chapman's Angling Ltd, the opening of a new store in Nottingham, and has signed one new store lease.
Other than the above items, there has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material nature, likely, in the opinion of the directors of the group to affect:
i) the group's operations in future financial periods; or
ii) the results of those operations in future periods; or
iii) the group's state of affairs in future financial periods

27. SHARE-BASED PAYMENT TRANSACTIONS

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 instruments	Contractual life of options
24 March 2017	1,645,311	10 years

The number and weighted average exercise prices of share options is as follows:

	Weighted average exercise price 2019	Number of options 2019	Weighted average exercise price 2018	Number of options 2018
Outstanding at 1 February 2018	1p	1,645,311	-	1,645,311
Granted during the period	-	-	-	
Outstanding at 31 January 2019	1p	1,645,311	-	1,645,311
Exercisable at 31 January 2019	-	-	-	-

The options outstanding at 31 January 2019 have an exercise price of 1p and a remaining contractual life of 8.15 years. The options have a three year vesting period and cannot be exercised until 24 March 2020.

The value of services received in return for share options granted is based on the fair value of share options granted, measured using a binomial lattice with the following inputs:

	24 March 2017
Fair value at grant date	1.176p
Share price	1p
Exercise price	1p
Expected volatility	25%
Option life	10 years
Risk-free interest rate	1.25%

In the absence of any historical share price data the expected volatility value was estimated. The fair value at the grant date of the options is based upon an greed valuation with HM Revenue & Customs and is adjusted to reflect the company's share capital reconstruction subsequent to the agreement.

There is no expense for the year in respect of services received in respect of equity-settled share-based payment transactions but no provision has been made in these financial statements as the figure is not considered to be significant. (2018: £2,204)

28. BUSINESS COMBINATIONS

On 2 October 2017 the Company acquired the entire share capital of Fosters Fishing Ltd, a company incorporated in England and Wales, for consideration payable in cash.

The assets and liabilities acquired were as follows:

	Book value £
ASSETS	
Non-Current Assets	
Fixed assets	437,486
	437,486
Current Assets	
Inventories	999,602
Trade and other receivables	104,756
Cash and cash equivalents	229,730
	1,334,088
Total Assets	1,771,574
LIABILITIES	
Trade and other payables	(501,808)
Tax payable	(202,988)
Financial liabilities	(16,422)
Deferred tax liability	(3,955)
Total liabilities	(725,173)
Net Assets	1,046,401
Net Assets Acquired	1,046,401
Goodwill	2,205,721
Consideration and Cost of Investment	3,252,122
Cash paid in year	(2,547,250)
Deferred consideration	704,872

The directors consider that other than land and buildings, the book value of the assets acquired do not differ significantly from the fair value and no adjustment is required. Land and buildings had a book value of £414,268 at the date of acquisition and were subsequently revalued to fair value of £500,000 creating a revaluation reserve of £85,732.

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Angling Direct

Serious about your fishing