Angling Direct

Getting Everyone Fishing

Angling Direct Plc

Getting Everyone Fishing

Annual Report and Financial Statements - 31 January 2023

View online at: www.anglingdirect.co.uk/corporate

Getting Everyone Fishing

Our purpose is to inspire everyone to get out and enjoy an exceptional fishing experience. As the market leader in the UK, we are one of Europe's leading omni-channel retailers of fishing tackle and fishing equipment. Our success comes from delivering the very best customer experience, driven by the expertise and passion of our exceptional colleagues. The year to 31st January 2023 has been another year of growth and significant strategic progress, despite the economic challenges being felt by consumers and businesses across Europe.

Andy Torrance
CEO

Key highlights

2.2%

Sales growth

34%

Growth in European Website visitors

+£1.5m

Operating cashflow

Our key objective in FY23 was to maintain our UK growth momentum by improving customers experiences through whichever channel they choose. Additionally, in March 2022, ahead of the fishing season, we opened our new European distribution centre in the Netherlands to accelerate European expansion.

Overall, our sales revenues grew by 2.2% to £74.1m despite significant cost of living pressure being felt by our customers. Our gross margin reduced by 190bps to 34.8% as we invested in customer pricing to continue to offer the very best value in the UK, as well as extending our reach and acquiring many new online customers within the EU. Despite these headwinds and significant business cost inflation we continued to contemporise our business, building resilience that leaves the Group well placed to achieve it's ambition of becoming Europe's number one fishing tackle destination.

Our focus has been on developing the very best omni-channel customer experience and delivering operational excellence within our markets. To create capacity for further growth we've continued to invest in digital and physical infrastructure, colleagues and organisational capability.

Revenue (£m)

+2.2% growth

FY23	**74.1**
FY22	72.5
FY21	67.6

Pre-IFRS 16 EBITDA (£m)

-57.2% movement

FY23	**2.2**
FY22	5.2
FY21	4.0

UK website visitors (m)

+4.0% growth

FY23	**6.9**
FY22	6.6
FY21	7.4

Average customer baskets (£)

-4.4% movement

FY23	**48.6**
FY22	50.88
FY21	52.17

Profit before tax (£m)

-83.4% movement

FY23	**0.7**
FY22	4.0
FY21	2.7

European website visitors (m)

+34.0% growth

FY23	**1.7**
FY22	1.2
FY21	1.7

Customer database

+16.5% growth

FY23	**302,370**
FY22	259,638
FY21	243,306

Operating cash flow (£m)

-67.5% movement

FY23	**1.5**
FY22	4.8
FY21	6.9

UK Website customer conversion rate (%)

-69bps movement

FY23	**5.7**
FY22	6.4
FY21	5.9

Martyn Page
Non-Executive Chairman

Chairman's statement

"I am pleased to present another year of significant strategic and operational progress where we have once again achieved record sales."

Dear Shareholders,

Introduction

I am pleased to present another year of significant strategic and operational progress where we have once again achieved record sales. This is despite the headwinds resulting from the continuing conflict in Ukraine, the global energy crisis, high inflation and resulting pressure on costs impacting consumer confidence and spending. All this has, not unexpectedly, made trading very challenging which has impacted results for most retail businesses and particularly discretionary retail.

We are however a specialist business with increased scale and a growing and loyal customer base of anglers passionate about their fishing. We remain focused on our strategy and strong sense of purpose. We believe that we are continuing to take market share as we pursue our beliefs that everyone should have the opportunity to get out by the waterside and experience the proven wellbeing benefits of fishing.

We continued our UK store roll-out with the opening of three new stores in the year. Since the year end, we have opened one store in Cardiff, taking our total to 46, with further planned openings in the pipeline this year.

We successfully opened our European Distribution Centre during the year, which forms the base to drive our expansion into the EU and, importantly, overcomes some of the issues caused by Brexit. This significant operational step provides access to target markets three times the size of the UK, with similar characteristics. Whilst sales to the EU were affected by the turmoil in Ukraine, there remains a material opportunity for growth in the medium term, and we are beginning to see encouraging progress that will hopefully grow as this current year progresses.

In terms of our digital trading proposition, we have continued to improve the Angling Direct App with further major upgrade releases under development. Similarly, we have focused on continually improving our website user experience, paying particular attention to promotional trading and ease of checkout.

Finally, Andy Torrance will step down from his role as CEO and will take my place as Non-Executive Chairman. Steve Crowe, the Group's CFO, has been chosen by the Board to replace Andy and will become CEO. These changes will take place when Steve's successor, Sam Copeman, is appointed to the Board following the conclusion of the Company's AGM on 22 June 2023.

People & community

One of our strong founding beliefs is that we should help improve the lives of everyone who engages with us. We aim to not just enhance the lives of anglers, colleagues and customers, but also to have a positive impact on our suppliers, shareholders, local communities, and the environment.

Our aim is to introduce the many benefits of fishing to as many people as possible and to help all anglers to have more success and enjoyment in the pursuit of their passion. We are achieving that aim through our superb colleagues who share our vision and are passionate in delivering the very best experience to our angling community. This includes having qualified angling coaches in every store and also coaching at "Get Fishing" events organised in conjunction with the Angling Trust.

Indeed, our outstanding colleagues are key to all we do and we endeavour to support them with our ambition to be the best employer in our sector, not only in terms of reward but also in caring for wellbeing and fulfilment. I remain humbled by and so grateful for their unwavering passion and dedication.

We continue to endorse evidence that fishing is a great way to improve all round wellbeing and we support bodies set up to encourage those with disabilities, of any kind, to benefit from fishing.

Last year we set up our Environmental Policy Group (EPG) which I am pleased to Chair. This has enabled us to formulate a focussed action plan and we have made some excellent progress with this strategy, as highlighted in our Annual Report.

Financial overview

The Group achieved a record revenue of £74.1m in the financial year to 31 January 2023 (2022: £72.5m, up 2.2%).

Store sales increased by 6.8% to £41.3m (2022 £38.7m) and online sales decreased by 3.0% to £32.8m from £33.8m. Within this, UK online sales decreased by 4.8% to £29.6m, driven by tough H1 comparatives. Significantly, however, UK online sales remain 57.9% above pre-Covid levels, illustrating the advancements we have made in that area of our business.

As a result of our continuing focus on realising operational efficiencies and despite all the headwinds, the Group delivered pre-IFRS 16 EBITDA of £2.2m (2022: £5.2m) and a pre-tax profit of £0.7m (2022: £4.0m). The Group ended the year with a strong balance sheet and cash of £14.1m as at 31 January 2023 (2022: £16.6m).

£74.1m

Record revenues

Record revenues grew 2.2%

£14.1m

Cash

Looking ahead

I doubt anyone could have predicted the events that have disrupted the world over these last few years and their impact on virtually all businesses. It is clear that the more challenging economic environment will carry on well into this year but we are all hopeful that interest rates and energy price pressures will begin to ease as the year progresses and with that will come a return of consumer confidence and an upturn in the economy.

We have focused on tight cost controls and good cash management to offset these impacts and will continue to closely monitor the evolving political and economic situations and take appropriate actions where necessary. As with past downturns, I believe that opportunities will arise for those that are prepared and capable of seizing and delivering upon them. We have a strong balance sheet and are well placed and ready to progress our growth strategy and take such opportunities.

We will continue moving forwards with both our proven successful omni-channel and purpose driven consolidation model in the UK and Europe as we look to capitalise on the growth opportunity we perceive, benefitting our colleagues, our shareholders, the angling community, the wider society and, not least, the environment.

"We have a strong balance sheet and are well placed and ready to progress our growth strategy."

+24%

Own brand sales growth

Board changes

The Board welcomed Chis Keen on 5 April 2022 and Nicola (Nicki) Murphy on 16 June 2022 as Non-Executive Directors. Chris and Nicki have already had a positive impact and I know their vast breadth of experience will continue to bring significant benefit to the Company.

I would also like to offer my heartfelt thanks to Dilys Maltby and Paul Davies for everything they have done for the Company during their period in office. Dilys stepped down as Non-Executive Director on 15 May 2022 and Paul likewise on 31 January 2023. Paul had been with us since before our IPO in 2017 and played an integral role until he stepped down.

And finally, as announced post year end on 28 February 2023, I have decided to step down as Chairman having proudly served in this position since the IPO, and before. I will however stay on as a Non-Executive Director, helping the business stay firmly on course with our strategic aims, our beliefs, purpose and culture. Being passionate about the environment I will also continue as Chair of our EPG.

Concurrently, Andy Torrance will step down from his role as CEO and will take my place as Non-Executive Chairman. After a thorough process, Steve Crowe, the Group's CFO, has been chosen by the Board to replace Andy and will become CEO.

We are pleased to have announced that Sam Copeman will join the Group in early June to work alongside Steve to deliver the Group's growth strategy. Sam will join the Board as CFO following conclusion of the AGM in June, at which point the above outlined Board changes will be implemented.

Yours sincerely

Martyn Page
Non-Executive Chairman

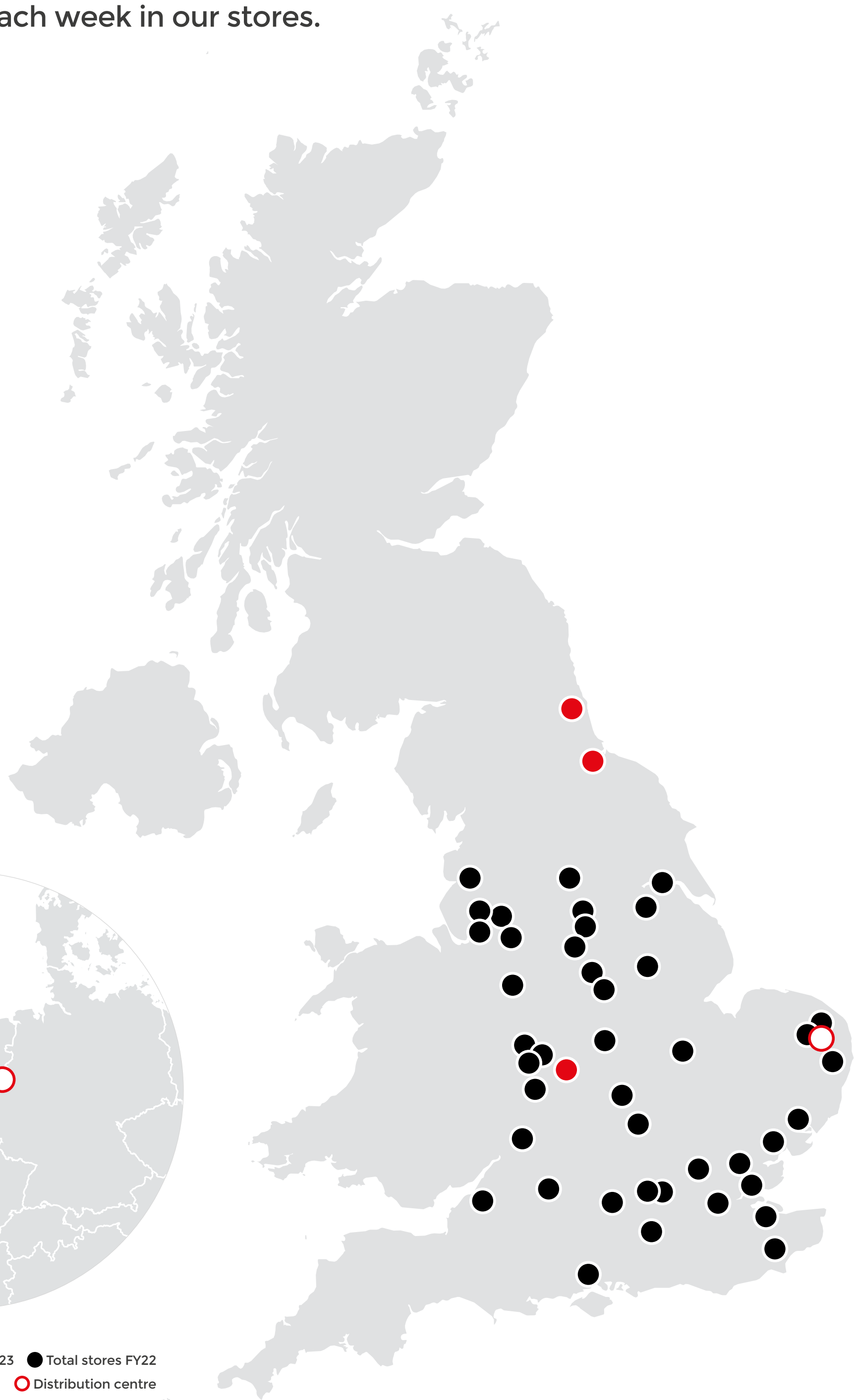
15 May 2023

At a glance

We are by some way the largest omni-channel specialist fishing tackle retailer in the UK with a fast growing presence in Europe. We have over 8.6 million visitors to our five websites each year, fulfiling online transactions from either our UK or European distribution centres. At peak, over 29,000 transactions are completed each week in our stores.

Our store teams are a vital touch point between Angling Direct and our local fishing communities. Our colleagues are all angling specialists with an infectious enthusiasm for fishing. For our customers, our stores complement our leading digital presence, providing market leading, hands-on service, advice and inspiration, as well as a real sense of community.

Our best-in-class websites and trading App, which we believe is the only one of its kind serving angling customers, and our social media channels extend our reach to a growing number of anglers throughout the UK and Europe, providing contemporary digital content and access to thousands of quality fishing tackle products, seamlessly fulfiled, in many cases next day.



45 stores

good access, convenient locations in high density fishing catchments

5 websites

Five market leading websites .uk, .de, .fr, .nl and .eu with over 28,000 products across all major brands

App

Trading App, tackle and content on the go, multilingual

Inclusive

All abilities, five major fishing disciplines: Carp, Coarse, Predator, Sea and Game

Distribution

Two distribution centres, UK and EU, total 6,700 sq m, 2,900 pallet capacity, over 100 suppliers

Social

Market leading, multilingual reach: (Instagram 124,400, Facebook 162,500, Twitter 13,200, ADTV 53,300, 2.6m views)

TeamAD

447 passionate angling colleagues, multi discipline and highly respected

Leading advice

89 Angling Trust coaches

Superior service

Multilingual in-house customer service, marketing and SEO

Andy Torrance
Executive Director and
Chief Executive Officer

Chief Executive's review

Introduction

FY23 has seen Angling Direct continue to grow sales despite significant consumer headwinds, including inflation and cost of living pressures across all of the Group's key markets. Against this backdrop, our omni-channel business model continues to demonstrate considerable financial and operational resilience. Thanks to our trading agility, I'm pleased to report total sales increased by 2.2% to a record £74.1m, reflecting further market share gains at the expense of smaller, less contemporary competitors. Not only has our amazing 'Team AD' been able to maintain our strong sales record, but they have also risen to the challenge and ensured that we continue to make solid strategic progress across the business, delivering real points of difference for our valued customers. I would like to sincerely thank all my colleagues for their exceptional commitment, ongoing resilience, and above all, their forward-looking enthusiasm again during this year.

As the UK market leader with a purpose of Getting Everyone Fishing, Angling Direct is uniquely placed to deliver further profitable growth both within the UK and the significant European fishing tackle market, as people of all backgrounds discover the restorative pleasure, challenge and wellbeing benefits of angling.

During my third full financial year as CEO, our ambition was to continue to profitably grow market share in the UK, while simultaneously executing our plan to expand trade in the significant and highly fragmented European fishing tackle market. Our strong financial position has allowed us to continue to invest in order to strengthen the Group, to align with its purpose and strategic growth ambition. We focused those investments to generate a sustainable return for all stakeholders by innovatively developing both our digital and physical customer offer, consciously investing in customer prices in order to maintain our leading competitive position, and securing stock supply to provide record levels of product availability.

Our store teams are supporting their customers by being the 'Best in Town'. Total store sales increased 6.8% against FY22 including £0.9m sales from the three new stores opened in the year. Online, we continued to develop our customer experience to optimise both conversion rates and average transaction values. Total online sales declined modestly by 3.0% driven by tough H1 prior year comparatives. UK online sales, representing 90% of total online sales, decreased by 4.8%, however, UK online sales returned to growth in H2 (against prior year) as channel trading

"Continued focus on our clear purpose and bold ambition has allowed us to grow and further extend our market leading position against a difficult consumer backdrop. We've protected the strength of our balance sheet whilst continuing to make significant strategic progress."

Andy Torrance

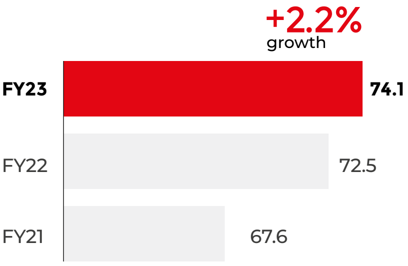
returned to more normal post pandemic levels. Furthermore, despite online sales falling across the year as a whole, UK online sales were still 57.9% above pre-Covid levels illustrating the significant step change in the Group's omni-channel offering. Following the successful opening of our European Distribution centre in March 2022, our European revenue saw a return to growth as sales increased by 18.4%, with sales in our key European territories of Germany, France and the Netherlands increasing by 32.3%. The initiative represents a significant strategic step for the Group in expanding our total addressable market and we expect Europe to play an increasingly important role in the future growth of the business.

Given the well understood pressure on consumer discretionary spend, we consciously invested in customer prices to underpin our competitive pricing advantage. This was particularly prevalent as we sought to establish material levels of European revenue by attracting and acquiring new customers. We continued to maintain a disciplined trading approach, promoting all that Angling Direct has to offer, whilst continually refreshing our ranges with the latest innovative, sought after product ranges. Consequently, we saw a 190bps decline in gross margin to 34.8% and a 3.1% reduction in gross profit versus the prior year. This, combined with a larger than expected first year European trading loss of £1.3m and £0.9m removal of prior year Government Covid-19 support, resulted in a reduction in profit before tax to £0.7m.

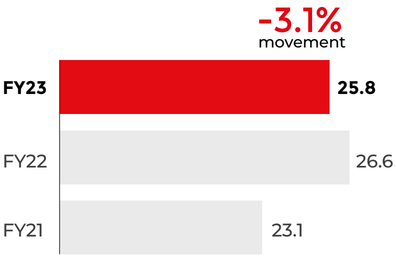
We continued to optimise stock investment resulting in record product availability to customers ahead of the 2023 fishing season, as well as a curated range to satisfy our European growth plans. Our resilient trading performance and associated cash conversion has substantially mitigated these working capital investments, enabling us to continue our store roll out strategy. Operating cashflow remained positive at £1.5m resulting in a net cash position of £14.1m as at 31st January 2023.

I am pleased that we have remained focused on our clear purpose and strategic opportunities across the breadth of our business. In particular, the opening of our new European distribution centre in the Netherlands marked a significant step towards facilitating the full Angling Direct omni-channel offering within this attractive and sizeable market. I am confident that the investments we have made and will continue to make, ensure we are well positioned to get even more people fishing and continue to deliver sustainable, profitable growth.

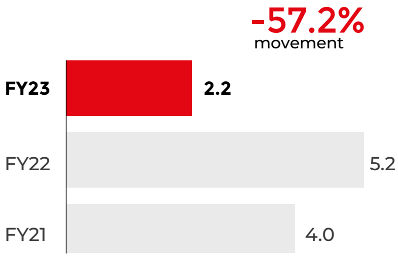
Revenue (£m)



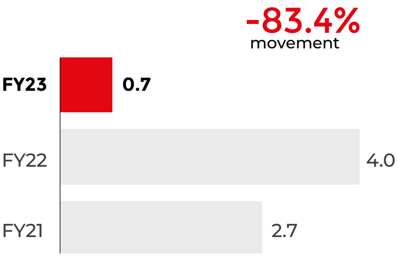
Gross margin (m)



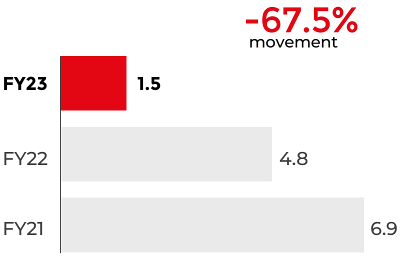
Pre-IFRS 16 EBITDA (£m)



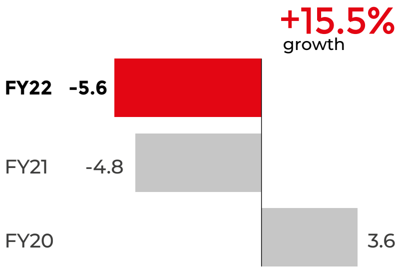
Profit before tax (£m)



Operating cash flow (£m)



Net debt / (cash) (£m)



Financial and commercial KPIs

We use a range of financial and commercial key performance indicators to support delivery of our strategy.

Financial KPIs:

Revenue – Revenue is a measure of sales growth across all channels within the Group. By growing revenue we are able to understand how well we serve new and returning customers and to what extent we are growing our market share.

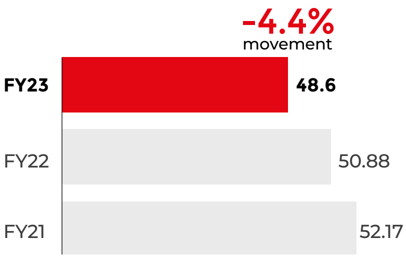
Gross margin – Gross margin represents revenue after deducting the cost of products after associated trade and settlement discounts as well as deductions for estimated stock losses and reductions to reduce stock to its net realisable value. It is a KPI as it helps us measure our performance at ensuring products for resale are purchased at the best cost and resold at optimised retail prices, representing great value to our customers.

Pre-IFRS 16 EBITDA – Measuring adjusted EBITDA assists in understanding the underlying performance of the Group consistent with its objective to grow in a sustainably profitable way. The measure is aligned with the way our institutional investors and colleagues review the operating performance of the business.

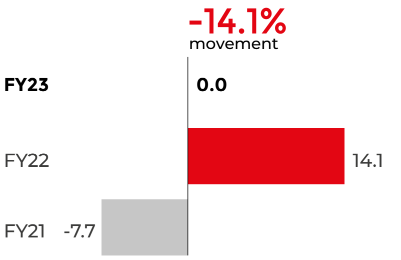
Operating cash flow – Operating cash flow is a measure of net cash generated from operating activities before financing and capital expenditure. This is important to measure as it allows us to strategically reinvest in the future growth of the business.

Net debt / (cash) – Net debt represents the Group's IFRS 16 lease liabilities less the cash position as at the reporting date. The KPI measures the Group's gearing of its balance sheet from its lease commitments and helps the Group evaluate its continued roll out of its store portfolio and distribution footprint.

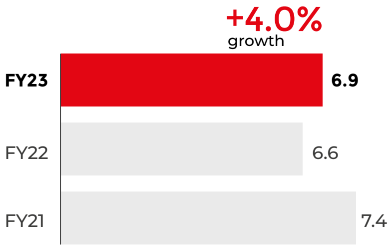
Average customer baskets (£)



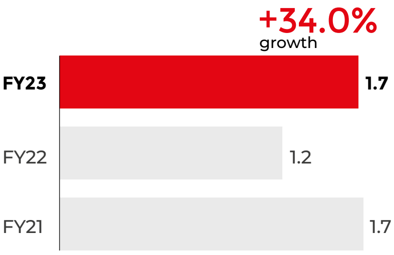
Like-for-Like sales (%)



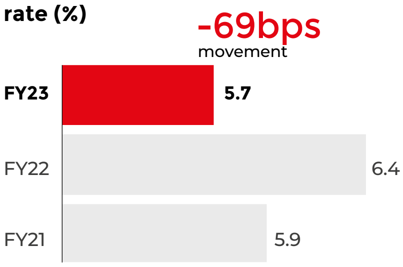
UK website visitors (m)



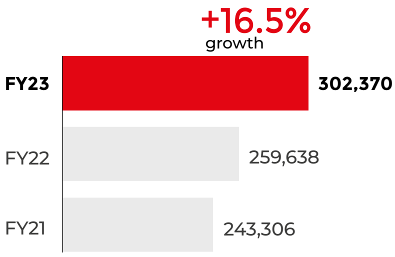
European website visitors (m)



UK Website customer conversion rate (%)



Customer database



Commercial KPIs:

Average customer baskets – A measure of total sales revenue divided by the total number of net customer orders. We measure this to ensure that we are continually challenging ourselves to fine tune our product and service offering in order to best fulfil the needs of our customers.

Like-for-Like sales – Like for like sales revenue from stores trading the full prior financial year. By growing like for like sales we can measure how well we are serving current catchment and deepening our relevance to local fishing communities.

UK website visitors – A distinct user who visits the Anglingdirect.co.uk website. This helps us understand the efficiency and return generated from our digital marketing expenditure in the UK. This is important as it re-engages existing customers and extends our reach to new site visitors.

European website visitors – A distinct user who visits either of the Angling Direct .de, .fr or .nl websites. This helps us understand the efficiency and return generated from our digital marketing expenditure within our key target European markets. This is important as it re-engages existing customers and allows us to promote our brand for trial within new territories.

UK Website customer conversion rate – the rate at which visitors visiting our websites ultimately decide to transact. This is an important measure of how engaging and straightforward our site is to use as well as how well our search tools work taking customers to compelling prices from the full range of our product offering.

The Group has not attempted to separate the impacts of COVID-19 on its underlying business performance as the Board is of the opinion this would be highly subjective and unreliable. All costs and income are included within our key financial and commercial KPIs.

Business review

"We have continued to focus on developing operational excellence, return on capital, and improving our customers' experience"

5.7%

UK online conversion

£1.8bn

European target accessible market

Focused strategic progress against a challenging consumer backdrop

We set out to maintain our UK growth momentum while opening a new EU online distribution centre to accelerate European expansion. Against a difficult consumer backdrop, we were clear we needed to remain agile to navigate competitive challenges brought about by pressure on discretionary spend and rising cost inflation. We have continued to focus on developing operational excellence, return on capital, and improving our customers' experience via whichever sales channel they choose.

Operational excellence

Digitally we have continued to improve our customers' experience across all five of our websites and our trading App, with a focus on an improved buying journey and checkout experience in order to aid conversion. As a result, we continue to improve search relevance and site speed, maximising conversion opportunity. Our web trading App, we believe the first of its kind, saw 55,000 unique users in its first full year with sales participation peaking at 10.9% during promotional periods, supporting customer loyalty and repeat purchase. Our new email marketing platform increased email sales participation rate by 26%. These initiatives along with an ongoing drive to develop fresh and relevant digital content, meant UK online conversion remained strong at 5.69%.

We continued to promote not only our everyday price competitiveness but also the breadth of our ranges, including our own *Advanta* brand, the quality of our service and customer inspiration.

A key strategic growth priority was to open our new EU distribution centre in Venlo, NL. This online fulfilment facility became fully operational on schedule on 1st March 2022 and now serves our four international websites (www.anglingdirect.de, www.angling direct.fr, www.anglingdirect.nl and www.anglingdirect.eu) allowing us to locally tailor our customer offer, overcome post Brexit trading restrictions and increased costs, whilst continuing to drive market share gains in the c€1.8bn target European market.

In the UK distribution centre, we focused on protecting recent efficiency gains, investing in colleagues' benefits and logistics management. Rising costs and external industrial action led to a change in parcel carriers later in the period, to the extent that we now anticipate cost and shrinkage efficiencies in the coming year.

Recent investments in supply chain management along with ongoing range and space optimisation, both in store and online, meant that we have achieved record on shelf product availability for our customers as we enter the 2023 fishing season. Our Category team has continued to build positive relationships with our product suppliers leading to a growing programme of innovative and often exclusive new product launches, one example being the new One More Cast (OMC) terminal tackle range.

All store colleagues are now engaged in our BAITS bespoke active selling programme, designed to ensure our customers receive the very best advice to support their angling ambitions. As a result, we have seen consistently strong store customer footfall conversion. Our Angling Trust qualified angling coaches are deployed in all stores and are now available for customers to book personalised dedicated instore coaching sessions. Additionally, all stores now offer fishing reel spooling, and several have dedicated Pole Experts to assist customer trial and selection of these higher priced specialist items. We continue to utilise footfall counters to match colleagues with customer demand to improve service and to help alleviate the impact of significant statutory wage (national minimum living wage) inflation.

In the UK we continue to target customer catchments unserved by Angling Direct, opening three new stores in the year in Coventry, Stockton and Washington, bringing the total by the end of the period to 45. Fitted out to our latest market leading concept and built by our newly outsourced store development partners, these stores opened in record time with minimal impact on existing store operations, and we are pleased with their early performance.

Return on capital

Focused on continually tailoring ranges across the five major fishing disciplines, Carp, Coarse, Predator, Sea and Game, our Category Management team continues to evolve, concentrating on more efficient space utilisation and further margin development. This ongoing approach will ensure Angling Direct remains the 'go to' fishing tackle retailer for all anglers, regardless of ability or fishing discipline. Category management also increasingly informs our product supplier strategy as our key partners align with our purpose and growth objectives for mutual benefit.

In a fragmented and consolidating market, with discretionary consumer spending under pressure, it is vital that Angling Direct continues to act responsibly whilst also remaining price competitive. To this end, whilst improving product supply terms, we consciously invested in customer pricing, the net effect on UK gross margin being a reduction of 170bps. In the EU, to prompt new customer trial, marketing campaigns were initially heavily price promoted, particularly during H1. As a result, the Group's overall margin across all channels reduced by 190bps to 34.8% for the period.

During the year we saw a reduction in port disruption and some moderation of shipping costs but whilst product supply lead time has improved, stock depth and continuity varies across our supply base. Utilising our long-established relationships, we consciously invested to optimise stock inventory ahead of the new spring 2023 season, protecting our growth ambition and supporting the activation of our new European distribution centre with a £2.3m stock investment. As a result of these actions, stock turn in the year moved to 2.8x from 3.0x.

To ensure the widest possible product availability for our online customers we continued to develop our 'single stock file' approach. By utilising store stock holding to supplement central stocks, we were able to fulfil direct to customer from in-store when it was the most efficient option, improving customer conversion and further optimising sell through and stock turn.

Sales of our own brand range, Advanta, which delivers above average margins, grew by 24% to £5.0m following successful new product introductions, re-branded packaging and competitive promotions. *Discover*, our new own brand range of products designed for those new to angling was soft launched ahead of further expansion of both ranges in 2023.

We continue to focus on improved decision making and a disciplined approach to new expenditure, including new store site selection. Our investment in timely management data provision, revised processes, and much improved visibility of our cashflows, have allowed more forward planning and better trading decisions as well as tactical stock investment.

NEW GROWTH OPPORTUNITIES

EUROPEAN MARKETS

New growth opportunities – European markets

Our clear ambition is to become Europe's first choice omni-channel fishing tackle destination for all anglers, regardless of experience and ability. In the period we successfully established in-region European distribution, reducing adverse post Brexit trading restrictions and allowing us to offer much more competitive customer fulfilment options. The distribution centre services all orders generated outside the UK from our well-established native language German, French and Dutch websites, as well as our .eu site, allowing us to despatch to all EU countries.

We anticipated first year losses in Europe as we invested to acquire a material customer base, raise wider consumer awareness and establish growing sales momentum. Unfortunately, the opening of our new distribution centre coincided with the start of the war in Ukraine and ensuing pan-European economic turbulence, manifesting in rapidly increasing inflation and European consumer impacts similar to those experienced by other consumer businesses across the UK. EU losses in the period were £1.2m (pre-IFRS 16 EBITDA), exceeding our initial expectation by £0.5m, due to a combination of both lower than modelled sales growth and reduced product margins.

These European markets, by their significant size and competitive nature, both online and store-based, are very attractive to Angling Direct given its unique omni-channel customer offering. Following significant development work during H2 to optimise ranges, onboard new suppliers, and refine marketing and pricing strategies, we remain confident of the significant growth opportunity available, especially given more recent trading and margin development progress.

Going forward we will continue to actively invest to grow market share in the EU with a particular focus on our three identified key territories, namely Germany, France, and The Netherlands, which have a combined market size of c.£1.8bn. We continue to ensure that our four international sites replicate our UK platform in terms of functionality and richness of content, including our new web trading App. Our in-country teams will continue locally tailoring ranges, bespoke local marketing and social media engagement.

We believe the opportunity for a market leading, contemporary, genuinely omni-channel proposition in mainland Europe is clear and very attractive to a huge group of prospective new customers. We are now actively engaged in the search for initial store sites, ensuring that options are rigorously reviewed, and potential actions planned to optimise returns for all stakeholders.

DIGITAL CAPABILITY

New growth opportunities - Digital capability

We are committed to utilising innovative contemporary digital technologies and have been able to call upon our significant stock depth, semi-automated distribution facility, multilingual customer care team and significant social media reach to ensure that we can provide our customers with market leading advice, engagement, service and inspiration.

Download and participation in our new AD fishing tackle trading App has been encouraging. The mobile App allows our customers to interact, in multiple languages, with the full breadth of Angling Direct's rich digital content, offers contemporary advice and inspiration, as well as the ability to purchase from our full product range direct from the bankside.
The next phase of app development, MyAD, will launch this summer with personalised membership offers both online and instore, local community features and exclusive promotions. Scannable at the point of purchase in-store, data from the App will supplement our existing online database with, for the first time, visibility of cross channel shopping behaviour.

Additionally, our in-house web development team has continued to progressively deploy our new customer journey functionality designed to improve relevance and ease of use. Visitors have experienced further improved site speed, new content, such as our New to Angling feature, new store locator, local pages and improved blog navigation. Conversion rates in the UK remained strong at 5.69%. Our proactive online marketing investment gave a return on paid advertising spend in the UK of 12.0x, a modest reduction over the prior year as a more competitive landscape for paid advertising emerged as supply chain issues eased.

EVOLVING STORE CONCEPTS

New growth opportunities – Evolving store concepts

We are committed to delivering the very best physical retail interaction to create loyal customers and prompt recommendation. We opened three new retail stores during the period in Stockton-on-Tees (September 2022), Coventry (August 2022), and Washington (July 2022) bringing the total portfolio at the end of FY23 to 45 stores. As well as specifically tailored product ranges, updated intensive merchandising techniques and clearer customer messaging, we have further refined our new store fit out concept to showcase new initiatives such as dedicated 'Learn to Fish' sections, space intensive hands-on rod and reel displays, tech demo areas, less space intensive checkouts and dedicated personal finance areas.

Location-wise, we remain focused on the concentration of fishing licence sales as well as local competitive profile. Our property investment model ensures any new site is targeted with delivering appropriate returns within a minimum acceptable time. As a destination retailer our preference is convenient, easy to access sites. It remains to be seen how the continued demise of premium High Street retail space impacts upon the cost and availability of our target destination locations and we continue to monitor developments closely.

Through our exclusive retail partnership of the Angling Trust's "Get Fishing" campaign, we have continued to develop our team of Angling Trust certified fishing coaches to ensure that our customers get the very best advice and support regardless of their fishing ability. Now with over 80 coaches and growing, several colleagues have also achieved their Level 2 qualification. Customers of all experience levels can now book dedicated timeslots with our coaches who can offer support in store as well as angling tuition at external bankside events.

Organisational capability

As a growing business we continue to proactively invest in people capability as well as capacity to support our growth plans. During the year we appointed a new Technology Director who is focused upon developing a secure, resilient and scalable IT infrastructure to support our future growth.

We always seek to develop a good proportion of our future talent in-house ensuring a healthy mix of experienced, enthusiastic anglers. We did also welcome new colleagues into our UK and European teams, including experienced Web trading, Marketing, and Supply managers.

Our colleagues and our role in the community

Our colleagues are the face of Angling Direct to our customers and are key to delivering an excellent service, both in store and online. They also play a key role in the angling community. We differentiate ourselves by providing expert help, trusted advice and inspiration for customers to get the most from their fishing.

We continue to progressively develop our Team AD employment benefits package, aligned with our objective to become the leading employer within our market. We believe high performing colleagues should be recognised and rewarded for their contribution to our success. As well as again paying all colleagues a Christmas bonus as a thank you for their hard work, we continue to develop annual incentives targeting outperformance across various measures aligned with both our short and longer term business objectives. To promote our desire to 'Get Everyone Fishing', each team member now has the opportunity to take first time angling friends and family fishing for the day utilising an extra day's paid leave.

ADVoice, our colleague listening council, continues to thrive chaired by a colleague-elected representative and attended by the CEO as well as other members of the senior leadership team. All colleagues receive at least one personal development review during the year.

At Angling Direct, we passionately believe in the general wellbeing benefits of fishing and are very supportive of moves to include fishing as part of a programme for NHS social prescribing. Working with Anglia Ruskin University (ARU) we have previously co-funded significant research in this area, the resultant data having now been peer reviewed and published, further raising awareness of not just the health benefits of angling but also the need to broadly invest in order to improve access for more people to fish.

We continue to work closely with Tackling Minds, a pioneering mental health charity which uses fishing as therapy. We offer support through the donation of fishing tackle, the utilisation of our social reach, our IT equipment, our colleagues' time at their events, as well as consulting expertise where necessary.

As market leaders we have a key role to play supporting fishing participation for the wider benefit of our industry. After a very successful first two years as exclusive retail sponsors of the Angling Trust's 'Get Fishing campaign', designed to attract new anglers through a bankside coaching programme, we're delighted to continue into a third year. We also remain active supporters of the Angling Trades Association 'National Fishing Month' designed to get more people out on the bank. We have co-funded the training of over 80 Angling Direct colleagues as certified angling coaches who will offer advice and support to anglers of all abilities, both in store and at local events.

We continued to extend our social media and YouTube reach. In the period, our Facebook followers exceeded 160,000 for the first time. We have seen particular success with our 'how to' style, 'Quick Bites' skills development features. Building on our inclusive approach, we have featured various articles with colleagues of a broad range of ages, genders, fishing abilities and disciplines, designed to appeal to an ever more diverse customer base.

We take our responsibilities seriously and that extends to ensuring Angling Direct is a sustainable business across the areas of environmental protection, economic viability, and social equality. See pages 41 to 43 for more information on sustainability.

Board Succession Plan

Post period end, we announced the Board Succession Plan, which will involve the following changes:

- Andy Torrance will step down from his role as Chief Executive Officer (CEO) and be appointed Non-executive Chairman
- Steve Crowe, Angling Direct's Chief Financial Officer (CFO), has been chosen by the Board to replace Andy and will be appointed CEO
- Martyn Page, will step down from his role as Non-executive Chairman and will remain on the Board as a Non-executive Director
- The Board conducted a thorough search for a CFO and has announced that Sam Copeman will join the Group on 5 June 2023 and be appointed to our Board at the conclusion of our AGM on 22 June 2023.

The timing of these changes remains dependent on the recruitment of an experienced CFO to work alongside Steve to deliver the Group's growth strategy. The process to identify a successor is progressing well and a further announcement will be made shortly.

Current Trading and Outlook

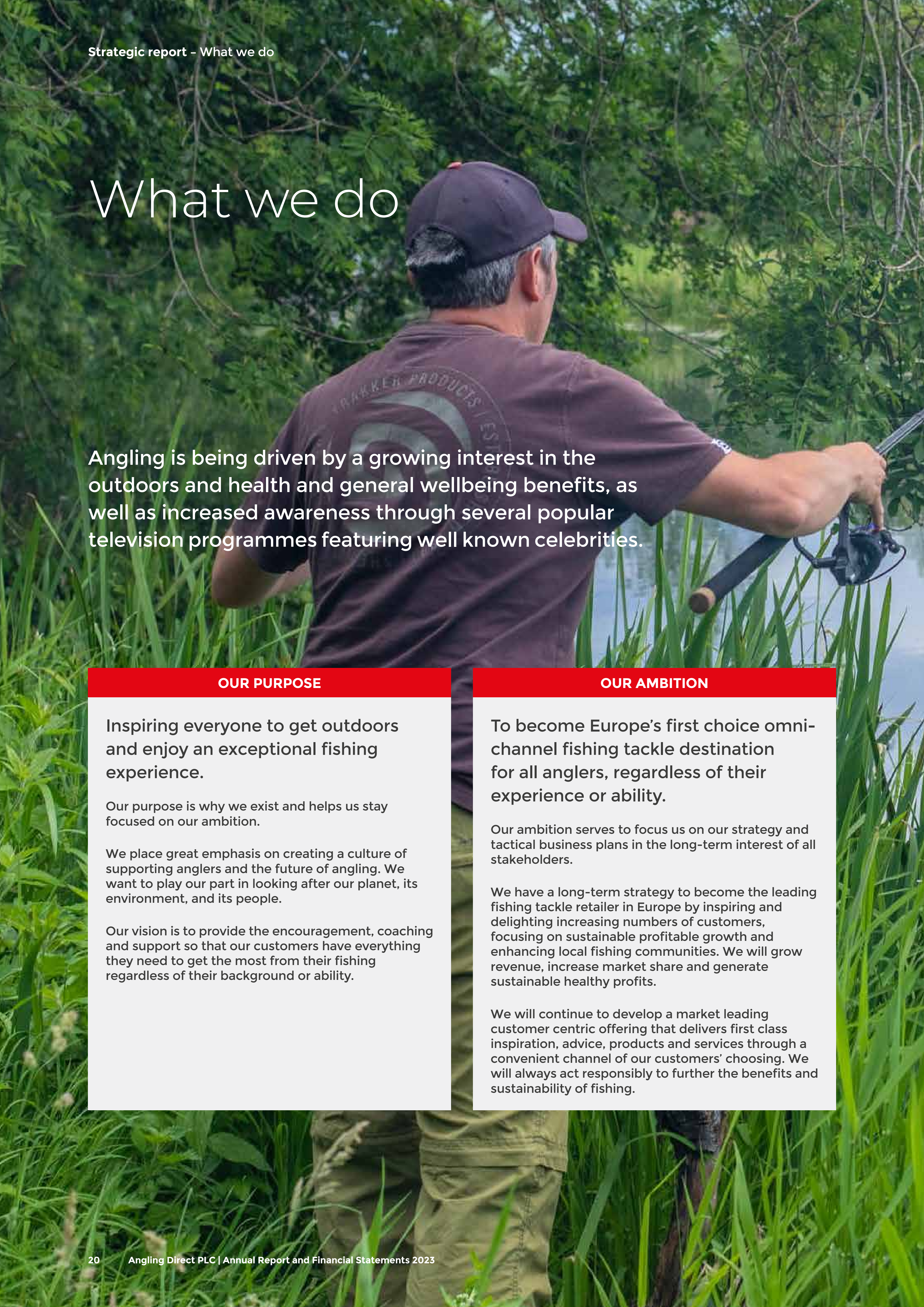
I am pleased to report that, despite the ongoing inflationary pressure on consumers, the Group has experienced growth across all channels in the first three months of our financial year, delivering total Q1 sales growth of 11.0%.

Looking ahead, we will continue to evolve our customer offering across all channels but with a particular focus on sustainable profitable growth and our European presence. With significant cash on the balance sheet, the Group will continue to strategically invest in market share gains within the UK and Europe as long as it remains prudent to do so, and only to the extent that it retains both strong liquidity and its robust balance sheet.

In my last report as CEO, I am confident that Angling Direct is in good shape. Whilst we are vigilant as to the continuing challenging macro-economic backdrop, I remain cautiously optimistic when I look to the future, confident that the strong foundations we have put in place through FY23 will ensure the Group is well-placed to capitalise on the numerous opportunities that will arise through the remainder of 2023 and beyond.

Andy Torrance
Executive Director and Chief Executive Officer

15 May 2023



What we do

Angling is being driven by a growing interest in the outdoors and health and general wellbeing benefits, as well as increased awareness through several popular television programmes featuring well known celebrities.

OUR PURPOSE

Inspiring everyone to get outdoors and enjoy an exceptional fishing experience.

Our purpose is why we exist and helps us stay focused on our ambition.

We place great emphasis on creating a culture of supporting anglers and the future of angling. We want to play our part in looking after our planet, its environment, and its people.

Our vision is to provide the encouragement, coaching and support so that our customers have everything they need to get the most from their fishing regardless of their background or ability.

OUR AMBITION

To become Europe's first choice omni-channel fishing tackle destination for all anglers, regardless of their experience or ability.

Our ambition serves to focus us on our strategy and tactical business plans in the long-term interest of all stakeholders.

We have a long-term strategy to become the leading fishing tackle retailer in Europe by inspiring and delighting increasing numbers of customers, focusing on sustainable profitable growth and enhancing local fishing communities. We will grow revenue, increase market share and generate sustainable healthy profits.

We will continue to develop a market leading customer centric offering that delivers first class inspiration, advice, products and services through a convenient channel of our customers' choosing. We will always act responsibly to further the benefits and sustainability of fishing.

PURPOSE & AMBITION

OUR PURPOSE

Inspiring everyone to get outdoors and enjoy an exceptional fishing experience

OUR AMBITION

To become Europe's first choice omni-channel fishing tackle destination for all anglers, regardless of experience or ability

STRATEGIC PILLARS

Product Authority

- Most comprehensive range for all major fishing disciplines
- Always delivering choice, value, quality and availability

Customer Experience

- The very best digital and store retail interactions to drive conversion
- Create loyal customers who prompt recommendation

Inspiration & Support

- Making fishing inclusive and accessible,
- Providing friendly advice, education and inspiration to all sections of the angling community

Responsibility

- Actively engaging the fishing community
- Promoting environmental best practices
- Best employers in our market

KEY ENABLERS

Our founding philosophies

Inspirational, passionate, trustworthy and genuine; our frame of reference for the business decisions we take each day.

Our colleagues' knowledge, passion and experience

Crucial to inspiring anglers of all backgrounds and abilities to stretch themselves and seek more from their fishing.

Our contemporary digital technologies

Facilitate our growth, stand us apart and uniquely position us to grow market share.

Our value based, data driven decision making

Underpins and directs all that we do, ensuring we maximise value for all stakeholders.

What we do
Our stakeholder business model

Stakeholder value creation

- Favourable market, customer and health awareness trends
- Continued strong year on year growth and improvements in key operational efficiencies
- Further organic growth opportunities in all channels and geographies
- Improving cash flows and continued investment in people, training, marketing, digital and physical infrastructure
- Selective acquisitions where strategically compelling

1

Colleagues
Development of Team AD colleagues continues to be a priority. Our customers benefit from happy, knowledgeable, confident colleagues. We continue to prioritise internal personal development and training programmes as well as accessing external training provision as appropriate. Every team member has a formal personal development review each year. All our colleagues have access to free personal counselling services and occupational health services.

2

Customers
We regularly seek feedback from our customers via online reviews as well as several more fulsome surveys. We aim to meet all our customers' needs whatever their chosen channel with an increased focus on ensuring they have the information, inspiration and support to meet their fishing goals.

3

Shareholders
We continue to focus on the creation of shareholder value, developing the business in line with our strategy of sustainable profitable growth.

4

Industry bodies
We continue to work constructively with our industry bodies. We are trade members of The Angling Trust, the Angling Trade Association and the European Fishing Tackle Trade Association with whom we work closely with on all matters related to promoting and protecting fishing as a pastime accessible to all.

5

Community
During the year we supported various local and national charities in a variety of campaigns. We are also supporting the Anglers Against Pollution campaign via our membership of the Angling Trust.

6

Suppliers
We continually evolve our supplier strategy, aiming to foster successful long-term relationships with our key suppliers who align to our purpose and sustainability objectives, built on a foundation of trust in the best interests of angling.

What we do
our market

Angling remains one of Europe's most popular and highly participated sports. A renewed interest in fishing is being driven by a growing interest in its outdoor health and general wellbeing benefits, as well as increased awareness through several popular television programmes featuring well known celebrities.

The value of UK based fishing tackle sales was estimated to be around £550m per annum in 2018. Management estimates that the two largest, similarly structured markets in mainland Europe, France and Germany, are each worth approximately £800m.

There are now over 730,000 licensed anglers in England and Wales and the Environment Agency has increased its own target to achieve 1m licence holders by 2025. It's important to note that not all fishing disciplines require an EA licence.

We believe our growth is outperforming the overall market as we continue to extend our customer reach, having served online 199,000 unique customers in FY23. Angling Direct is market leader in the UK with an estimated market share of approximately 12% and we estimate we are some 5 times larger than the next largest market participant in the UK.

The fishing tackle market both in the UK and Europe is highly fragmented, characterised by smaller independent competitors and offers the opportunity for us to act as one of the primary consolidators in the market.

Whilst overall consumer spending remains uncertain, past experience tells us that the relatively low cost, easy to access localised pastime of fishing proves resilient during recessionary periods.

Our brand is being considered by more consumers both in the UK and increasingly in the EU, as we benefit from increasingly digitally engaged customers who research (and buy) online, engage on social media and utilise local bricks and mortar stores for deeper, inspiration advice and coaching.

13%

Market share

Estimated UK market share

What we do

Why we are different

As the largest specialist fishing tackle retailer in the UK and Europe, we understand that to achieve sustainable profitable growth our customers require excellent inspiration, service and support through the channel of their choosing. They look for a best in market, broad high-quality product range, efficient processes and competitive prices. They increasingly expect us to act responsibly to get the best outcomes for all of our stakeholders and the environment.

28,000

Product lines

28,000 product lines from over 100 suppliers

4.7/5

Feefo rating

Our Feefo rating is high

OUR PRODUCT AUTHORITY

forecast purchasing volumes with the objective of ensuring maximum product availability, optimised across our stores and websites.

We have developed long-term supplier partnerships, being the largest UK retailer of many well-recognised brands. Additionally, we stock two of our own fishing tackle brands, *Advanta*, which is primarily focused at the enthusiast carp angler, and *Discover* focused upon supporting beginners to angling. Both the *Advanta* and *Discover* product ranges matches the performance and quality of other fishing tackle products, whilst also offering great value for money.

We aim to offer the best value possible with our 'Price Checker' promise and through regular use of price monitoring software, we make sure that we are never knowingly undercut by our key competitors.

We match or beat our key competitors' prices to ensure that we provide the best price to our customers.

OUR INSPIRATION AND SUPPORT

Whether new or seasoned anglers, our customers require in-depth information, advice and tips in order to inspire them to get the most from their fishing. We provide customers with this across all of our channels by ensuring they can easily access help and support from industry leading knowledgeable store colleagues. We now have at least two Angling Trust accredited fishing coaches within each of our store locations who can offer advice and also hold lessons at local angling destinations to give confidence to new anglers and help existing anglers improve their skills.

Additionally, we make available large amounts of digital material embedded within our websites, social media and ADTV, our YouTube channel. This includes features on the latest fishing product innovations, reviews of popular products and fishing locations, interviews with leading anglers and very popular educational 'how to' style QuickBite skill videos.

OUR CUSTOMER EXPERIENCE

The experience our customers receive however and whenever they choose to interact with us is always paramount in our thoughts. Our focus is to deliver the very best in class customer experience every time.

All our stores are sited in easy to access locations with a high density of anglers based on licensing data. We design our processes for customers to experience a smooth and efficient transaction, whilst also enjoying the opportunity to interact with our colleagues who themselves are immersed in the local fishing scene.

Our stores, websites and trading App are designed for the angling community where anglers can both purchase fishing products and also interact with the angling community and improve their angling knowledge. We ensure that our stores and sites remain fresh, relevant and interesting for both new and existing customers. We regularly review product selection and promotional activity to ensure popular, fast moving and promoted products are presented in the most effective way.

For our country specific websites, our multilingual service teams provide social media, local marketing, tele sales and high-quality customer service support.

Our Feefo rating is 4.7 out of 5, with over 12,000 five-star reviews.

OUR RESPONSIBLE LEADERSHIP

To be successful it is important for Angling Direct to demonstrate to all its stakeholders that it credibly leads within its sector by acting responsibly in all aspects of its operation and strategy but particularly towards the growth and sustainability of fishing as a pastime in the long term.

We aim to grow our colleague team with the optimum combination at all levels of angling specialists, drawn from within the sector; and experienced multi-discipline retailer and commercial managers. Strong supportive relationships with our key suppliers are important to us as we seek to grow the fishing tackle market and our reach within it, for mutual value.

Our store teams connect locally with our customers through store led social media and manager specials. An increasing number of our stores now feature a Fishery Focus area – a place for customers to dwell, enjoy a coffee and spend some time reviewing local fishing venues as well as chatting with store colleagues and other customers about their latest fishing experiences. They can also drop off their used fishing lines for recycling and take advantage of our reel re-spooling services.

Through our Trade membership of the Angling Trust, we are very proud to support their Anglers Against Pollution campaign by selling fundraising branded merchandise in our stores and online.

Steve Crowe
Chief Financial Officer

Chief Financial Officer's statement

"Well positioned for growth whilst navigating the more uncertain macro-economic environment."

The Group has continued to deliver on its strategic priorities throughout FY23 despite the adverse consumer dynamics of reduced demand post COVID-19 alongside the current cost of living pressures for consumers. The Group maintained its strong balance sheet and liquidity position, which presents opportunity as further market consolidation occurs and more favourable consumer dynamics return.

Financial highlights

In FY23 the Group continued to generate revenue growth. This was driven by UK retail stores through the space effect of new and prior year store openings, alongside establishing in-Europe distribution capability.

FY23 saw focus on margin preservation within the UK through greater focus from our category management teams on buying and pricing as increasing stock availability in the supply chain alongside tougher consumer spend dynamics resulted in more disruptive customer pricing within the market. Our resilience in this area enabled the Group to remain profitable whilst absorbing the start-up losses of the European online business, alongside £0.9m lower direct government support (in the form of Coronavirus Job Retention Scheme "CJRS" the Restart Grant Scheme "RGS"). Profit after tax was £0.5m (FY22 £3.1m).

The discussion of our financial performance and position in this section is primarily on an IFRS 16 basis for all years presented. We have also included an analysis of pre-IFRS 16 EBITDA as an alternative performance measure that we consider as a key measurement of performance internally as well as within our covering Broker's market forecasts.

Note 7 to the consolidated financial statements provides more information and reconciliations relating to EBITDA on both a pre and post-IFRS 16 basis. An explanation of the difference between the reported operating profit figure and adjusted EBITDA is shown below:

Financial highlights	2023 Post-IFRS 16	2023 Pre-IFRS 16	2022 Post-IFRS 16	2022 Pre-IFRS 16	Change % Post-IFRS 16	Change % Pre-IFRS 16
Revenue (£m)	74.1	74.1	72.5	72.5	2.2%	2.2%
EBITDA (£m)	4.6	2.2	7.3	5.2	(37.9%)	(57.2%)
Operating profit (£m)	1.1	0.7	4.4	3.8	(75.7%)	(80.6%)
Profit before tax (£m)	0.7	0.8	4.0	3.8	(83.2%)	(79.2%)
Basic earnings per share (pence)	0.70	-	3.98	-	(82.4%)	-

Adjusted financial measures are defined on page 86 of the Annual Report and reconciled to the financial measures defined by International Financial Reporting Standards ("IFRS"). Management uses EBITDA on a pre IFRS16 as the basis for assessing the financial performance of the Group. These terms are not defined by IFRS and therefore may not be directly comparable with other companies adjusted profit measures.

Another year of revenue growth

Revenue grew 2.2% year on year (in the UK 1.6%) with store sales increasing 6.8% and the online business contracting 3.0%, UK online sales reduced 4.8%, but remained 57.9% ahead of the pre-COVID FY20 year. The UK growth was driven by increased transaction volumes as in store conversion and the store footprint increased. The total UK business now having delivered 47.3% growth against the pre-COVID FY20 year. The Group's European business grew 18.4%. In Q1 FY23 the Group opened its own European distribution facility to serve its European customers. Located in The Netherlands and supplied primarily directly from a European supplier base this facility negated much of the post Brexit challenges around cross border supply and customer fulfilment. The Group continues to focus on European territories that have the market size to deliver both strong sales growth and promising levels of profitability. Our key territories of Germany, France, and The Netherlands increased sales year on year by 32.3%. These territories now represent 94.3% of total international sales (FY22: 84.4%). These European markets have also been materially impacted by consumer dynamics as well as the geopolitical events in Ukraine, and therefore whilst the timing of the launch of the in Europe fulfilment has proved challenging, from a medium-term perspective these remain attractive markets, given the need, post Brexit, to fulfil these products directly from within the EU.

Revenue	31 January 2023 £m	31 January 2022 £m
UK revenue	71.0	69.8
Germany, France and Netherlands revenue	3.0	2.2
Other countries revenue	0.2	0.4
	74.1	72.5
Retail stores revenue	41.3	38.7
Ecommerce revenue	32.8	33.8
	74.1	72.5

Stores were not impacted by COVID trading restrictions during FY23, unlike FY22 where Q1 was impacted by such restrictions. Like-for-like store sales were flat year on year with Q1 reflecting the restrictions 34.1% higher, Q2 9.7% lower, with this softening to 1.1% lower by Q4. The increase in store sales from the expansion of the Group's three new stores during the year was £0.9m with £2.4m from the four new store openings in FY22, collectively contributing £3.3m (8.1%) to total stores revenue.

UK online sales reduced 4.8% year on year, reflecting a COVID influenced H1 FY22 comparatives. Customer demand has proved volatile throughout the year with monthly performance against prior year periods (excluding November – anniversary of cyber-attack in FY22) ranging from 26% down to 12% up.

Our own brand product range Advanta contributed 6.8% (FY22 5.6%) of total sales, £5.0m, during the year (FY22: £4.1m) an increase of 24.2% on prior year.

Gross margin

Our gross profit decreased by 3.1% to £25.8m (FY22: £26.6m). Gross margin reduced by 190 bps to 34.8% (FY22: 36.7%). UK gross margins reduced to 35.3% from 37.0%. The UK business was unable to pass through all product price inflation into the customer's basket, as well as investing in price to grow market share. Against this consumer spend headwind the UK business was successful in supporting the gross margin by increasing its penetration of own brand sales, as well as improving the margins from sell through of discontinued lines.

Other income

As highlighted above the Group did not access direct government support during FY23 relating to the COVID-19 pandemic. In FY22 the Group accessed £0.9m of support, comprising £0.7m for RGS and £0.2m for CJRS.

The Group was the subject of a malicious cyber-attack during Q4 FY22 which resulted in 7 days lost trading for the online business. The incident was subject to an insurance claim with the Group's insurers and this was successfully settled in FY23 with the Group recovering a payment of £0.3m.

Administrative expenses

Total administrative expenses increased by 10.4% to £21.7m (FY22: £19.7m) compared to a 2.2% increase in revenue. Of the increase £0.6m relates to the European segment, £0.4m as the European segment incurred higher levels of variable cost as revenues grew, £0.5m of higher fixed costs relating to the European property and colleagues, with a £0.3m saving on advisors' fees incurred during the setup phase during FY22.

In the UK head office administrative expenses reduced £0.4m as the Group continued to challenge itself to ensure its growth leveraged its fixed cost base. UK stores increased £1.5m (17%), an increased depreciation charge of £0.4m for new space alongside the loss of government support for business rates and living wage increases materially contributed to the change. The UK online business administrative expenses increased £0.4m as living wage challenges and business rates relief also impacted this segment.

Segmental Analysis

The Group has for the first time disclosed its European business as a separate reporting segment as the Board now evaluates this aspect of the business as a separate operating segment.

The stores, despite increasing revenue year on year by 6.8%, reduced their EBITDA to £6.7m (FY22 £7.1m) and profit before tax year on year to £3.9m (FY22 £4.8m). Operational efficiencies were unable to fully offset the impact of COVID Business Rates relief falling away (£0.3m), impact of c7% living wage increase and softer gross margins year on year (70 bps) as the Group consciously invested margin to retain customers as consumer spend became more challenged. All stores remain pre-IFRS 16 EBITDA profitable post three year maturity.

The UK online business despite contracting 4.8% in revenues year on year delivered £2.8m of profit before tax and £3.4m of EBITDA. The segment experienced more challenging dynamics on gross margin than the stores given the relative mix in the online business to higher value capital items.

The European segment delivered a loss before tax of £1.3m and an EBITDA loss of £1.0m. The in-country customer fulfilment model commenced in March which coincided with the start of the war in Ukraine and more challenging European customer dynamics. Whilst the sales ambitions for the start-up European business were not delivered in the year the Group worked hard to balance growth and levels of losses. H2 in FY23 saw the Group reduce the EBITDA losses to £0.4m from the £0.6m in H1 against a backdrop of maintaining an annual fixed cost base of c£0.8m.

The Head Office segment modestly increased its loss before tax to £4.8m (FY22 £4.7m) despite the loss of £0.9m of government COVID-19 support. Payroll costs in the segment reduced £0.5m year on year as the Group continued to evaluate colleague investment levels against the more challenging consumer environment.

Profit before tax and EBITDA

Profit before tax decreased 83% to £0.7m (FY22: £4.0m) with the ratio to sales reducing from 5.5% in FY22 to 0.9%, gross margin representing 1.9% of the movement, the cost base 2% and reduced government support net of the cyber insurance recovery 0.7%. EBITDA reduced 38% to £4.6m (FY22: £7.3m), as a ratio of sales 6.2% (FY22: 10.1%) and on a pre IFRS 16 basis 57% to £2.2m (FY22: £5.2m), as a ratio of sales 3.0% (FY22: 7.2%).

Financial highlights	2023 Stores	2023 UK Online	2023 Europe Online	2023 Head office	2023 Total	2022 Stores	2022 Online	2022 Head office	2022 Total
Revenue (£m)	41.3	29.7	3.1	-	74.1	38.7	33.8	-	72.5
Net assets	14.4	3.3	3.4	16.2	37.3	12.7	4.6	19.1	36.4
Profit / (loss) before tax (£m)	3.9	2.8	(1.3)	(4.8)	0.7	4.8	3.9	(4.7)	4.0
EBITDA post IFRS 16 (£m)	6.7	3.4	(1.0)	(4.5)	4.6	7.1	4.5	(4.3)	7.3
EBITDA pre IFRS 16 (£m)	4.9	3.2	(1.2)	(4.7)	2.2	5.3	4.3	(4.5)	5.2

Tax

The Group's effective tax rate was 19.4% (FY22: 23.5%). A reconciliation of the expected tax charge at the standard rate to the actual charge is shown below. All the Group's revenues and the majority of its expenses are all subject to corporation tax. The main expenses that are not deductible for tax purposes are professional fees. Tax relief for some expenditure, mainly unapproved share options is received over a longer period than that for which the costs are charged to the financial statements. Corporation tax rates in the UK and the Netherlands are comparable and therefore no material difference arises from the UK headline corporation tax rate of 19%.

Returns and dividends

Basic earnings per share ('EPS') is 0.70p (FY22: 3.98p) reducing 82% year on year, comparable with the rate in reduction of profit before tax. The lower diluted earnings per share reflects the current LTIP share options in issue which would dilute the basic earnings per share.

There were no dividends paid, recommended or declared during the current and prior financial year. As discussed in the Directors' report, the Group is focused on delivering a strategy of profitable growth and will reinvest all surplus cash resources back into the business, and continue to evaluate accretive M&A opportunities as market pricing starts to reflect post COVID-19 trading. As a result of this, in the short term, the Directors do not recommend a dividend payment to be distributed for the year ended 31 January 2023. The dividend policy will be kept under review as strategic expansion plans progress.

Taxation	£m	%
Profit before tax	0.7	
Expected tax at UK standard rate of tax	0.1	19.0%
Ineligible depreciation	0.0	1.8%
Expenses not deductible for tax purposes	0.0	0.1%
Capital allowances enhanced deduction	(0.1)	(8.1%)
Difference in current and deferred tax rate	0.0	2.8%
Adjustments in respect of previous year's tax charge	0.0	3.7%
Actual charge / effective tax rate	0.1	19.4%

Statement of financial position

Our consolidated statement of financial position is robust. As at 31 January 2023 the Group had a net asset position of £37.3m (FY22: £36.4m) and a net current asset position of £23.7m (FY22: £23.2m). The Group includes £0.0m of net assets and liabilities of its wholly owned subsidiary ADNL B.V.

The Group also had no external borrowing as at the reporting date and closed FY23 with a cash and cash equivalents position of £14.1m (FY22: £16.6m). Net debt* increased to (£2.6m) from (£5.6m) in FY22, (£0.6m) reflecting the increased lease obligations in the UK stores with the remainder reflecting investment of cash into continued UK store roll outs and European working capital.

The table below shows the key components of the statement of financial position, the movements of note being the increase in inventory levels primarily reflecting the £2.3m inventory investment into the new European distribution centre. The Group had three new stores in the estate as well as also building up our own branded stock, Advanta, and funded these activities through continued refinement of the wider UK stock holding without compromising availability. Stock turn for the Group as a result of these factors reduced to 2.8x from 3.0x. Stock turn for the UK remained at 3.0x.

Property, plant and equipment grew by £0.6m with the introduction of three new stores. Additions in the year also included £0.1m relating to Cardiff (opened in Q1 FY24) as well as £0.2m relating to ongoing store refresh programmes. Right of use assets (ROU) have grown modestly by £0.4m. Three new stores were brought into the estate comprising £1.0m of the ROU addition, with the remaining additions relating to the existing Milton Keynes location (new lease arrangement) and the new store in Cardiff. The addition of the European distribution centre lease was executed Q4 FY22 and did not materially impact the year-on-year change. Offsetting this growth in asset, the depreciation charge grew to £2.0m (FY22: £1.6m), the Group continued to evaluate its dilapidation obligations and associated restoration provision for its growing physical store and distribution centre footprint. Two leases were remeasured in line with contracted lease dates. The average length of lease remaining for the Group has reduced to 5.6 years (FY22: 6.0 years). Additional investment in our software and IT platforms of £0.3m was offset by a corresponding depreciation charge as the business starts to reach a level of maturity on its investment profile. Refer to note 2 to the consolidated financial statements for our policy with respect to intangible assets.

Statement of financial position	31 January 2023 £m	31 January 2022 £m
Property, plant and equipment	7.5	6.9
IFRS 16 Right-of-use assets	11.4	11.0
Intangible assets	6.1	6.2
Total non-current assets	25.0	24.1
Stock	17.8	16.3
Cash	14.1	16.6
Other current assets	1.1	1.1
Total current assets	33.0	34.0
Trade payables	(7.5)	(8.7)
Lease liabilities	(1.8)	(1.6)
Other current liabilities	(0.1)	(0.5)
Total current liabilities	(9.3)	(10.8)
Lease liabilities	(9.8)	(9.4)
Other non-current liabilities	(1.7)	(1.5)
Total non-current liabilities	(11.4)	(10.9)
Net assets	37.3	36.4

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

Cash flow	31 January 2023 £m	31 January 2022 £m
Opening cash	16.6	15.0
Profit before tax for year	0.7	4.0
Movement in working capital	(2.4)	(2.3)
Depreciation and amortisation	3.5	2.9
Taxation paid	(0.5)	-
Other operating adjustments	0.2	0.2
Net cash from operating activities	1.5	4.8
Net cash from investing activities	(2.3)	(1.5)
Net cash from financing activities	(1.7)	(1.7)
Increase in cash in year	(2.5)	1.6
Closing cash	14.1	16.6

Cash flow and funding

During FY23 the Group generated cash from operating activities of £1.5m (FY22: £4.8m). Operating cash generation was impacted £3.3m year on year as a result of the reduced profit before tax as set out above. Working capital investment year on year was broadly neutral despite the scaled investment into the European distribution centre. The Group was also tax paying in FY23 for the first time with £0.4m paid in respect of the FY22 year and £0.1m on account in respect of the FY23 forecast profits.

The Group has pursued its growth strategy by continuing to deploy available cash resources into our e-commerce platforms both in the UK and internationally, alongside investment in our technology and inventory management systems. During the period, the Group spent £2.0m on property plant and equipment, capitalised spend in FY23 was £1.7m as FY23 cash included payments in respect of prior year additions made in the closing months of FY22 as the new European distribution centre was being operationalised.

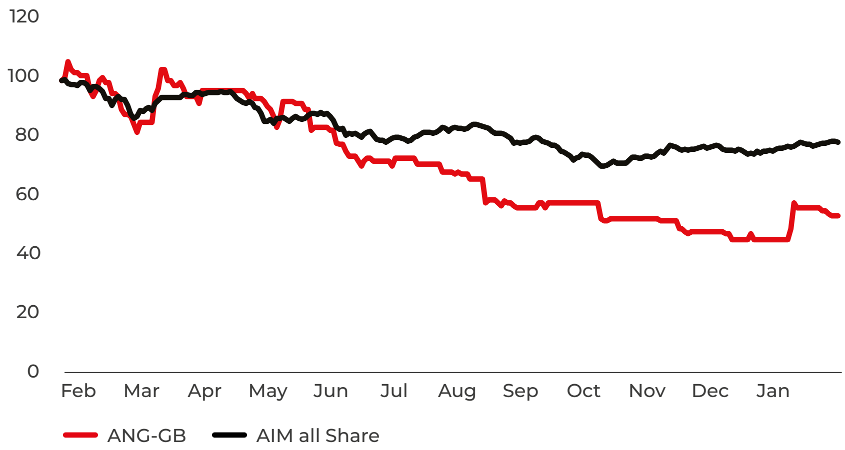
Total cash used in the period was £2.5m (FY22: £1.6m cash generated).

Going concern and viability

At the Statement of Financial Position date, the Group had cash balances of £14.1m. The Directors consider the £14.1m enables them to meet all current liabilities as they fall due. Since the year end, the Group has continued to trade within the range of internal plans upon which this assessment has been made.

After consideration of market conditions, the Group's financial position, financial forecasts for two years, its profile of cash generation and principal risks, the Directors have a reasonable expectation that both the Company and the Group will be able to continue in operation and meet their liabilities as they fall due over the period. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

Share price performance



Share price performance

At the year end the market capitalisation was £22.8m compared to £42.9m at the previous year end. The graph below shows the total shareholder return performance compared to the AIM all share Index. The values indicated in the graph show the share price movement based on a hypothetical £100 holding of ordinary shares from 1 February 2022 to 31 January 2023.

Outlook

We are confident in our ability to deliver further growth despite the continued uncertainty in the macro-economic environment and the impact on consumer confidence and spending patterns. With the improved financial performance in the UK business, which is now consistently delivering positive profits in comparison to the pre-pandemic year in FY20, alongside the strengthened balance sheet, and tight cash management, we are well positioned to continue the programme of investment, both into the UK within the physical estate, as well as in Europe in short term losses as the online business continues to gain traction.

We will continue our focus on organic growth in the UK through the acquisition of customers, both in the physical and online space and will invest further to better understand and develop our understanding of the customer and our offer to them. Operationally the business will continue to focus on efficiency to mitigate as far as possible the impact of cost and wage inflation, and more specially the living wage changes from April 2023.

As our understanding of the European market deepens, we will deploy capital into a European omni-channel offer, primarily through greenfield sites, augmented by investment in strategically aligned acquisitions where these can be delivered on compelling metrics.

We have continued to focus on building disciplined financial controls both in the UK and more latterly in Europe. In addition, our focus has been upon achieving operational excellence, strengthening corporate governance, maintaining the robustness of the statement of financial position and promoting fishing as a pastime through our evolving online and store customer offerings.

Steve Crowe
Chief Financial Officer

15 May 2023

Section 172 statement

Our Section 172 statement sets out how the Board has had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 ("s172") in carrying out its duties over the course of the year. The Company's purpose, vision and strategy are reviewed and discussed annually by the Board to ensure that these continue to promote the long-term success of the Company for the benefit of its members as a whole, whilst having regard to the matters set out in s172 (1), being:

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

b. The interests of the Company's employees;

c. The need to foster the Company's business relationships with suppliers, customers and others;

d. The impact of the Company's operations on the community and the environment;

e. The desirability of the Company maintaining a reputation for high standards of business conduct; and

f. The need to act fairly between members of the Company.

The underlying principles set out in s172 form the basis for decision making by the Board. The Board has identified six key stakeholders who are essential to the delivery of the Company's strategy and long-term success of the Group, details of which are set out in the following pages. During the year the Board have continued to meet frequently to focus on stakeholder needs, and in particular consideration of the wider stakeholder community as the Company progresses its European growth strategy.

Engaging with our stakeholders for meaningful impact

The six key stakeholders identified by the Board are at the heart of what we do, being: our employees, our customers; our suppliers; our industry bodies; our community; and our shareholders. It is of the highest importance to us that we engage with all our stakeholders meaningfully, to inform decision making, stay focused on our purpose and ensure we provide value in all areas of our business. It is challenging to ensure all of our stakeholders have the same experience with the Group, due to our wide range of locations, operations and roles; therefore, we promote an ongoing dialogue with all our stakeholders to enable us to effectively act on feedback, and we foster a culture of honesty and integrity.

Employees

Why we engage

Angling Direct has an ambition to be the best employer in the fishing tackle market. By engaging with our colleagues, we can understand their motivations and work with them to maximise colleague engagement and welfare. Our focus is continuing to provide our colleagues with the flexibility and support they need to develop their careers.

How we engage

We operate an open-door policy from the CEO downwards for all colleagues to always feel that they have a line to communicate, and we actively encourage feedback across all levels, and between functions.

Alongside the use of our colleague wellbeing platform, Perkbox, we continue to conduct all-colleague surveys, as well as continuing "AD Voice" our colleague feedback forum with membership including the Chair outside of the key management team. The CEO and members of the senior management team attend AD voice to hear feedback firsthand.

The store operations team continue to operate a "Managers in Action" Group to seek feedback and facilitate positive change within the store operations.

The CEO publishes a monthly message to all colleagues, including our Dutch colleagues where our bi-lingual operations manager holds the communication session with the team. For our store colleagues we continue to produce a weekly retail bulletin to promote awareness, inclusion and an increased sense of team for our geographically dispersed store teams.

We continue to review and where appropriate increase the frequency of our all colleague or team conferences and leadership meetings with our first all non store colleague conference in March 2022.

Outcomes

Our colleagues provide valuable feedback, particularly on issues which affect them most. The leadership team have reviewed the outputs of the colleague survey and shared the results with the organisation through CEO communication, all colleague communication events as well as using our new AD Voice forum to reflect on these results and propose initiatives and challenges to the management team.

In what has been a difficult time for our colleagues across the business, in particular with the rising cost of living we continue to offer resources to support colleagues in managing their wellbeing. This includes First AID mental health champions and continuing to invest in the wellbeing portal Perkbox with free access to content, advice and counselling support.

Customers

Why we engage

Our customers are at the heart of our business. Our continued growth and sales resilience would not have been possible without giving consideration to our customers' needs both in-store and online.

We engage with our customers to ensure we are meeting their demand for high standards of service, and to identify opportunities to improve the breadth of our customer offering alongside customer service.

How we engage

We engage with customers in the UK and Europe through all three channels (online, offline and social, e.g Facebook, YouTube and TikTok) as it suits their needs and encourage customer feedback through our feedback platforms.

We have 79 trained level 1 coaches, and 10 level 2 coaches across our business to help support and advise customers to source and use the right products to get the most from their own angling experience. Alongside this we continue to train and develop our customer engagement model "BAITS" which supports colleagues in delivering higher quality engagements with customers.

We provide a multilingual customer service team that includes professional angling coaches to support in-store and online orders, including customer returns. Customers can access this team through phone and email.

Our ADTV and social media presence allows our customers the opportunity to learn and explore various techniques in their own time. Our European business continues to extend its reach through native language customer content.

We continue to invest in our new concept store roll out to enhance our customers physical retailing experience.

Outcomes

We continue to invest to ensure we can offer customers the most complete angling experience through the development of our "new concept" store implemented in our latest 3 store openings in the year. The continued focus on roll out of coaching qualifications to ensure we retain the ability to not only provide excellent customer service alongside high quality sales advice.

Our digital reach continues to grow both in the UK with 150,000 Facebook, 115,000 Instagram, 9,000 TikTok and 13,000 Twitter followers. Alongside these platforms we have 52,000 subscribers to our ATV (YouTube) channel. In Europe's first year we have scaled to 12,000 Facebook and 9,000 Instagram followers, alongside 1,700 ATV subscribers.

Suppliers

Why we engage

We are proud to have long term relationships with our suppliers and manufacturers, regularly communicating with them to deliver ongoing benefits to our business, collaboratively finding operational and sustainable improvements and delivering improved value.

We are starting to align sustainability goals with some of our key suppliers. We recognise that through working together we can reduce our impact on the environment.

How we engage

We have a stable supplier base, regularly communicating with them to promote our relationship. Our suppliers are invited to attend our physical store locations as well as our distribution centre to help them better understand our business, engage with other stakeholders and ask any questions they may have.

We have continued to invest in our Category management team, particularly in our own brand sourcing capability to promote improved engagement with the Group's Far East suppliers.

Outcomes

We are proud to have long-term relationships with our suppliers. Through these relationships we can generate consistent custom for our suppliers, in return achieving mutually favourable terms on purchases. We have had appropriate communication with our suppliers, continuing to ensure they were paid promptly and were able to deliver sufficient product despite the impact on the global supply chains continuing to face some uncertainty in the aftermath of the COVID-19 pandemic.

We have started to form partnerships with our key suppliers where they sponsor line recycling centres at fisheries to enable them to continue to supply us with their new fishing line products. We continue to work with our manufacturers to reduce the quantum of plastic packaging in our own brand products with over 107,000 single use plastic bags eliminated from our seasonal advent calendar offering in 2022.

Industry bodies

Why we engage

We actively engage with our industry bodies, primarily the Angling Trust, but in addition the Angling Trades Association and the European Fishing Tackle Trade Association. These interactions and relationships help us to maintain a reputation for having a broader purpose than the resale of fishing equipment.

How we engage
We hold regular meetings with Industry Bodies to discuss key issues and share and participate in key initiatives and improvements across the industry.

Outcomes
Constructive dialogue and actions which evidence to the angling community that Angling Direct is helping to shape and support the sustainability and growth of fishing as a pastime.

Our non-Executive Chairman is an Ambassador of the Angling Trust to promote further collaboration between our respective organisations.

Community

Why we engage
We recognise the role that community plays within local angling and regularly engage with the communities in which we work to understand how we can support them.

By engaging with our communities, we enhance the environment in which we work, promote employment satisfaction in our operation and keep our communities informed.

How we engage
Grassroots investments in the angling community are important to the Group's success. Projects such as Fishing for Schools, National Fishing Month and the Angling Trust "Get Fishing" are examples of initiatives receiving the Group's support that allow us to engage with our communities. We have provided product and colleague time to "Tackling Minds" an organisation founded to get people into fishing from all walks of life, be it mental health, social deprivation, addiction or disability. Additionally this year we have Co-funded with Anglia Ruskin University research into fishing as a form of social prescribing. The first published academic research supporting angling as a form of social prescribing to NHS patients.

Outcomes
During the year the stores gave away free over 11,000 "Get Kids Fishing" kits to the under 16's. In addition, we donated £5,000 to the Angling Trades Association to support their "National Fishing" campaign and £6,000 to Tackling Minds.

Anglia Rushkin University published its academic research promoting the benefits of social prescribing angling to support NHS patients suffering specific mental health challenges.

Shareholders

Why we engage
We actively engage with our shareholders, sharing our investment case and communicating our future plans, to ensure the Group's strategy is aligned to the interests of its shareholders. Our shareholders hold us accountable for doing the right thing, and by engaging with them we can understand and act on their expectations, enabling us to drive the business forward, deliver sustainable growth and attract additional investors to support the business.

How we engage
We engage with our shareholders through our Annual General Meeting ("AGM"), conference calls, one-to-one meetings and investor roadshows. We have ongoing dialogue with our shareholders and value their feedback, which is discussed at Board meetings.

We ensure we keep the investor section of our website up to date to provide timely updates about Angling Direct and its activities. Individual shareholders are encouraged to contact Directors on all matters relating to governance and strategy via our Nominated advisor. Our Executive Directors take part in live webcasts of our interim and preliminary results announcements, including live question and answer sessions with analysts.

Outcomes
At the AGM, 100% of resolutions were passed and votes in favour ranged from 99% to 100%.

We continue to engage FTI consulting, a Financial public relations firm to assist with improving our investor relations experience, engaging more closely with current and potential shareholders. As part of our improvement of investor relations, our Executive Directors took part in live-streamed shareholder roadshows at the FY22 full year and HY23 roadshow through the "Investor Meet Company" platform.

During the year we consulted with major shareholders on governance and Executive remuneration. More details are included within the Corporate Governance statement.

Principal risks and uncertainties

Proactively identifying and managing risk throughout the Group.

Risk management structure

The Board has overall responsibility for ensuring risk is appropriately managed across the Group. The day-to-day identification, management and mitigation of risk is delegated to the Group's senior management.

Risk registers are prepared which evaluate the risks most likely to impact the Group. Colleagues across the business are involved in the review of these in order to ensure that all potential areas of risk are adequately identified, recorded and managed. Controls that are in place are assessed to determine the extent to which they mitigate risk and in circumstances where it is considered appropriate actions are determined.

The Group's business operations are subject to a whole range of risks. Some of the most significant risks are explained below together with details of actions that have been taken to mitigate these risks.

The Key Roles and Delegated Responsibilities

Executive Management team

Collectively responsible for managing risks.

Audit Committee

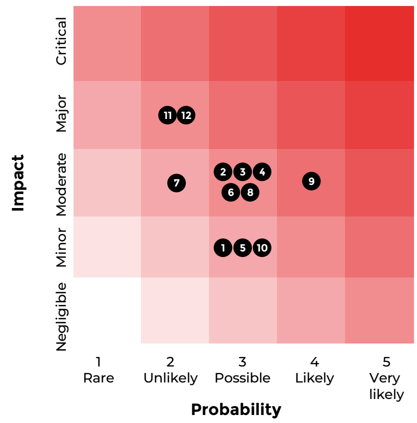
Assists the Board to fulfil its corporate governance duties and oversees responsibilities in relation to financial reporting, internal controls, and risk management structure.

Risk appetite

The effectiveness of our risk management approach relies upon a culture of transparency and openness that is encouraged by the CEO and CFO. The Group's appetite for risk is considered low; whilst some risk is required to develop the business and invest in future growth, the Group has no appetite for major risks which cannot be effectively mitigated through effective controls.

Assessment of principal risks

During the year the Board undertook a robust assessment of the emerging and principal risks facing the Group and specifically those that might threaten the delivery of its strategic business model, its future performance, solvency, and liquidity. A summary of the principal risks and uncertainties that could impact the Group's performance is shown on pages 36 to 40.



Item	Impact	Probability
1 Future pandemic or lockdown	2	3
2 New jurisdictions	3	3
3 Health & safety legislation	3	3
4 Distribution centre	3	3
5 Search engine change	2	3
6 Data security & IT resilience	3	3
7 Market competition	3	2
8 Sale of 3rd party brands	3	3
9 Dependence on key personnel	3	4
10 Inventory management	2	3
11 Going concern & liquidity	4	2
12 Employment market	4	2

Key ▲ Increasing risk for the Group ◀▶ Risk remains unchanged for the Group
▼ Decreasing risk for the Group Ⓝ New risk for the Group

Risk	Description	Mitigation	Changes in year
◀▶ **Future pandemic or lockdown**	Future uncertainty over COVID-19 or other pandemic and associated lockdowns. Future lockdowns affect our ability to source product and supply to our customers through our omni channel model GEO political issues impacts economic outlook, consumer confidence and challenges market growth strategy	By continuing to closely monitor as a Board evolving government and public health guidance. Multiple, geographically spread locations across the UK and Netherlands, as well as a customer base throughout Europe protect the Group from localised issues. A large proportion of our own-brand products are sourced from China. We continue to deepen our own brand range and volumes of orders. We leverage our supplier relationships to seek greater transparency of order fulfilment levels and flex order volumes within other ranges as required. A broad product offering gives customers choice to enable them to refine spending patterns and still participate in the pastime.	Continued adherence to government and public health advice across all operating territories. We continue to offer flexible working where appropriate to promote safety across the Group as a whole. Supply of imported branded goods becoming less challenging with shorter lead times but with some unpredictability around volume of supply. Consumer spend patterns volatile within weeks as consumer news alongside inflationary environment impact disposable income and consumer confidence.
◀▶ **New jurisdictions**	The Group's expansion into new jurisdictions may not be successful. Further expansion into markets outside the UK expose the Group to a variety of risks, including different regulatory requirements, complications with staffing and managing foreign operations, variations in consumer behaviour, fluctuations in currency exchange rates, potential political and economic instability, potential difficulties in enforcing contracts and intellectual property rights, the potential for higher rates of fraud and adverse tax consequences. The Company has limited experience of the legal and regulatory regimes of jurisdictions outside the UK and their consequences for the Group's business. To the extent that the Group overestimates the potential of a new geographic market, incorrectly judges the timing of the development of a new geographic market or fails to anticipate the differences between a new geographic market and the UK, the Group's attempt to expand into new geographic markets may be unsuccessful.	The Board will routinely direct Management to seek professional input into any such strategic expansion. The capital allocation alongside the "start up losses" of the European business have been evaluated by the Board against the strength of the UK operation and the Groups overall cash headroom. A Dutch legal entity (AD NL BV) was established to facilitate the execution of the European distribution centre lease. The legal entity has enabled the Group to employ colleagues, enter into contracts as well as have greater in territory expertise to help mitigate the risks of the start up operation.	The impact of frictional carriage costs to fulfil customer orders outside of the UK as a result of the Brexit challenges the economics of fulfiling European customer orders from the UK in the medium term. In response to this challenge the Board accelerated its plans to review in country fulfilment options to mitigate these costs and maintain the pace of growth in these key strategic markets and the Groups Dutch distribution centre despatched its first parcel in March 2022. The Group has appointed in Dutch legal, tax and accounting advisors to mitigate the associated legal and compliance risks in territory.

Risk	Description	Mitigation	Changes in year
Failure to comply with health and safety legislation	Generally, non-compliance with applicable health and safety practices and regulations in any of our stores, distribution centre or offices could result in increased risk of accidents for our employees, customers, subcontractors or suppliers and adverse reputational and financial impacts. The health and safety of our stakeholders is critical.	The Board ensures that the Group health and safety strategy and compliance is delivered through the Operating Board lead for compliance. Health and safety is a standing agenda item on both the Group PLC Board work plan as well as the weekly Operating Board agenda. Specialist and appropriately qualified third-party advisers undertake training of the Group's health and safety Committee. The Group is appropriately insured regarding its employees and customers with respect to products supplied.	Continued focus on health and safety in all locations. Rolling program of site specific risk assessments and audits from the compliance team. Roll out of e-learning training modules for all colleagues alongside further automation of near miss and accident reporting. Six colleagues trained in IOSH (Institute of Occupational Safety and Health). Ongoing strategy of securing a primary Authority partnership to gain direct advice from a local government partner. Partnership with reputable third party in the Netherlands to ensure EU health and safety standards delivered through detailed risk assessment documentation.
Distribution Centres / warehousing	Any disruption to the efficient operation of the distribution centres may have an effect on the Group's business. The distribution centres may suffer prolonged power or equipment failures, failures in its information technology systems or networks or damage from fires, floods, other disasters or other unforeseen events which may not be covered by or may exceed the Group's insurance coverage. The Group operates one distribution centre in each key market (UK and Europe) and is reliant for any scale stock holding and picking to service its online customers.	The Group, in conjunction with its insurance broker, ensures sufficient and appropriate insurance cover is in place. This includes Business Interruption cover. The Group has an ongoing maintenance contract which supports its semi-automated picking system Kardex in the UK which has specified 24/7 SLA. In the UK the Group has the capability to fulfil online orders directly from store both as an inventory maximisation opportunity or as a disaster recovery tool.	The Group continues to strengthen both its Health and safety and IT environments to support the resilience of its distribution capabilities. A new Technology Director role was created and appointed to in year to strengthen the Group's approach to reviewing resilience and recovery.
Change to search Engines' algorithms	Changes to search engines' algorithms or terms of service could cause the Group's websites to be excluded from or ranked lower in natural search results. Search engines frequently modify their algorithms and ranking criteria to prevent their natural listings from being manipulated, which could impair the Group's 'Search Engine Optimisation' ('SEO') activities. If the Group is unable to recognise and adapt quickly to such modifications in search engine algorithms, the Group could suffer a significant decrease in traffic and revenue.	The Group will continue to operate search engine optimisation activities that adhere to search engine guidelines. The Group reviews its mix of organic and paid customer acquisition monthly to review its effectiveness of these channels.	The Groups delivered a UK online advertising spend at c5% of sales despite increased competitive environment as stock availability improved in H2 FY23. The Group maintained its mix of paid v non-paid advertising below 60/40.

Key ▲ Increasing risk for the Group ◀▶ Risk remains unchanged for the Group
▼ Decreasing risk for the Group Ⓝ New risk for the Group

Risk	Description	Mitigation	Changes in year
◀▶ **Data security and It reliability**	The Group relies heavily on its IT infrastructure and e-commerce system. If any one or more of its websites were to fail or be damaged this could impact the Group's ability to trade. If the Group's IT and data security systems do not function properly there could be website slowdown or unavailability, loss of data, a failure by the Group to protect the confidential information of its customers from security breaches, delays in transaction processing, or the inability to accept and fulfil customer orders, which could affect the Group's business.	Policies and procedures are in place to ensure stability and security of our networks and systems. Restricted access to systems, networks and applications wherever possible with an executed program of network security enhancements with external review post the cyber-attack in late FY22. The Group has a disaster recovery plan in place which has been designed to minimise the impact of data loss or corruption from hardware failure, human error, hacking or malware.	Strengthened senior IT team including appointment of Technology Director who has undertaken a review of the key risks. Multi factor authentication enabled throughout the IT estate including the AWS cloud environment. Password resets enforced. Deployed strong end point detection and response software. Improve back-up solutions including lock down of essential external account access to minimal users with high security.
◀▶ **Market Recognition & competition**	Developing and maintaining the reputation of, and value associated with, the Group's brands is of central importance to the ongoing success of the Group. Brand identity is a critical factor in retaining existing and attracting new customers. The Group is reliant on its natural search result rankings and paid advertising as it seeks to build market share and attract new customers. Any failure by the Group to offer high quality products across a range of disciplines, manufacturers and price points, excellent customer service and efficient and reliable delivery, could damage its reputation and brands and could result in the loss of customer confidence and a reduction in purchases. Unfavourable publicity concerning the Group could damage the Group's brands and its business. Adverse publicity of fishing as a pastime impacts the popularity of the activity as a pastime. Other platforms sell fishing equipment and fishing bait, in particular the emergence of "Product type" market places as well as "Direct to consumer" offerings represent a threat to the Group's current operating model.	We differentiate ourselves through our blend of channels, broad appeal, true specialist expertise and industry leadership. Our founding purpose of "Getting Everyone Fishing" drives our behaviours and strategy. Engaging dialogue with suppliers to develop increasing numbers of exclusive arrangements. Own-brand products are carefully selected and rigorously tested prior to initial order. The Group has invested in deeper experienced of own Brand expertise to enhance our product authority and customer offering. The Group has a track record of successfully competing on a wide range of factors including quality and range of products, price, product availability, product information, convenience, delivery options and service. The Group continues to develop its digital content and its websites to enables to maintain its relevance in search engine selection criteria.	We continue to communicate our Purpose, founding beliefs and strategy to our colleagues to ensure we maintain our differentiation in the market. The online proposition continues to evolve with the launch of the AD App, the industries first trading fishing tackle App both in the UK and Europe. See the "Our business model" section of the Chief Executive's statement which sets out how the Group continues to evolve its customer offering and remain the market leader in the UK with a platform to expand that ambition to Europe.

Risk	Description	Mitigation	Changes in year
Supply and sale of Third-party Branded products	The Group purchases products from a number of large global and domestic fishing equipment brand owners, and the Group's business depends on its ability to source a range of products from well-recognised brands on commercially reasonable terms. The relationships between the Group and the third-party brand owners are generally based on annual contracts that the Group seeks to renew each year. The third-party brand owners may cease selling products to the Group on terms acceptable to it, fail to deliver sufficient quantities of products in a timely manner, terminate their relationship with the Group and enter into agreements with the Group's competitors, or experience raw material or labour shortages or increases in raw material or labour costs. Any disruption to the availability or supply of products to the Group or any deterioration to the terms on which products are supplied to the Group could affect its business.	Whilst sales of third-party branded products accounted for approximately 93% of the Group's turnover in FY23 (FY22: 94%), the Directors do not consider that the Group is significantly reliant on any one or more major brand/brand owner. The Directors believe that the relative size of the Group, its purchase volumes and the strength of its relationship with the brand owners, built over a prolonged period in many cases, make it unlikely that any such arrangements would be terminated. Category management remains a key strategic pillar for developing the business and the strength of supplier relationships remains key to the Group.	Category management disciplines now becoming more mature within the business operation. Own brand ambitions and momentum are becoming clearer providing further mitigation to the risk over the medium term.
Dependence on Key personnel	The loss of any key individual or the inability to attract appropriate personnel could impact upon the Group's future performance. Should the Group fail to retain or attract suitably qualified and experienced personnel, it may not be able to compete successfully. Increased pressure on our colleagues to cover vacancy or skill gaps.	The Executive and Operating Board is compensated through a combination of market-rate salaries and the longer-term share-based incentives to align their remuneration with the continued success of the Group. The Board continues to recruit into key management positions as and when positions are identified.	Scale and complexity of the organisation grows with limited headroom within financial returns to materially change remuneration arrangements. Low attrition within the Executive and Operating Board with only one change in personnel during the year being the addition of a new Technology Director role.
Inventory management	The high volumes of stock which are purchased, held and sold creates multiple risks. These include obsolescence, faults, theft and damage – both when on hand and when being distributed.	The Group conducts regular quality control checks and stock counts at all its stores and the warehouse. Quality control checks are in place as part of the booking in process. The carrying value of the inventory is regularly reviewed and reduced to the lower of cost and net realisable value if overstated. Refer to the judgements and estimates section in note 3 to the consolidated financial statements for further detail on this process. As part of the wider insurance coverage of the Group, appropriate insurance is held in relation to stock held in our stores, warehouse and in transit.	An enhanced digital returns process alongside scrutiny from the loss prevention officer delivered shrinkage of c0.5% of revenues. Category management process have specific objectives on stock turn v margin. Greater transparency on discipline, category and product performance by channel. Change of UK carrier for UK customer deliveries to access cost savings resulted in poorer customer service and higher levels of "lost in transit "due to the carrier not adhering to contractual delivery protocols. Successfully retendered the UK carriage volumes to address these issues from late FY23.

Key ▲ Increasing risk for the Group ◀▶ Risk remains unchanged for the Group
▼ Decreasing risk for the Group (N) New risk for the Group

Risk	Description	Mitigation	Changes in year
▼ **Going concern, including liquidity and funding**	There is a risk that the Group cannot operate as a going concern. This going concern risk is driven by liquidity – i.e., the risk that the Group will have insufficient funds to meet its financial obligations as they fall due. There is a risk that the Group is not able to access funding, from third parties to maintain the required liquidity to remain solvent.	The Group maintains prudent levels of liquid funds to enable the business to continue to operate through moderate fluctuations in economic conditions or through a period of sustained disruption which could reasonably be estimated. Equity raise in FY21 continues to provide the Group with excess liquidity to maintain a robust balance sheet and drive growth. The Group's policy throughout the year has been to ensure that it has adequate liquidity and present sufficient headroom to execute its European expansion without liquidity constraint. Further detail on the Group's assessment of going concern is contained in note 3 to the consolidated financial statements.	Excess cash above working capital requirement has enabled European expansion without need to raise further funding or constrain UK working capital European strategy beyond the existing online business or further UK M&A continue to be evaluated against the liquidity the Group holds, balanced against the execution risk of further material activity at the time of launching the European distribution Centre.
N **Employment Market**	With high price inflation and relatively full employment attracting talent becomes more challenging. This environment is challenging both "living wage" and non living wage roles and the Group's ability to retain, attract and develop talent to and within the business.	The Group remains committed to providing competitive salaries in all job functions using benchmarking to assess current market norms. The Group continues to challenge the requirement for the scale and need for some roles within the business to enable funds to be reinvested back into retention. The Group offers a range of compelling bonus schemes, covering the trading teams, store leadership, functional leads, Operating Board and Executive colleagues.	Colleague turnover levels remain below typical levels for retail businesses. Ahead of the new living wage in April 2023 the Group adopted this pay level within its UK distribution operations and looked to refine shift patterns to pay for the increase through productivity changes. The churn in the IT and digital teams peaked in Q4 FY23, the appointment of the new Technology Director has assisted in stabilising the team and hiring some new talent from their network.

In addition to the principal risks identified above, the Group is exposed to an element of currency risk. This risk is not considered to be a principal risk at this time. The Group's sales are mostly denominated in Pounds Sterling, however, the Group has approximately less than 5% of its revenue denominated in Euros (FY22: <3%). The Group also sources some of its products from outside the UK where the principal currency of purchase is US Dollars (from our suppliers in Asia). This is regularly monitored and represents approximately 6% of cost of sales for FY23. These transactions may give rise to an exposure to exchange rate fluctuations between the Euro or the US Dollar and Pounds Sterling. The Board does not see this as a material risk to the business results, position or operations due to the minimal levels of sales and purchases the Group undertakes in foreign currency. The Group has commenced a programme of hedging for dollar exposures based on anticipated dollar requirements based upon know orders placed and estimated lead times. Details of the outstanding dollar contracts are included within note 25 of the financial statements. In Europe the Group buys and sells in Euros's, creating a natural hedge, as trade becomes more of a material component of the Group's operations the exposure to sterling dollar will be re-evalutaed.

Sustainability, social and environmental responsibilities

Chairman's introduction

Anglers tend to be very environmentally aware and passionate about the preservation of our natural environment. This passion was part of the purpose and culture embedded in Angling Direct from day one and our focus on this area sharpens every day. This goes beyond concern just for healthy rivers and lakes with plentiful fish stocks, but applies as well to the wider environmental issues facing our planet. The angling community acts as the major watchdog of our waterways and as Angling Direct's reach grows we can increasingly influence, help and work on campaigns such as the Anglers Against Pollution, to make a more beneficial social and environmental impact.

We support an increasing interest from a wide range of stakeholders in the various impacts that businesses have. We are confident that sustainable business practices will not only have a positive impact on our social and physical environments but will also play a key role in sustainably growing our business over the long term. Social and environmental aspects go beyond "responsibilities", they are intrinsic to our beliefs at Angling Direct and what we do. We aim to make a positive difference in our catchments, caring for our anglers and the community at large.

During this last year we have increased our focus on several social and environmental projects, some of which are mentioned below, and I am particularly pleased with the progress made by our Environmental Policy Group, guiding and driving our environmental initiatives and ambitions.

We continue to increase our involvement with the Angling Trust particularly in respect of getting more people angling and enjoying its social and wellbeing benefits, and in our support of the Trust's "Anglers against Pollution" campaign.

We are passionate about promoting, supporting, and growing the angling community, particularly within the younger generation. We endorse growing evidence that angling is a great way to improve mental health and physical well-being and we continue to encourage more anglers into the community through coaching and other grass roots initiatives, whilst also supporting ongoing research into the benefits of angling and ways of making it more accessible to all.

Our website provides further details of our community activities, and includes our modern-day slavery policy and gender pay reporting.

Our overall approach is built upon three key elements:

The Strategic Report on pages 2 to 43 was approved by the Board on 15 May and signed on its behalf:

Andy Torrance
Executive Director
and Chief Executive Officer

Caring for the Environment

The formation of our Environmental Policy Group last year has resulted in a focused strategy to deliver continuous improvements within each of four "environmental buckets", which are championed throughout the Company:

1. "Carbon reduction – Reeling in Net Zero"
2. "Recycling ambition – Closing the net on waste"
3. "Packaging reduction – Respooling own brand"
4. "Fish and fisheries protection – Keeping the net full"

We support the Anglers National Line Recycling Scheme with instore bins in every store and have now recycled nearly four million metres of old fishing line.

Caring for People

We are committed to creating an environment that provides enjoyment and benefit to all our customers, visitors, and employees. People are our most important asset and they enable the Group to deliver its strategy.

We continue to maintain two qualified fishing coaches in every store, thereby enhancing our ability to help even more people enjoy the benefits of fishing through coaching, not only instore but also at organised fishing events. This year we commenced a series of instore skills demonstration that were simultaneously live streamed across our social media platforms.

We are committed to several initiatives to promote, achieve and maintain equality and diversity within our organisation. The well-being of our colleagues is a key focus. We recognise that many live and breathe the passion of angling and are pursuing the career of their dreams. We conduct mental health awareness training with all our key managers and free counselling services are available to all colleagues. We ensure every colleague receives formal performance reviews throughout the year and also carry out regular colleague engagement surveys to ensure we remain

Economic Viability

We continue to take steps to ensure the economic sustainability of the Group thereby securing the future for our stakeholders, colleagues, and customers, whilst also allowing us to fulfil our social and environmental ambitions. As the Group grows, we create new jobs serving new anglers and customers in new catchments and channels, whilst providing a growing return to our shareholders.

We use PPN06 21 as our internal measure for reducing our carbon footprint. Our Streamlined Energy and Carbon Reporting statement can be found on page 59.

We continue to reduce our environmental impact within our supply chain by reducing the use of plastic packaging and re-using supplied goods cardboard packaging for outbound customers' orders. Of note is progress made with our own-brand Advanta product packaging.

We have digital energy meters and controls within all our store estate and continue to seek further opportunities to reduce energy consumption, for example progressively converting our premises to LED lighting. We have ongoing projects to switch to 100% renewable electricity, electronically scan all supplier invoices, further reduce our support centre landfill waste, and convert to an all-electric/hybrid vehicle fleet.

responsive to the diverse needs of our team members.

Our senior managers support and engage with several forums to listen and have two-way dialogue with various colleague groups.

During FY23 we continued to issue free starter kits to the younger generation to encourage the take up of angling. To date we have issued over 32,000 free kits. Our total charitable donations amounted to £6,000 in the year.

We continue as a major supporter of Tackling Minds, a group helping people with a range of life issues. As a result of research we co-funded with Anglia Ruskin University, in the year ahead we will apply for public health grant funding to carry out clinical trials aimed at proving positive health outcomes for various groups of anglers. We hope that this will further encourage green social prescribing of angling (fishing on prescription) by the NHS. This is a significant research programme focused on people with disabilities whether physical or mental.

+2.4%

Net asset growth

2 Governance report

In this section

Chairman's introduction

Martyn Page
Non-Executive Chairman

It is the Board's responsibility to ensure that Angling Direct is managed for the long-term benefit of all shareholders. A corporate governance framework that is effective, whilst dynamic, is one of the foundations of a sustainable growth strategy and identifying, evaluating and managing risks and opportunities will underpin long-term value creation.

The Group continues to apply the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'), a proportionate principles-based approach constructed around ten broad principles with accompanying guidance, and this aspect of our report outlines how the Group operates in each of these key areas.

It is the Board's responsibility to ensure that the Group has an effective corporate governance framework. To this end, the Board continues to focus on and is determined that such a framework is of the highest possible standards, given the size and operations of the Company. The Board has a comprehensive training programme to assist in achieving this goal.

Dilys Maltby stepped down as Non-Executive director at the Annual General Meeting of the Company in June 2022, similarly Paul Davies stepped down as Non-Executive director at the end of the period in January 2023. Chris Keen joined the Board as an independent Non-Executive director in April 2022 and became Chair of the Audit Committee in May 2022. Nicola Murphy joined the Board as an independent Non-Executive director in June 2022 and became Chair of the Remuneration Committee in January 2023.

I have announced my intention to step down as Chair of the Board later this year, but no earlier than after the completion of the Annual General Meeting of the Company in June 2023.

Martyn Page
Non-Executive Chairman

15 May 2023

The Board of Directors and Committees of the Board of Directors

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

Board membership

Name	Role	Classification	Membership during year to 31 January 2023	Membership at date of this annual report
Martyn Page	Chairman	Non-Executive	No change	No change
Andy Torrance	CEO	Executive	No change	No change
Steven Crowe	CFO	Executive	No change	No change
Paul Davies	Director	Non-Executive	Resigned January 2023	None
Dilys Maltby	Director	Non-Executive	Resigned June 2022	None
Chris Keen	Director	Non-Executive	Appointed April 2022	Chair Audit committee
Nicola Murphy	Director	Non-Executive	Appointed June 2022	Chair Remuneration Committee

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

Independence of Non-Executive Directors

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

Martyn Page, Non-Executive Chairman had an approximate shareholding of 14.25% as at 31 January 2023. All shareholders are made aware of the shareholding of the Chairman. Martyn's role and shareholding are monitored on an on-going basis through ongoing dialogue between Chris Keen and Singer Capital Markets Advisory LLP.

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

Details of Directors' service contracts are given below.

Role of the Board

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

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

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

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

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

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

Director	Role	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings
Martyn Page	Non-Executive Chairman	12/16		
Andy Torrance	CEO	16/16		
Steve Crowe	CFO	16/16	4/4	
Paul Davies	Non-Executive Director	10/16	4/4	1/1
Chris Keen,	Non-Executive Director	11/16	3/4	0/1
Nicola Murphy	Non-Executive Director	9/16		0/1
Dilys Maltby	Non-Executive Director	5/16	2/4	1/1

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

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

- Business sustainability, continuity, scenario planning and reforecasting review.
- Business continuity, crisis management and GDPR/FCA reporting obligations,
- Principal risk review and evaluation;
- International strategy;
- Review of all new store plans and roll-outs; and
- Regular review of the ongoing wider strategic objectives during the pandemic.

Board evaluation and training

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

The Group's solicitors and NOMAD provide necessary knowledge and training to Directors when required. When a new Director joins the Group, there is a full day of orientation wherein the Director is familiarised with the values, culture and ethics of the Group.

Board evaluation is conducted continuously, and feedback encouraged and shared throughout the year, the Non-Executive Directors have specific terms of engagement, and their remuneration is determined by the Board. It is the Chairman's responsibility to assess the individual contributions of the members of the Board, considering effectiveness, commitment, and knowledge applicable to the business. There has had no independent or external evaluation of the Board's effectiveness during the period. An internal review was conducted in March 2022. Given recent changes to the Board, it is proposed to conduct an external evaluation of Board effectiveness early in 2024.

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

Shareholder communications

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

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

Culture, environmental and social responsibilities, employees

The Board recognises its environmental and social responsibilities, and that of maintaining and improving the overall Group culture and employee relationships.

Culture

The Board aims for the Group to be considered as a well-respected ambassador for angling and it aims to promote angling in the wider community. The heart of our purpose is 'getting everyone fishing' with an emphasis on encouraging customers, colleagues and their wider communities to spend more time outdoors.

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. Setting the example from top down, the Group inspires a community culture. It encourages openness amongst its employees. New creative ideas which improve the Group's performance and stakeholder experience are encouraged. A colleague led committee (AD Voice) has been created, made up of representatives across the business, with meetings taking place approximately every 3 months it provides a great feedback link for the Group.

Environment and social

The Group aims to meet the expectations of its stakeholders, including society. This is why communities are considered one of the Group's strategic pillars as described further in the strategic report. The Group also considers its role with respect to the environment and socially as detailed in the "Section 172 statement" and the "Social and environmental responsibilities" sections of the strategic report. The Environmental Policy Group ensures that the Group will lead on key activities alongside driving an ethos of greater awareness to facilitate specific actions.

Employees

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

Committees of the Board of Directors

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

a. Audit Committee

Chris Keen – appointed Chairman of the Audit Committee on 23 May 2022. Dilys Maltby resigned from the Audit Committee in June 2022, Paul Davies resigned January 2023. Nicola Murphy was appointed to the Audit Committee in January 2023.

Key Responsibilities

- reviewing and monitoring financial reporting;
- evaluating the internal control environment; and
- leading the relationship with the external auditors.

Committee composition during the year ended 31 January 2023:

Member	Attendance
Paul Davies	4/4
Chris Keen	3/4
Dilys Maltby	2/4

Responsibilities and terms of reference

The Committee is responsible for ensuring that the financial performance of the Group is properly monitored and reported, for meeting with the external auditor and for reviewing its reports relating to financial statements and internal control matters. The CFO and the CEO (on agenda items of relevance) are invited to attend such meetings, but the Committee also meets with the auditor without the CEO and the CFO being present at least once annually. Other members of management are invited to present such reports as are required for the Committee to discharge its duties.

The agenda of each meeting is linked to the reporting requirements of the Group and the Group's financial calendar. Each Audit Committee member has the right to require reports on matters relevant to its terms of reference in addition to the regular items.

Summary of activity

In the year ended 31 January 2023 and up to the date of this report the actions taken by the Audit Committee to discharge its duties included:

- Reviewing the 2023 Annual Report and Financial Statements and the Interim Report issued in October 2022, including significant financial reporting judgements contained therein. As part of these reviews the Committee received a report from the external auditor on its audit of the annual financial statements;
- Advising the Board that the Annual Report and Financial Statements is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- Reviewing the external auditor's audit planning document, with particular reference to the audit approach, planned materiality, significant risks as detailed in the independent Auditor's Report and the audit approach to these risks;
- Reviewing the external auditor's audit findings memorandum, noting conclusions in respect of identified audit risks, materiality of adjusted and unadjusted misstatements, control observations and suggested improvements in the disclosures provided in the Annual Report and Financial Statements;
- Considering papers prepared by the CFO to support the going concern basis of preparation;
- Agreeing the fees to be paid to the external auditor for its audit of the 2023 financial statements; and
- Reviewing and monitoring the external auditor's independence and objectivity through regular meetings and conversations between the Committee Chairman, the Committee and members of the senior finance team, taking into account relevant regulations and ethical guidance.

Significant financial reporting risks and judgement areas considered:

Stock valuations and Provisions
Due to the materiality of the stock balance to the financial statements, stock valuation is a key area of risk. Furthermore, ongoing work to reduce the number of SKUs during the year has led to an inherent increased risk of obsolete stock. The Committee has assessed the additional work carried out by both the Company's finance team and the external auditors to ensure that the stock value is fairly stated in the financial statements. Given performance in the European distribution centre the inventory has been reviewed to ensure it is correctly valued in the financial statements.

Management override
During the year, we have reviewed the appropriateness of controls around management override of controls, ensuring the controls in place are robust where appropriate recommending areas for improvement.

Going concern and viability assessment
The Committee reviewed and advised the Board on the Group's going concern statements included in this Annual Report and financial statements and the assessment reports prepared by management to support such statements. The external auditor discussed the statements with the Committee and reviewed the conclusions reached by management regarding going concern.

External auditor
The external auditor was appointed with effect from the year ended 31 January 2018 giving a current tenure of five years. The appointment is reviewed and subject to a shareholder vote at the AGM on an annual basis. Details of the fees paid to Price Bailey during the financial year are set out below.

The Committee reviews the effectiveness of the external audit process, including discussing feedback from members of the senior finance team involved in the audit process.

Non-audit services are first considered by the CFO and, where appropriate, referred to the Committee. Any approvals would be provided on the basis of Group policy. In the year, no non-audit services were provided by the external auditor.

Approval
The members of the Audit Committee have reviewed the financial statements and the content of the Annual Report and Financial Statements to ensure that it is fair, balanced and understandable and, accordingly, the Audit Committee resolved to recommend that the Board makes the Directors' Responsibility statement set out on page 62.

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

External auditor and non-audit services

Fees in relation to services provided by the external auditor were:

	2022 £	2021 £
Audit fee	62,000	40,000
Non-audit fees	–	–
Total fees	62,000	40,000

(b) Remuneration Committee

As an AIM listed Group, the Group is not required to comply with the UK Corporate Governance Code nor Section 420 of the Companies Act 2006 regarding Directors' remuneration reports. The Group has however chosen to adopt a remuneration policy and provide Directors' remuneration within this section of the report in the interests of good governance

Nicola Murphy - Chair of the Remuneration Committee

Key Responsibilities

- reviewing the remuneration packages of the Executive Directors and the Operating Board;
- making recommendations to the Board on the bonus scheme in place for the Chief Executive Officer, the Chief Financial Officer and the senior management team including, inter alia, the KPIs to be achieved and maximum levels of bonus payable to each member; and
- monitoring and reviewing the Group's remuneration policies at all levels of operations.

Committee composition during the year ended 31 January 2023:

Member	Attendance
Paul Davies	1/1
Dilys Maltby	1/1
Christian Keen	0/1
Nicola Murphy	0/1

Dilys Maltby resigned from the Remuneration Committee on 15 June 2022 ahead of her resignation as a Non-Executive Director of the Group.

Christian Keen joined the Remuneration Committee on 17 January 2023.

Paul Davies resigned from the Remuneration Committee on 31 January 2023 ahead of his resignation as a Non-Executive Director of the Group.

Nicola Murphy joined the Remuneration Committee on 15 June 2022 and became Chair on 17 January 2023.

Remuneration Policy

The remuneration policy adopted by the Company is key to the success of the Angling Direct Group and therefore is the most critical part of the Remuneration Committee's role. The remuneration of the Chief Executive Officer, the Chief Financial Officer and the Operating Board is wholly designed to retain and incentivise the team and ensure that the Company achieves its ultimate objective in increasing shareholder value over the long term. With regard to the overall package offered to the team members, the objective is to retain and suitably motivate such team members to deliver performance in excess of market expectations. A competitive, but not excessive basic salary, together with a competitive bonus annual cash scheme are designed to drive and reward exceptional performance and align the interests of both management and shareholders.

Notwithstanding the one-off Long-Term Incentive Plan ('LTIP') plan to secure new Executive team members in August 2020, the Remuneration Committee is currently formulating a new long term incentive scheme for the Executive Team and the Operating Board.

Performance and decisions taken in the year ended 31 January 2023

Salaries are reviewed annually and benchmarked against AIM companies of a similar size in the retail sector and with reference to the discounted options issued to the current Chief Executive Officer and Chief Financial Officer on 18 August 2020. Any changes are effective from 1 February of the following financial year.

The current Chief Executive Officer was appointed on 10 February 2020 and an annual salary of £185,000 was agreed. In the year ended 31 January 2022, the salary of the CEO was increased to £215,000 per annum. Following further review, the CEO annual salary was increased to £256,000 per annum for the year ended 31 January 2023. As noted below, the salary of the CEO is not proposed to increase for the current year ending 31 January 2024.

The current Chief Financial Officer joined the Company on 2 January 2020 on an annual salary of £150,000. In the year ended 31 January 2021, the salary of the CFO was increased to £175,000 per annum. Following further review, the CFO annual salary was increased to £195,000 per annum for the year ending 31 January 2023. As noted below, the salary of the CFO is not proposed to increase for the current year ending 31 January 2024.

A cash bonus scheme was introduced in April 2020 to incentivise the Operating Board of the Group. The CEO, the CFO and five members of the Operating Board participate in this bonus scheme. The scheme is based upon the Company exceeding market forecasts in four key performance indicators – turnover, gross margin percentage, EBITDA (pre IFRS 16 adjustments) and the development of the Angling direct brand. An equal weighting is attached to all four key performance indicators. The maximum bonus payable to each member bonus scheme is capped at a percentage of basic salary as follows: CEO - 100%, CFO - 75% and Operating Board members at 50%.

The results for the year ended 31 January 2023 show that the EBITDA (pre IFRS 16 adjustments) target was not achieved and therefore the other three cash bonus scheme key performance indicators fell away. This resulted in the Board accepting the Remuneration Committee proposal that no payment shall be made under the terms of this annual cash bonus scheme for the period ending 31 January 2023.

Commercial review

Following a review of salaries for similar sized AIM quoted companies and given the impact of the current inflationary climate on wider business costs, the Remuneration Committee has recommended to the Board that the basic salaries of the current CEO and CFO remain unchanged. It was further recommended that the basic salary of the current Non-Executive Chairman and Non-Executive Directors also remain unchanged.

No changes to the bonus scheme are proposed.

Directors' interests

The beneficial interests of the Directors in the share capital of the Group as at 31 January 2023 and 31 January 2022 were as follows:

	31 January 2022 Number of shares	31 January 2023 Number of shares	31 January 2023 % of issued share capital
Non - Executive Directors			
Martyn Page	11,010,000	11,010,000	14.25%
Christian Keen	-	25,475	0.03%
Executive Directors			
Andy Torrance	25,000	50,000	0.06%

The Directors' interests in share options as at 31 January 2023 are discussed below.

Non-Executive Directors' terms of engagement

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

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

Aggregate Directors' remuneration

The normal remuneration arrangements for the Executive Directors is a basic salary, pension contributions, car allowance and private medical insurance. The remuneration paid to the Directors inclusive of employee benefits, in accordance with the service contracts, during the year ended 31 January 2023 was as follows:

	Salary and fees £	Benefits £	Bonus £	Pensions £	2023 total £	2022 total £
Executive						
Andy Torrance	256,000	30,646	-	-	286,646	459,904
Steven Crowe	195,000	9,996	-	15,600	220,596	331,980
Non-Executive						
Martyn Page	70,000	2,771	-	5,600	78,371	80,316
Paul Davies	38,750	-	-	1,163	39,913	37,080
Dilys Maltby	14,832	-	-	-	14,832	37,080
Chris Keen	32,386	-	-	-	32,386	-
Nicola Murphy	24,550	-	-	488	25,038	-

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

	Date of appointment	Notice period
Executive		
Andy Torrance	04.10.2019	6 months
Steven Crowe	02.01.2020	3 months
Non-Executive		
Martyn Page	06.04.2017	6 months
Christian Keen	09.04.2022	3 months
Nicola Murphy	15.06.2022	3 months

Share incentive plan

As set out below, in August 2020 the Company issued shares under a one off LTIP scheme for the incoming CEO and CFO.

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

The details of the Directors' share options are as follows:

Executive	Scheme	1 February 2022	Awarded during period	Vested and exercised during the period	31 January 2023	Date granted
Andy Torrance	LTIP	810,000	-	-	810,000	18 August 2020
Steven Crowe	LTIP	666,666	-	-	666,666	18 August 2020

The Directors' interests in share options as at 31 January 2023 are as follows:

Director	Number	Exercise price	Earliest Exercise date	Expiry date
Andy Torrance	540,000	22p per share	31 January 2023	18 August 2030
Andy Torrance	270,000	21p per share	31 March 2024	18 August 2030
Steven Crowe	444,444	22p per share	31 January 2023	18 August 2030
Steven Crowe	222,222	21p per share	31 March 2024	18 August 2030

Director profiles

Executive Directors

Andy Torrance
Chief Executive Officer
(former Non-Executive Director)

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

Steven Crowe
Chief Financial Officer,
ACA, BA (Hons)

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

Non-Executive Directors

Martyn Page
Non-Executive Chairman

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

Chris Keen
MBA, ACA, Non-Executive Director

Chris is a member of the Institute of Chartered Accountants in England and Wales with 25 years of experience in various Chief Financial Officer roles, focused on scaling up businesses both domestically and internationally across a variety of sectors including retail and leisure. Chris is currently CFO at M Group Services, the leading provider of infrastructure services in the UK. Prior to this, Chris was the CFO for McKesson UK which operated the 2nd largest chain of pharmacies in the UK (Lloyds) and the largest distributor of medicines in the UK (AAH) . Chris oversaw the successful sale of the business in April 2022. Between 2012 and 2019, Chris was CFO of Holland & Barrett, a leading health and wellness product retailer, where he oversaw a number of key acquisitions across Europe, driving international omni-channel growth. Prior to this Chris was CFO at The Laurel Pub Company (latterly the Stonegate Pub Company), helping to build the business into the largest privately held managed pub operator in the UK with over 500 units.

Nicola Murphy
Non-Executive Director

Nicki is founder and Group CEO of The River Group an independent integrated marketing services agency with clients including Boots, Superdrug and Sainsbury's Bank. The Group comprises three agencies – River (founded in 1994), Maven Comms PR (founded in 2019), and Reflect Talent for Inclusive Media – a not-for-profit Community Interest Company in the Diversity & Inclusion talent management space. Nicki also owns a property business, Lightning Properties and she is most recently co-founder of Beauty & Vitality - a skincare and vitamin start up in the microbiome space. In addition, Nicki is a board member of FIPP, a global members network in the media industry.

Nicki has a 28-year pro bono career volunteering in the charity space. She is currently Chair of the board of trustees at The Sophie Hayes Foundation (supporting survivors of sex trafficking and modern slavery into work), she is also a director and trustee of The Katie Piper Foundation (supporting victims of burns).

Directors' report

Director's report

The Director's present their Annual Report and Financial Statements together with the audited consolidated financial statements for the year ended 31 January 2023.

Principal activity

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

Business review and future developments

The strategic report on pages 2 to 43 includes the Group's strategy, business model, and progress in the year under review and considers key risks and outlook. A review of the Group's current operations, future developments and financial review is covered in the "Chief Executive Officer's statement" and the "Chief Financial Officer's statement" contained within the strategic report. These include key performance indicators (pages 12 to 13) and principal risks and uncertainties (pages 35 to 40).

Financial results

The Group's financial performance and position are set out in the consolidated financial statements on pages 70 to 100 and discussed in the Chief Financial Officer's statement on pages 26 to 31 of the strategic report.

Going concern and significant events after the reporting date

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

The Governance code requires the Board to assess and report on the prospects of the Group and whether the business is a going concern. In considering this requirement the Directors have taken into account the Group's forecast cash flows, liquidity and the expected operational activities of the Group.

As part of the going concern assessment, the Group continues on a monthly basis to model outcomes based on latest run rate data. As referenced in the judgements and estimates section of the Annual report the stress testing which would challenge the liquidity is outside what the Board believe to be a plausible likely scenario.

Having due regard to these matters and after making appropriate enquiries, the Directors have a reasonable expectation that the Group and the Company have adequate resources to remain in operation until at least twelve months after the approval of these financial statements. The Board has therefore continued to adopt the going concern basis in preparing the consolidated financial statements.

Dividends

The Board remains focussed on reinvesting all its surplus cash into the business to deliver on its strategic objectives. As a result of this, in the short term, the Directors do not recommend a dividend payment to be distributed for the year ended 31 January 2023 (2022: £nil). The ability of the Group to pay a dividend is also subject to constraints including the availability of distributable reserves and the Group's financial and operating performance. Distributable reserves are determined as required by the Companies Act 2006 by reference to a company's individual financial statements. The dividend policy will be kept under review.

Research and development

The Group invests in technology, including development of its ecommerce platforms. Where it is considered that an asset has been created which provides economic benefits extending to future financial periods, related costs are capitalised. The amount capitalised during the financial year is £289,000 (2022: £327,000). Further details on development of the ecommerce platforms are included in the strategic report.

Directors

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

Director	Position	Service in the year ended 31 January 2023
Martyn Page	Non - Executive Chairman	Re-appointed Non-Executive 23 June 2021
Andy Torrance	Chief Executive Officer ('CEO')	Served throughout the year
Steven Crowe	Chief Financial Officer ('CFO')	Served throughout the year
Paul Davies	Non-Executive Director	Re-elected 23 June 2021
Dilys Maltby	Non-Executive Director	Resigned 15 June 2022
Chris Keen	Non-Executive Director	Appointed April 2022
Nicola Murphy	Non-Executive Director	Appointed June 2022

Director profiles are included in the corporate governance report on pages 54 to 55. As per the Articles of Association, all Directors were re-elected at the 2018 AGM and shall retire at least once every three years.

Directors' shareholdings

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

Substantial shareholdings

At 31 January 2023, the Group had been notified of the following shareholders whose investments amounted to more than 3% of the parent Company's ordinary share capital of 77,267,304 shares of 1 pence. See corporate governance report for details on how substantial shareholdings and potential conflicts of interest or exerting undue influence are considered

Shareholder	Shareholding	% holding
Gresham House Asset Management	16,954,204	21.94
Business Growth Fund	11,325,000	14.66
Mr M Page	11,010,000	14.25
Mr W Hill	9,223,000	11.94
Canaccord Genuity Wealth Management	7,170,390	9.28
Octopus Investments	3,825,000	4.95
Hargreaves Lansdown	3,274,870	4.24
Mr R Beaumont	2,990,000	3.87

Directors' remuneration

A full breakdown of the Directors' remuneration is provided in "Aggregate Directors' remuneration" section of the corporate governance report on page 52.

Charitable and political donations

During the year ended 31 January 2023, the Group made political donations totalling £nil (2022: £nil) and charitable donations amounting to £6,000 (FY22: £12,500).

Health and safety

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

Significant agreements

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

Risk management

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

Financial instruments

The Group's policy and exposure to financial instruments is explained in note 25 to the consolidated financial statements.

Employees

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

The gender of the Group's employees as at 31 January 2023 was:

	Male	Female
Directors of the Group	4	1
Employees in other senior management positions	4	1
Directors of subsidiary companies not included in above	1	-
Total senior managers other than Directors of the Group	5	1
Other employees of the Group	374	62

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

Corporate responsibility

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

Environment

The Board recognises that its activities can have an impact on the local environment. The Group's activities are carried out to achieve minimal environmental impact and recycle as much as it possibly can. The Group's impact on the environment is discussed further in the "Section 172 statement" of the strategic report and the Streamlined Energy and Carbon Reporting page 59.

Shareholders

The Board seeks to protect shareholders' interests and the Directors are always prepared, where practicable, to enter into dialogue with shareholders to promote a mutual understanding of the objectives of the Group. The Annual General Meeting provides the Board with an opportunity to meet and communicate with investors. Further details of the Group's engagement with its shareholders is provided in the corporate governance section on page 48 and in the "Section 172 statement" of the strategic report.

Qualifying third-party indemnity

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

Suppliers

The Group recognises that the goodwill of its suppliers is important to its success and seeks to build and maintain this goodwill through fair dealings. The Group agrees terms of payment with suppliers at the start of business and then makes payments in accordance with contractual and other legal obligations. The Group has a prompt payment policy and seeks to settle all agreed liabilities within the agreed trading terms of its suppliers. The amount shown in the consolidated and Company statement of financial position in respect of trade payables at the end of the financial year represents 46 days of average daily purchases (FY22: 45 days). Further details of the Group's engagement with its suppliers is provided in the "Section 172 statement" of the strategic report.

Statement as to disclosure of information to auditor

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

Auditor

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

Streamlined Energy and Carbon Reporting ('SECR')

The Group is required under the Streamlined Energy and carbon Reporting regulations to report how it manages its energy consumption and carbon emissions. This report forms part of the Director's report. We have once again published our direct Greenhouse gas ("GHG") emissions from sources that are controlled or owned by the Group ("Scope 1) and indirect GHG emissions from the Group's consumption of purchased electricity ("Scope 2") emissions. The Group has now begun collecting data on our "Scope 3" emissions through our programme to use the PPN 06/21 protocol as the internal measure against which the Board tests the validity of the group's carbon reduction plans.

Monitoring and reporting these emissions enables us to evaluate and minimise our impact on the natural environment, which in turn protects the natural environment supporting us in our purpose to "Get Everyone Fishing".

This work was already being carried out by the Group, in line with its strategy (see pages 41 to 43). The Company has appointed Enistic LTD to independently assess the business, using the methodology set out below, for the year ended 31 January 2023.

UK and offshore kWh and CO2e Scope 1 emissions (direct).

Emissions from activities owned or controlled by our organisation that release emissions into the atmosphere. Examples of Scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment.

Scope 1

Energy type	Definition	2023 Total volume (kwh)	2023 Calculated emissions (tonnes of CO_2 e)	2022 Total volume (kwh)	2022 Calculated emissions (tonnes of CO_2 e)
Gas	Emissions from combustion of gas	182,947	39	228,792	49
Transport	Emissions from combustion of fuel for transport purposes	418,130	136	457,881	152
Total		601,077	175	686,673	201

Scope 2 emissions (indirect)

Emissions released into the atmosphere associated with our consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of our organisation's activities, but which occur at sources we do not own or control.

Scope 2

Energy type	Definition	2023 Total volume (kwh)	2023 Calculated emissions (tonnes of CO_2 e)	2022 Total volume (kwh)	2022 Calculated emissions (tonnes of CO_2 e)
Electricity	Emissions from purchased electricity	2,436,622	710	2,411,887	703
Total		2,436,622	710	2,411,887	703

Total emission scope summary

Energy type	2023 Total volume (kwh)	2023 Calculated emissions (tonnes of CO_2 e)	2022 Total volume (kwh)	2022 Calculated emissions (tonnes of CO_2 e)
Scope 1 (direct)	601,077	175	686,673	201
Scope 2 (indirect)	2,436,622	710	2,411,887	703
Total	3,037,699	885	3,098,560	904

Methodology used in the calculation of disclosures

The Group has taken guidance from the ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, published by the Environment Agency, 21.01.21) used in conjunction with Government GHG reporting conversion factors.

For carbon only related matters, the SECR methodology as specified in "Environmental reporting guidelines: including Streamlined Energy and Carbon Reporting and greenhouse gas reporting" was used in conjunction with Government GHG reporting conversion factors.

For both FY23 and FY22 disclosures include the impact of WTT (Well-To-Tank) being the emissions associated with the extraction, refining and transportation of the raw fuel prior to combustion, as well as T&D (Transmission and Distribution) being the emissions associated with grid losses (the energy loss that occurs in getting the electricity from the power station to Group's locations)

Energy efficiency action

The Group is committed to responsible energy management and will practise energy efficiency throughout our organisation, wherever it's cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We have implemented the policies below for the purpose of increasing the businesses energy efficiency in the relevant financial year.

Replacing lighting with LEDs

LED lighting is superior to other types (such as incandescent and fluorescent lighting), outperforming them in nearly every aspect. The most significant benefits are its extremely low power consumption, and its lifespan – LEDs have a lifespan many times that of both incandescent and fluorescent lighting types. This means that usage and its related emissions from electricity are significantly reduced. Because of this (and the relatively low costs of LEDs), the payback period for LED lighting is very short and should be within 4 years. In addition, LEDs contain no mercury, there is little to no startup delay, and replacing traditional lighting with LEDs is an easy process. For these reasons, we are changing our lighting to LEDs across further four of our sites (Scunthorpe, Hull, Wilmslow, and Lincoln) starting in February 2023 which currently produce 39.7 tCO2e. By installing LEDs across these sites, it will reduce the emissions produced from lighting by approximately 11.9 tCO2e.

Replacing old vehicles with electric and hybrid vehicles

We are currently moving our entire company fleet to electric or hybrid vehicles as a policy upon renewal. Currently, our company vehicles make up 42% of our transport emissions. Therefore, moving over to electric and hybrid vehicles would make a significant impact in this area from 61 to 38 tCO2e with a total saving of 23 tonnes.

Intensity ratio

Intensity ratios compare emissions data with an appropriate business metric or financial indicator

	2023		2022	
Intensity measurement	Turnover (£m)	Intensity ratio ($tC0_2e$/turnover £m)	Turnover (£m)	Intensity ratio ($tC0_2e$/turnover £m)
Tonnes of CO_2e per total £m sales revenue	70.7	12.51	72.5	12.47

The organisation has chosen to use tonnes of CO2e per £m Turnover for its Intensity Ratio. The turnover figure includes only the turnover which has been generated and shipped from the UK. The turnover shipped in Europe since the opening of the European distribution centre has been excluded from the analysis. The Group has reduced its carbon consumption by 19 tonnes (2% reduction) despite continued openings of new physical retail space in the current year, combined with the full year impact of the four stores opened in the prior year. The turnover intensity ratio has increased by 4 bps despite the reduction in actual carbon usage as the turnover generated from the UK has reduced year on year as the product previously shipped to Europe from the UK distribution centre is now shipped from the distribution centre in Europe with the sales from the more carbon intensive retail space not strong enough to offset this drop. The Group remains committed to driving down its carbon consumption and continues to use the PPN 06/21 protocol to challenge the Group's ambitions to this regard.

Andy Torrance
Executive Director and Chief Executive Officer

15 May 2023

Directors' responsibilities statement

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

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under the AIM rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and applicable law and the parent Company financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice) ('FRS 101').

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent financial statements, the Directors are required to:

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

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

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

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

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

Signed on behalf of the Board.

Martyn Page
Non-Executive Chairman

15 May 2023

3 Financial statements

In this section

Independent auditor's report to the members of Angling Direct PLC

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 2023 which comprise 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 and Notes to the Financial Statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2023 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards; and
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the 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 as applied to listed entities, 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.

Our approach to the audit

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. There is a risk 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 recorded on despatch, there is a cut-off risk surrounding these items and the point of recognition.

We focused testing on the timing of revenue recognition in accordance with stated accounting policies and its subsequent presentation in the Income Statement.

Our procedures included:

- Detailed depth testing on a sample of transactions ensuring they had been accounted for correctly and that revenue is compete.
- Applying Data Analytics to test the revenue cycle from inception to fulfilment and gain assurance that income is complete and exists.
- Testing that cut off has been applied correctly and that income and associated direct costs have been recorded in the appropriate period and that adequate provisions have been made for good returned post year end.

Inventories
The Group holds material inventory given the nature of the trade. The main risks are ensuring that the inventory is held at the appropriate value given that new ranges of fishing equipment are brought out regularly, and that inventory exists.

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

Our procedures included:

- Attendance of a sample of year end inventory counts carrying out sample counts and observing procedures across a number of stores and warehousing facilities.
- Testing of a sample of inventory items to purchase invoices and sales post year end to ensure inventory is appropriately recorded at the lower of cost or net realisable value.
- We reviewed a sample of inventory in transit at the year end to ensure it is recorded in the appropriate period. We also reviewed a selection of sales and purchases around the year end to ensure transactions are recorded in the appropriate period. Slow moving and obsolete inventory policies were reviewed, discussed with management and the provisions calculated by management were tested to supporting information.

Impairment of Goodwill
Goodwill is required to be assessed for impairment annually. There is a risk that the recoverable amount of goodwill has been incorrectly calculated.

Our procedures included:

- We assessed management's methodology of impairment review and accounting policy as set out in note 11 of the consolidated financial statements to ensure it was carried out as required under IAS36, "Impairment of Assets". We evaluated management's cash flow forecasts and the process by which they were drawn up. We assessed whether the cash flow forecast were prepared taking into consideration the appropriate group of cash generating units.
- We considered the assumptions used by management including the discount rate and growth rates. We carried our sensitivity analysis. We also reviewed the appropriateness and completeness of disclosure shown in the notes to the accounts.

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 adjusted profit before tax and revenue from contracts with customers of the Group and concluded materiality to be £338,000. We consider that adjusted profit before tax and revenue from contracts with customers provide us with the most relevant performance measure to stakeholders of the entity given the stage of the Group's activity and growth.

We assessed materiality for the parent company's financial statements as a whole on the basis of adjusted profit before tax and revenue from contracts with customers and concluded materiality to be £304,000.

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 planned materiality.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

We assessed performance materiality for the Group's financial statements as a whole at 50% of materiality and concluded performance materiality to be £169,000.

We assessed performance materiality for the Company's financial statements as a whole at 50% of materiality and concluded performance materiality to be £152,000.

In determining our performance materiality we have also considered the nature, quantum and volume of corrected and uncorrected misstatements in prior periods and our expectation that misstatements from prior periods would not likely recur in the current period.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included a review of forecasts prepared by management and evaluating the key assumptions in the forecasts and using sensitivity analysis and considering whether the assumptions appear reasonable taking into account past performance and current conditions. As at 31 January 2023 the group had cash balances of £14,127k and we assessed whether this will be sufficient to enable the group to meet liabilities as they fall due.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the group and the parent company and the industry in which it operates and considered the risk of non-compliance with the applicable laws and regulations including fraud, in particular those that could have a material impact on the financial statements.

This included those regulations directly related to the financial statements, including financial reporting, tax legislation and distributable profits. In relation to the industry this included GDPR, employment laws and health and safety.

We have performed testing using data analytics on revenue, bank statements and journals. We applied data analytics to test the revenue cycle from inception to fulfilment of orders to gain assurance over completeness and existence of revenue. We performed integrity testing on a sample of these transactions.

The bank statements were analysed using data analytics and reviewed recurring payments and discussed these with informed management to ensure these were bona fide.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings and Audit Committee meetings, correspondence with their regulators, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management including those responsible for the key regulations for any instances of actual, suspected or alleged fraud or non-compliance.

To address the risk of management override of controls, we used data analytics to carry out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We discussed journals outside our expectations with informed management and assessed their appropriateness. We reviewed internal systems and performed walkthrough testing of key systems to gain assurance that they are operating effectively and efficiently. We tested authorisation of a sample of expenditure to gain assurance that these were authorised in line with internal procedures.

We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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

15 May 2023

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 January 2023

	Note	2023 £'000	Restated 2022 £'000
Revenue from contracts with customers	5	74,096	72,474
Cost of sales of goods	8	(48,307)	(45,864)
Gross profit		25,789	26,610
Other income	6	287	914
Interest revenue calculated using the effective interest method		104	14
Expenses			
Administrative expenses		(21,742)	(19,687)
Distribution expenses		(3,260)	(3,423)
Finance costs	8	(509)	(406)
Profit before income tax expense		669	4,022
Income tax expense	10	(130)	(945)
Profit after income tax expense for the year attributable to the owners of Angling Direct PLC		539	3,077
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		127	-
Other comprehensive income for the year, net of tax		127	-
Total comprehensive income for the year attributable to the owners of Angling Direct PLC		666	3,077

		Pence	Pence
Basic earnings per share	33	0.70	3.98
Diluted earnings per share	33	0.69	3.93

Consolidated statement of financial position
As at 31 January 2023

	Note	2023 £'000	Consolidated 2022 £'000
Non-current assets			
Intangibles	11	6,060	6,176
Property, plant and equipment	12	7,534	6,908
Right-of-use assets	13	11,418	11,028
Total non-current assets		25,012	24,112
Current assets			
Inventories	14	17,813	16,273
Trade and other receivables	15	447	542
Income tax refund due		58	-
Prepayments		603	545
Cash and cash equivalents		14,127	16,604
Total current assets		33,048	33,964
Current liabilities			
Trade and other payables	16	6,765	8,037
Contract liabilities	17	727	643
Lease liabilities	18	1,793	1,648
Derivative financial instruments	26	51	1
Income tax		-	464
Total current liabilities		9,336	10,793
Net current assets		23,712	23,171
Total assets less current liabilities		48,724	47,283
Non-current liabilities			
Lease liabilities	18	9,750	9,402
Restoration provision	19	801	722
Deferred tax	20	883	744
Total non-current liabilities		11,434	10,868
Net assets		37,290	36,415
Equity			
Share capital	21	773	773
Share premium	22	31,037	31,037
Reserves	23	602	266
Retained profits		4,878	4,339
Total equity		37,290	36,415

The financial statements of Angling Direct PLC (company number 05151321 (England and Wales)) were approved by the Board of Directors and authorised for issue on 15 May 2023. They were signed on its behalf by

Andy Torrance
Executive Director and Chief Executive Officer

15 May 2023

Consolidated statement of changes in equity

For the year ended 31 January 2023

Consolidated	Share capital £'000	Share premium account £'000	Reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2021	773	31,037	75	1,262	33,147
Profit after income tax expense for the year	-	-	-	3,077	3,077
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3,077	3,077
Transactions with owners in their capacity as owners:					
Share-based payments (note 34)	-	-	191	-	191
Balance at 31 January 2022	773	31,037	266	4,339	36,415

Consolidated	Share capital £'000	Share premium account £'000	Reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2022	773	31,037	266	4,339	36,415
Profit after income tax expense for the year	-	-	-	539	539
Other comprehensive income for the year, net of tax	-	-	127	-	127
Total comprehensive income for the year	-	-	127	539	666
Transactions with owners in their capacity as owners:					
Share-based payments (note 34)	-	-	209	-	209
Balance at 31 January 2023	773	31,037	602	4,878	37,290

Consolidated statement of cash flows
For the year ended 31 January 2023

Cash flows from operating activities	Note	2023 £'000	Restated 2022 £'000
Profit before income tax expense for the year		669	4,022
Adjustments for:			
Depreciation and amortisation		3,485	2,922
Share-based payments		209	191
Net movement in provisions		30	12
Net variance in derivative liabilities		50	-
Interest received		(104)	(14)
Interest and other finance costs		429	394
		4,768	7,527
Change in operating assets and liabilities:			
Decrease in trade and other receivables		95	81
Increase in inventories		(1,540)	(3,792)
Increase in prepayments		(58)	(300)
(Decrease)/Increase in trade and other payables		(965)	1,596
Increase in contract liabilities		84	30
		2,384	5,142
Interest received		104	14
Interest and other finance costs		(429)	(393)
Income taxes paid		(513)	-
Net cash from operating activities		1,546	4,763
Cash flows from investing activities			
Payments for property, plant and equipment	12	(2,014)	(1,202)
Payments for intangibles	11	(289)	(327)
Proceeds from disposal of property, plant and equipment		-	5
Net cash used in investing activities		(2,303)	(1,524)
Cash flows from financing activities			
Repayment of lease liabilities	32	(1,720)	(1,631)
Net cash used in financing activities		(1,720)	(1,631)
Net (decrease)/increase in cash and cash equivalents		(2,477)	1,608
Cash and cash equivalents at the beginning of the financial year		16,604	14,996
Cash and cash equivalents at the end of the financial year		14,127	16,604

Notes to the consolidated financial statements
31 January 2023

NOTE 1. GENERAL INFORMATION

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

Angling Direct PLC is a listed public company limited by shares incorporated under the Companies Act 2006, listed on the AIM (Alternative Investment Market), a sub-market of the London Stock Exchange. The Company is incorporated and domiciled in England and Wales within the United Kingdom. The registered number of the Company is 05151321. Its registered office and principal place of business is:

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

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 15 May 2023. The Directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance or position of the Group.

Basis of preparation

These financial statements have been prepared in accordance with UK adopted international accounting standards.

Historical cost convention

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

Critical accounting estimates

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Angling Direct PLC as at 31 January 2023 and the results of all subsidiaries for the year then ended.

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

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

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

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

Operating segments

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

Foreign currency translation

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

The assets and liabilities of foreign operations are translated to the Group's functional and presentation currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income and accumulated in the translation reserve.

Foreign currency transactions

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

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

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

Sale of goods

The Group's revenue mainly comprises the sale of fishing equipment in store and online ('E-commerce'). Revenue is recognised at the point in time when the customer obtains control of the goods. Customers obtain control of the goods when they are delivered to and have been accepted at their premises, or have taken possession in store. When the customer initially purchases the goods online the transaction price received by the Group is recognised as a contract liability until the goods have been delivered to the customer.

Sales of gift vouchers and gift cards are treated as liabilities, and revenue is recognised when the gift vouchers or cards are redeemed against a later transaction. Non-redemption is recognised in proportion to the pattern of rights exercised by the customer based on assumptions regarding redemption rates and time to expiry.

It is the Group's policy to sell its products to the customer with a right of return within 30 days. Accumulated experience is used to estimate and provide for such returns, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Interest

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

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they are received.

Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Current and non-current classification

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

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

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

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

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 45 days.

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

Other receivables are initially recognised at fair value and subsequently remeasured at amortised cost, less any allowance for expected credit losses.

Inventories

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

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

Derivative financial instruments and hedging activities

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. Changes in fair value are recognised in profit and loss.

Derivatives are classified as a non-current asset or liability when the remaining maturity of the item is more than twelve months and as a current asset or liability when the remaining maturity of the item is less than twelve months.

Property, plant and equipment

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

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

Buildings improvements	10% on reducing balance
Plant and equipment	10% on cost
Motor vehicles	10% on cost
Computer equipment	20% on cost

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

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

Right-of-use assets

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

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

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

Intangible assets

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

Goodwill

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

Software

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

In certain circumstances, some assets are in use, but are not performing as intended by Management. Development costs that relate to the enhancement or modification of existing assets are capitalised until the asset is performing as intended by Management. Management assesses the capitalisation of these costs by consulting the guidance outlined in IAS 38, and exercises judgement in determining the qualifying costs. When unsure if the enhancement or modification costs relate to the development of the asset or to its maintenance, Management treats the costs as if incurred in the research phase only in line with the guidance in IAS 38.

Software-as-a-Service ('SaaS') arrangements are service contracts providing the Group with the right to access a cloud provider's application software over a period of time. SaaS costs are only recognised as intangible assets if the implementation activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Costs that do not result in intangible assets are expensed as incurred, unless they are paid to the suppliers of the SaaS arrangement to significantly customise the cloud-based software for the Group, in which case the costs are recorded as a prepayment for services and amortised over the expected renewable term of the arrangement.

Impairment of non-financial assets

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 45 days of recognition.

Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of the fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, plant and equipment" policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Finance costs

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

Provisions

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

Restoration provision

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

Employee benefits

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

Share-based payments

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

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

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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

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

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

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

Fair value measurement

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

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

Share capital

Ordinary shares are classified as equity.

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

Business combinations

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

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

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

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

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

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

Earnings per share

Basic earnings per share

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

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Value-Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

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

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

Rounding of amounts

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 January 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations but not expected to have a material impact on the Group's financial statements but remain under review.

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Critical accounting judgements:

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

Going concern including liquidity

The Group has considerable financial resources together with long-standing relationships with a number of key suppliers and an established reputation in the retail sector across the UK and Europe.

The Directors have considered the Group's growth prospects in the period to 31 January 2025 based on its customer proposition and online offering in the UK and Europe and concluded that potential growth rates remain strong. The Group has no external finance outside of its right-of-use lease liabilities. The Group has conducted various stress tests, none of which resulted in a change to the assessment of the Group as a going concern.

In making this judgement, as set out on page 56 of the Directors' report, the Directors have reviewed the future viability and going concern position of the Group for the foreseeable future. Generally, the Group's business activities and the factors likely to affect its future development, performance and position are set out in the strategic report on page 19. The financial position of the Group and its cash flows are described in the "Chief Financial Officer's statement" on page 26. In addition, the Group's policies and processes with respect to risk management can been seen in the "Principal risks and uncertainties" section on page 35 and the "Risk management and internal controls" in the corporate governance section on page 57.

The Group's policy is to ensure that it has sufficient facilities to cover its future funding requirements. At 31 January 2023, the Group had cash and cash equivalents of £14.1m (2022: £16.6m). This significant headroom has been factored into the Directors' going concern assessment.

Having duly considered all of these factors and having reviewed the forecasts for the coming year, the Directors have a reasonable expectation that the Group has adequate resources to continue trading for the foreseeable future, and as such continue to adopt the going concern basis of accounting in preparing the financial statements.

Operating segment

The Group's Chief Operating Decision Maker ('CODM') has been identified as the Board of Directors. Management has made a judgement that the Group is considered to be three operating segments in line with the way the Group is managed and assessed by the CODM. The Group has three operating segments: Stores, UK Online and EU Online. Further details of the Group's operating segments are provided in note 4 to the financial statements.

Impairment of goodwill – assessed on one cash generating unit

Upon assessing impairment of goodwill judgement is involved in determining the cash generating unit ('CGU') for allocation of the goodwill. Goodwill is allocated and tested for impairment considering the total UK segment of Stores, UK Online and Head Office as one CGU. This is because the UK segment is the level at which Management considers the goodwill to be allocated to.

Leases – discount rate

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

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

The incremental borrowing rate is determined on a portfolio basis, the most significant portfolio being the leases of the retail stores. Judgement has been used to determine that a portfolio basis is appropriate considering the similar risk profile of the stores across the various locations in the UK. As the Group has not had any significant borrowings in recent years, judgement was also applied to determine the incremental borrowing rate to be used. A range rate of 4% to 6.5% has been determined which is based on external benchmarking and consideration of the Groups historical and anticipated borrowings.

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

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

Key sources of estimation uncertainty:

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

Lease term

Management exercises judgement in determining the likelihood of exercising break or extension options in determining the lease term.

When determining the lease term in accordance with IFRS 16 paragraphs 18-21, Management has applied the following policy for all leases:

a. For properties in contract, the lease term has been determined as to the end of the contractual lease term.

b. For properties out of contract and therefore occupied on a rolling basis, the Group treats these as short-term leases. The Group has two properties out of contract at the balance sheet date.

c. For properties where the contractual lease term ends within 24 months, the Group determines the likelihood of the extension of the lease and remeasures the lease in accordance with IFRS 16. The Group had eight such leases at the balance sheet date. Based on the current status of negotiations the extensions have not been reflected in the financial statements.

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

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The value in use calculation requires estimation of future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

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

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

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

Impairment of property, plant and equipment, other intangible assets and right-of-use assets

As part of the Group's continuous review of the performance of their property, plant and equipment and right-of-use assets, Management identifies if any indicators of impairment are present by reviewing budgeted performance by store. Where there are indicators of impairment, Management performs an impairment test. The Group treats each store as a separate CGU for impairment testing of property, plant and equipment, other intangible assets and right-of-use assets. Recoverable amounts for CGUs are the higher of fair value less cost of disposal, and value-in-use. Value-in-use is calculated using the discounted cash flow method based on internal EBITDA projections and estimated long-term growth rates to the end of the estimated lease term (refer to lease term estimate above). This discount rate used in this calculation was the Group's Weighted Average Cost of Capital ('WACC') of 10.2%. Fair value is determined with the assistance of independent professional valuers where appropriate.

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

Inventory provisions

Two types of inventory provisions have been considered to determine whether they contain significant estimation; an inventory existence and completeness provision ("shrink provision") and an inventory valuation provision ("obsolescence provision").

To recognise the impact of historic stocking volumes relative to sales velocity, the Group for the first time has introduced a provision in the UK operating segments to reflect the probability of some inventory lines having the requirement to be discounted from their current selling price to enable their sell through within an acceptable timeframe to ensure the Group best deploys its capital. At the period end date a provision of £107.000 existed (2022: £nil). In calculating the provision, the Group reviewed sales velocity of each line over the preceding twelve months and where cover levels exceeded a defined period of cover a 33.3% discount to the current selling price was applied, where such a discount would result in the selling price being below cost price a provision was made. The discount to current selling prices was established through review of sales of discontinued lines of stock during the previous twelve months.

In terms of inventory existence and completeness, a shrink provision is recorded, £79,000 as at 31 January 2023 (2022: £61,000) which includes estimates of the level of inventory that may not exist as at the reporting date due to theft, damage, loss or booking in errors. The Group operates a continuous rolling inventory count system where all inventory is counted at least two times a year. The provision recorded is in relation to the inventory that has not been physically counted at the reporting date. Store managers also have regular internal audits on the accuracy of these checks. Historical information based on the results of these checks has been used to estimate an average inventory shrinkage cost to inventory holding value that is applied as at the reporting date to determine an appropriate provision to be held that captures the risk of inventory existence being overstated or inventory not being complete. Although the provision itself is not considered material as at the 31 January 2023, estimation uncertainty is considered significant due to the levels of inventory held by the Group throughout the period, and recent changes to inventory management processes. As a result the estimates in this provision are reviewed by Management on a regular basis.

Useful lives of depreciable assets

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

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

Restoration provision

A restoration provision is recognised where there is future obligation relating to the maintenance of leasehold properties. The provision is based on Management's best estimate of the obligation which forms part of the Group's unavoidable cost of meeting its obligations under lease contracts. Key uncertainties are the estimates of amounts due.

Further detail on restoration provisions is included in note 19.

NOTE 4. SEGMENTAL REPORTING

Segment information is presented in respect of the Group's operating segments, based on the Group's management and internal reporting structure, and monitored by the Group's Chief Operating Decision Maker (CODM).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly own brand stock in transit from the manufacturers, group cash and cash equivalents, taxation related assets and liabilities, centralised support functions salary and premises costs, and government grant income.

Geographical segments

The business operated predominantly in the UK. As at 31 January 2023, it has three native language web sites for Germany, France and the Netherlands. In accordance with IFRS 8 'Operating segments' for the periods up to 31 January 2022 no segment results are presented for trade with European customers as these are not reported separately for management purposes and are not considered material for separate disclosure. Trading through the subsidiary in the Netherlands commenced on 1 March 2022.

Operating segments

In the periods to 31 January 2022, the Group is split into two operating segments (Stores and Online) and a centralised support function (Head Office) for business segment analysis. In identifying these operating segments, management follows the route to market for the generation of the customer order for its products. Due to the commencement of trading through the subsidiary in the Netherlands, management has made a judgement that there are now three operating segments (Stores, UK Online and Europe Online) from 1 February 2022. The Group has not restated the previously reported segment information for the year ended 31 January 2022, as the necessary information is not available and the cost to develop it would be excessive.

Each of these operating segments is managed separately as each segment requires different specialisms, marketing approaches and resources. Head Office includes costs relating to the employees, property and other overhead costs associated with the centralised support functions.

Where the customer contract is fulfiled by an operating segment other than the segment to which the customer order was placed, the revenue is recognised in the operating segment to which the order originates, and the profit attributable to that transaction is recognised in the operating segment fulfiling the order. In 2023, Revenue of £937,000 was recognised in the UK Online and fulfiled by the Stores, and profit of £38,000 was transferred to the Stores from the UK Online segment.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation) pre IFRS 16. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements, save for IFRS 16. A full reconciliation of pre IFRS 16 EBITDA to post IFRS 16 EBITDA performance is provided to the CODM.

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

At 31 January 2023, £24,066,000 of non-current assets are located in the UK (31 January 2022: £23,030,000) and £946,000 of non-current assets are located in the Netherlands (31 January 2022: £nil).

There are no major customers that contribute more than 10% of the Group's revenue.

Operating segment information

Consolidated - 2023	Stores £'000	UK Online £'000	Europe Online £'000	Head office £'000	Total £'000
Revenue	41,296	29,656	3,144	-	74,096
Profit/(loss) before income tax	3,925	2,771	(1,259)	(4,768)	669
EBITDA post IFRS16	6,663	3,373	(977)	(4,500)	4,559
Total assets	26,377	7,029	4,460	20,194	58,060
Total liabilities	(12,001)	(3,733)	(1,084)	(3,952)	(20,770)
EBITDA Reconciliation					
Profit/(loss) before income tax	3,925	2,771	(1,259)	(4,768)	669
Less: Interest income	-	-	-	(104)	(104)
Add: Interest expense	362	45	37	65	509
Add: Depreciation and amortisation	2,376	557	245	307	3,485
EBITDA post IFRS 16	6,663	3,373	(977)	(4,500)	4,559
Less: Costs relating to IFRS 16 lease liabilities	(1,764)	(178)	(219)	(174)	(2,335)
EBITDA pre IFRS 16	4,899	3,195	(1,196)	(4,674)	2,224

Consolidated - 2022	Stores £'000	Online £'000	Head office £'000	Total £'000
Revenue	38,665	33,809	-	72,474
Profit/(loss) before income tax	4,816	3,940	(4,734)	4,022
EBITDA post IFRS 16	7,144	4,510	(4,318)	7,336
Total assets	25,983	8,724	23,369	58,076
Total liabilities	(13,262)	(4,095)	(4,304)	(21,661)
EBITDA Reconciliation				
Profit/(loss) before income tax	4,816	3,940	(4,734)	4,022
Less: Interest income	-	-	(14)	(14)
Add: Interest expense	330	49	27	406
Add: Depreciation and amortisation	1,998	521	403	2,922
EBITDA post IFRS 16	7,144	4,510	(4,318)	7,336
Less: Costs relating to IFRS 16 lease liabilities	(1,813)	(182)	(140)	(2,135)
EBITDA pre IFRS 16	5,331	4,328	(4,458)	5,201

NOTE 5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue

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

	2023 £'000	Consolidated 2022 £'000
Route to market		
Retail store sales	41,296	38,665
E-commerce	32,800	33,809
	74,096	72,474
Geographical regions		
United Kingdom	70,952	69,818
Europe and Rest of the World	3,144	2,656
	74,096	72,474
Timing of revenue recognition		
Goods transferred at a point in time	74,096	72,474

NOTE 6. OTHER INCOME

	2023 £'000	Consolidated 2022 £'000
Net foreign exchange (loss)	-	(18)
Government grants	-	932
Insurance claim	258	-
Rent income	29	-
Other income	287	914

As a result of the economic impacts of the Covid-19 pandemic, a number of government programmes were put into place to support businesses and consumers. Examples of such initiatives include the UK's Coronavirus Job Retention Scheme. In accounting for the impacts of these measures, the Group has applied IAS 20: 'Government Grants'. Refer to note 2 for the relevant accounting policy.

No government grants were received during the current year. During prior year to 31 January 2022, the Group recognised an amount totalling £216,000 receivable under the UK Government's Coronavirus Job Retention Scheme and an amount totalling £716,000 receivable under UK Governments Restart Grants.

NOTE 7. EBITDA RECONCILIATION (EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION)

The Directors believe that adjusted profit provides additional useful information for shareholders on performance. This is used for internal performance analysis. This measure is not defined by IFRS and is not intended to be a substitute for, or superior to, IFRS measurements of profit. The following table is provided to show the comparative earnings before interest, tax, depreciation and amortisation ("EBITDA") after adjusting for rents, dilapidation charges and associated legal costs, where applicable, relating to IFRS 16 lease liabilities.

EBITDA reconciliation	2023 £'000	Consolidated 2022 £'000
Profit before income tax expense post IFRS 16	669	4,022
Less: Interest income	(104)	(14)
Add: Interest expense	509	406
Add: Depreciation and amortisation	3,485	2,922
EBITDA post IFRS 16	4,559	7,336
Less: costs relating to IFRS 16 lease liabilities	(2,335)	(2,135)
EBITDA pre IFRS 16	2,224	5,201

NOTE 8. EXPENSES

	2023 £'000	Consolidated 2022 £'000
Profit before income tax includes the following specific expenses:		
Cost of sales		
Cost of inventories as included in 'cost of sales'	48,307	45,864
Depreciation		
Land and buildings improvements	39	16
Plant and equipment	862	643
Motor vehicles	2	2
Computer equipment	204	282
Land and buildings right-of-use assets	1,904	1,454
Plant and equipment right-of-use assets	7	56
Motor vehicles right-of-use assets	56	61
Computer equipment right-of-use assets	6	6
Total depreciation	3,080	2,520
Amortisation		
Software	405	402
Total depreciation and amortisation *	3,485	2,922
Finance costs		
Interest and finance charges paid/payable on lease liabilities	430	393
Interest and finance charges on restoration provision	30	12
Change in fair value of forward foreign currency hedges	49	1
Finance costs expensed	509	406
Foreign exchange losses	18	18
Leases		
Short-term lease payments	40	51
Low-value assets lease payments	47	16
Total leases expensed	87	67

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

NOTE 9. STAFF COSTS

	Consolidated 2023 £'000	2022 £'000
Aggregate remuneration:		
Wages and salaries	9,711	9,591
Social security costs	963	815
Other pension costs	377	347
Total staff costs	11,051	10,753

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

	Consolidated 2023 £'000	2022 £'000
Stores	300	272
Warehouse	46	45
Administration	45	41
Marketing	28	27
IT and web	12	12
Management	9	9
Other	2	4
Average number of employees	442	410

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

NOTE 10. INCOME TAX EXPENSE

	Consolidated 2023 £'000	2022 £'000
Income tax expense		
Current tax	25	464
Deferred tax - origination and reversal of temporary differences (note 20)	80	305
Deferred tax - rate change	-	179
Current tax adjustment recognised for prior periods	(34)	-
Deferred tax adjustment recognised for prior periods	59	(3)
Aggregate income tax expense	130	945
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	669	4,022
Tax at the statutory tax rate of 19%	127	763
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-qualifying depreciation	12	7
Super deduction rate	(54)	(54)
Non-deductible expenses	1	53
Deferred tax rate impact	19	179
	105	948
Adjustment recognised for prior periods	25	(3)
Income tax expense	130	945

NOTE 11. INTANGIBLES

	2023 £'000	Consolidated 2022 £'000
Non-current assets		
Goodwill - at cost	5,802	5,802
Less: Impairment	(182)	(182)
	5,620	5,620
Software - at cost	1,720	1,431
Less: Accumulated amortisation	(1,280)	(875)
	440	556
	6,060	6,176

Reconciliations

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

Consolidated	Goodwill £'000	Software £'000	Total £'000
Balance at 1 February 2021	5,620	631	6,251
Additions	-	327	327
Amortisation expense	-	(402)	(402)
Balance at 31 January 2022	5,620	556	6,176
Additions	-	289	289
Amortisation expense	-	(405)	(405)
Balance at 31 January 2023	5,620	440	6,060

Impairment testing

Goodwill is allocated to the cash-generating unit ('CGU') of the UK segment (Stores, UK Online and Head Office).

The Directors consider the UK segment to represent a singular cash-generating unit as the cashflows of the assets are not independent of other cashflows of the UK segment as a whole.

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

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

Key assumptions used for value-in -use calculations:

	2023 %	2022 %
Budgeted gross margin	36.30%	36.60%
Five year compound revenue growth rate	5.10%	9.30%
Pre-tax discount rate	10.20%	10.40%

Based on the assessment, no impairment charge is required. Management has performed a number of sensitivity tests on the above rates and note that there are no impairment indicators arising from this analysis. The recoverable amount exceeded the carrying amount by £31,520,885.

Sensitivity

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

i. the application of a 1.0% increase in discount rate from 10.2% to 11.2% would not result in impairment.

ii. reducing the five year revenue compound growth rate by 100 bps would not result in impairment.

iii. reducing the five year revenue compound growth rate by 240 bps would result in impairment.

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

	Consolidated 2023 £'000	2022 £'000
Non-current assets		
Land and buildings improvements - at cost	1,002	1,002
Less: Accumulated depreciation	(342)	(303)
	660	699
Plant and equipment - at cost	9,158	7,640
Less: Accumulated depreciation	(2,836)	(1,974)
	6,322	5,666
Motor vehicles - at cost	15	15
Less: Accumulated depreciation	(12)	(10)
	3	5
Computer equipment - at cost	1,333	1,118
Less: Accumulated depreciation	(784)	(580)
	549	538
	7,534	6,908

Reconciliations

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

Consolidated	Land and buildings improvements £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2021	715	4,726	7	571	6,019
Additions	-	1,588	-	249	1,837
Disposals	-	(5)	-	-	(5)
Depreciation expense	(16)	(643)	(2)	(282)	(943)
Balance at 31 January 2022	699	5,666	5	538	6,908
Additions	-	1,511	-	214	1,725
Exchange differences	-	7	-	1	8
Depreciation expense	(39)	(862)	(2)	(204)	(1,107)
Balance at 31 January 2023	660	6,322	3	549	7,534

Refer note 13 for impairment testing.

NOTE 13. RIGHT-OF-USE ASSETS

	2023 £'000	Consolidated 2022 £'000
Non-current assets		
Land and buildings – long leasehold - right-of-use	19,235	16,979
Less: Accumulated depreciation	(7,984)	(6,080)
	11,251	10,899
Plant and equipment - right-of-use	80	80
Less: Accumulated depreciation	(56)	(49)
	24	31
Motor vehicles - right-of-use	433	326
Less: Accumulated depreciation	(304)	(248)
	129	78
Computer equipment - right-of-use	59	59
Less: Accumulated depreciation	(45)	(39)
	14	20
	11,418	11,028

The Group leases land and buildings for its offices, warehouses and retail outlets under agreements of between two to fifteen years with, in some cases, options to extend. Until the last 24 months the Group considers that circumstances are not reasonably certain that options to extend will be exercised and therefore have not included the options. For properties where the contractual lease term ends within 24 months, the Group determines the likelihood of the extension of the lease and remeasures the lease in accordance with IFRS 16. The Group has eight such leases at the balance sheet date. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases motor vehicles under agreements of three to four years, plant equipment under of five years and computer equipment under agreements of four years.

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

For other lease related disclosures refer to the following:

- Refer note 8 for details on interest on lease liabilities and other lease payments;
- Refer note 18 for lease liabilities at 31 January 2023; and
- Refer to statement of cash flows and note 25 for repayment of lease liabilities.
- Cash flows in the year for short term leases were £40,000 (2022: £51,000), low-value assets leases £47,000 (2022: £16,000) and interest on leases £430,000 (2022: £393,000)

Reconciliations

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

Consolidated	Land and buildings improvements £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2021	9,490	409	82	26	10,007
Additions	2,519	-	57	-	2,576
Disposals	-	(322)	-	-	(322)
Remeasurement	344	-	-	-	344
Depreciation expense	(1,454)	(56)	(61)	(6)	(1,577)
Balance at 31 January 2022	10,899	31	78	20	11,028
Additions	2,142	-	107	-	2,249
Remeasurement	73	-	-	-	73
Exchange differences	41	-	-	-	41
Depreciation expense	(1,904)	(7)	(56)	(6)	(1,973)
Balance at 31 January 2023	11,251	24	129	14	11,418

Impairment testing
Impairment testing

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

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

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

Two stores were identified with impairment indicators as at 31 January 2023 (2022: two).

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

	2023 %	2022 %
Compound revenue growth rate	8.50%	9.00%
Pre-tax discount rate	10.20%	10.40%

Based on the assessment, no impairment charge is required. Management has performed a number of sensitivity tests on the above rates and note there are no impairment indicators arising from this analysis. The recoverable amounts exceeded the carrying amount by £7,000 for store A, and £52,000 for store B.

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

Store A which only has one full year remaining:
i. the application of a 1.0% increase in discount rate from 10.2% to 11.2% would not result in impairment.

ii. reducing the compound revenue growth rate is not possible due to remaining lease length.

Store B:
i. the application of a 1.0% increase in discount rate from 10.2% to 11.2% would not result in impairment.

ii. reducing the compound revenue growth rate by 100bps would not result in impairment.

iii. reducing the compound revenue growth rate by 350bps would result in impairment.

NOTE 14. INVENTORIES

	2023 £'000	Consolidated 2022 £'000
Current assets		
Finished goods - at cost	17,813	16,273

Finished goods include £nil (2022: £0.3m) of provisions to remove certain product lines from the Group as part of a product ranging exercise, and includes £0.1m (2022: £nil) of provisions for obsolescence. This write down to reflect net realisable value of these product lines was recognised as an expense during the year to 31 January 2023.

NOTE 15. TRADE AND OTHER RECEIVABLES

	2023 £'000	Consolidated 2022 £'000
Current assets		
Trade receivables	26	62
Other receivables	421	480
	447	542

NOTE 16. TRADE AND OTHER PAYABLES

	Consolidated 2023 £'000	2022 £'000
Current liabilities		
Trade payables	4,543	4,844
Accrued expenses	1,088	2,000
Refund liabilities	55	42
Social security and other taxes	589	711
Other payables	490	440
	6,765	8,037

Contract liabilities has been reported separately on the Statement of financial position. This was previously reporting in other payables. Refer to note 17 for details.

Refer to note 25 for further information on financial instruments.

NOTE 17. CONTRACT LIABILITIES

	Consolidated 2023 £'000	2022 £'000
Current liabilities		
Contract liabilities at the start of the year	643	613
Issued in year	3,801	2,202
Redeemed in year	(3,717)	(2,172)
Contract liabilities at the end of the year	727	643

The contract liabilities primarily relate to unredeemed vouchers and gift cards. This will be recognised as revenue when the vouchers and gift cards are redeemed by customers, which is expected to occur over the next two years.

NOTE 18. LEASE LIABILITIES

	Consolidated 2023 £'000	2022 £'000
Current liabilities		
Lease liability	1,793	1,648
Non-current liabilities		
Lease liability	9,750	9,402
	11,543	11,050

NOTE 19. RESTORATION PROVISION

	Consolidated 2023 £'000	2022 £'000
Non-current liabilities		
Restoration provision	801	722

Restoration
The provision represents the present value of the estimated costs for future restoration of the premises leased by the Group at the end of the respective lease terms. The provision therefore includes estimates associated with the timing of future closures of premises and the costs of restoration prior to return to the lessor. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at each reporting date. The discount rate applied to future cash outflows is 4.0% to 6.5%.

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

Consolidated - 2023	Restoration provision £'000
Carrying amount at the start of the year-restated	722
Additional provisions recognised	49
Unwinding of discount	30
Carrying amount at the end of the year	801

NOTE 20. DEFERRED TAX

	2023 £'000	Consolidated 2022 £'000
Non-current liabilities		
Deferred tax liability comprises temporary differences attributable to:		
Property, plant & equipment	1,097	893
IFRS 16 transitional adjustment	(70)	(82)
Unapproved share options issued	(119)	(67)
Tax losses	(25)	-
Deferred tax liability	883	744
Movements:		
Opening balance	744	263
Charged/(credited) to profit or loss (note 10)	80	305
Deferred tax – rate change	-	179
Adjustment recognised for prior periods	59	(3)
Closing balance	883	744

The movement in the net deferred tax assets and liabilities is explained as follows:

	At 1 February 2022 £'000	Recognised in Profit or loss £'000	At 31 January 2023 £'000
Property, plant and equipment	893	204	1,097
IFRS 16 transitional adjustment	(82)	12	(70)
Options issued	(67)	(52)	(119)
Tax losses	-	(25)	(25)
	744	139	883

NOTE 21. SHARE CAPITAL

	2023 Shares	2022 Shares	2023 £'000	Consolidated 2022 £'000
Ordinary shares of £0.01 each - fully paid	77,267,304	77,267,304	773	773

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up.

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

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

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

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

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

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

NOTE 22. SHARE PREMIUM

	2023 £'000	Consolidated 2022 £'000
Share premium account	31,037	31,037

The share premium account is used to recognise the difference between the issued share capital at nominal value and the capital received, net of transaction costs.

NOTE 23. RESERVES

	2023 £'000	Consolidated 2022 £'000
Foreign currency reserve	127	-
Share-based payments reserve	475	266
	602	266

Foreign currency reserve
The foreign currency translation reserve comprises exchange differences relating to the translation of the net assets of the Group's foreign subsidiary from their functional currency into the parent's functional currency.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency £'000	Share-based payments £'000	Total £'000
Balance at 1 February 2021	-	75	75
Options granted	-	191	191
Balance at 31 January 2022	-	266	266
Foreign currency translation gains	127	-	127
Options granted	-	209	209
Balance at 31 January 2023	127	475	602

NOTE 24. DIVIDENDS

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

NOTE 25. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange and other price risks, and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

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

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

In order to protect against exchange rate movements, the Group uses various means to cover its exposure including holding Euro and US dollar cash balances and taking out forward foreign exchange contracts for the purchase of US dollars.

The Group's risk management policy is to hedge 15% to 85% of its estimated foreign currency exposure in respect of forecast purchases over the following 6 months at any point in time. The Group uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date.

The maturity, settlement amounts and average contractual exchange rates of the Group's outstanding forward foreign exchange contracts at the reporting date were as follows:

	Sell Pound sterling		Average exchange rates	
Buy US dollars	2023 £'000	2022 £'000	2023	2022
Maturity:				
0 - 3 months	526	387	1.1718	1.3382
3 - 6 months	141	68	1.1903	1.3342
> 6 months	416	-	1.191	-

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

	Assets		Liabilities	
Consolidated	2023 £'000	2022 £'000	2023	2022
US dollars	98	162	-	-
Euros	3,753	618	682	401
	3,851	780	682	401

Sensitivity analysis

A reasonably possible strengthening (weakening) of the euro or US Dollar against all other currencies at 31 January 2023 would have effected the measurement of financial instruments denominated in a foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Consolidated - 2023	% change	£'000 Strengthens Effect on profit before tax	£'000 Effect on equity	% change	£'000 Weakens Effect on profit before tax	£'000 Effect on equity
US dollars	100%	9	8	(10%)	(9)	(8)
Euros	10%	307	249	(10%)	(307)	(249)
		316	257		(316)	(257)

Consolidated - 2022	% change	£'000 Strengthens Effect on profit before tax	£'000 Effect on equity	% change	£'000 Weakens Effect on profit before tax	£'000 Effect on equity
US dollars	10%	16	13	(10%)	(16)	(13)
Euros	10%	22	18	(10%)	(22)	(18)
		38	31		(38)	(31)

Price risk

The Group is not exposed to any significant price risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk management

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via a diversification of bank deposits and are only with major reputable financial institutions.

The Group's cash balances were held with Standard and Poors "A" rated entities.

The Group faces low credit risk as customers typically pay for their orders in full on collection or shipment of the product. There are a small number of insurance accounts with insurance companies that have 45-day terms (0.02% of 2023 revenue – 2022: 0.04%).

Included in trade and other receivables are funds lodged with Paypal, Stripe, Klarna and Novuna Consumer Finance and these totalled £210,000 on 31 January 2023 (2022: £272,000). Credit risk in relation to funds held with financial institutions is considered low risk with credit ratings above BBB.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. A provision for impairment of trade receivables is recognised on trade receivables if there is considered to be expected credit losses. The amount of expected credit losses is calculated using the simplified approach as allowable under IFRS 9 and is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. Losses arising from impairment are recognised in the statement of comprehensive income in administrative expenses.

The Group will write off, either partially or in full, the gross carrying amount of a financial asset when there is no realistic prospect of recovery. This is usually the case when it is determined that the debtor does not have the assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, the Group may still choose to pursue enforcement in order to recover the amounts due.

Liquidity risk

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

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

Remaining contractual maturities

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

Consolidated - 2023	Weighted average interest rate %	1 year or less £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Remaining contractual maturities £'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	4,543	-	-	-	4,543
Other liabilities	-	1,134	-	-	-	1,134
Interest-bearing - variable						
Lease liability	6.50%	2,225	2,114	5,324	3,626	13,289
Total non-derivatives		7,902	2,114	5,324	3,626	18,966
Derivatives						
Forward foreign exchange contracts to purchase foreign currency	-	51	-	-	-	51
Total derivatives		51	-	-	-	51

Consolidated - 2022	Weighted average interest rate %	1 year or less £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Remaining contractual maturities £'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	4,844	-	-	-	4,844
Other liabilities	-	1,193	-	-	-	1,193
Interest-bearing - variable						
Lease liability	4.00%	2,085	2,062	5,281	4,556	13,984
Total non-derivatives		8,122	2,062	5,281	4,556	20,021
Derivatives						
Forward foreign exchange contracts to purchase foreign currency	-	1	-	-	-	1
Total derivatives		1	-	-	-	1

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

Financial assets / (liabilities)

The carrying value of all financial assets and financial liabilities was materially equal to their fair value.

Assets	Note	2023 Financial assets measured at amortised cost £'000	Total £'000	2022 Financial assets measured at amortised cost £'000	Total £'000
Trade and other receivables	15	447	447	542	542
Cash and cash equivalents		14,127	14,127	16,604	16,604
Total financial assets		14,574	14,574	17,146	17,146

Liabilities	Note	2023 Financial liabilities at fair value through profit or loss	2023 Financial liabilities measured at amortised cost £'000	2023 Total £'000	2022 Financial liabilities at fair value through profit or loss £'000	2022 Financial liabilities measured at amortised cost £'000	2022 Total £'000
Trade and other payables (excluding social security and other taxes)	16	-	(6,176)	(6,176)	-	(7,326)	(7,326)
Right of use liabilities	18	-	(11,543)	(11,543)	-	(11,050)	(11,050)
Derivative financial instruments	26	(51)	-	(51)	(1)	-	(1)
Total financial liabilities		(51)	(17,719)	(17,770)	(1)	(18,376)	(18,377)

NOTE 26. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 2023	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Forward foreign currency hedges	-	51	-	51
Total liabilities	-	51	-	51

Consolidated - 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Forward foreign currency hedges	-	1	-	1
Total liabilities	-	1	-	1

There were no transfers between levels during the financial year.

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

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

Valuation techniques for fair value measurements categorised within level 2 and level 3

Derivative financial instruments have been valued using external valuations received from the Group's foreign exchange brokers. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

NOTE 27. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

	2023 £'000	Consolidated 2022 £'000
Short-term employee benefits	1,263	1,784
Share-based payments	209	191
	1,472	1,975

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

NOTE 28. AUDITOR REMUNERATION

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

	2023 £'000	Consolidated 2022 £'000
Audit services		
Audit or review of the financial statements	60	45

NOTE 29. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 January 2023 and 31 January 2022.

NOTE 30. RELATED PARTY TRANSACTIONS

Parent entity
Angling Direct PLC is the parent entity.

Key management personnel
Disclosures relating to key management personnel are set out in note 27.

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

	2023 £'000	Consolidated 2022 £'000
Payment for goods and services:		
Payment for services (rented property) to other related party (Hillages Ltd) (a)	149	140
Payment for services (electricity charges) to other related party (Contex Builders Ltd) (b)	1	1

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

b. D I Bailey is a director of Contex Builders Ltd.

c. W P F Hill and M G Page are directors of Sportquest Holidays Ltd.

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

Receivable from and payable to related parties
There were trade payables at the reporting date of £13,000 to Sportquest Holidays Ltd (2022: nil) and no trade receivables to related parties at the current and previous reporting date.

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

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

NOTE 31. INTERESTS IN SUBSIDIARIES

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

Name	Principal place of business / Country of incorporation	Principal activities	Proportion held %
H L & S Ltd *	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Dormant - struck off Jan 2023	100.00%
J Simpson (Angling) Ltd	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Dormant - struck off Jan 2023	100.00%
Climax Fishing Tackle Ltd	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Dormant - struck off Feb 2022	100.00%
Fosters Fishing Ltd	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Non Trading - struck off Feb 2022	100.00%
ADNL B.V.	Dirk Hartogweg 14, DC1 Unit 5, 5928LV, Venlo, Netherlands.	Trading from 1 March 2022 onwards	100.00%

* This wholly owned subsidiary is exempt from the requirements of the UK Company Act 2006 relating to the audit of individual accounts by virtue of Section 479A of the Act.

NOTE 32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Consolidated	Lease liability £'000
Balance at 1 February 2021	10,189
Net cash used in financing activities	(1,631)
Acquisition of leases	2,492
Balance at 31 January 2022	11,050
Net cash used in financing activities	(1,720)
Acquisition of leases	2,100
Exchange differences	40
Remeasurement of leases	73
Balance at 31 January 2023	11,543

NOTE 33. EARNINGS PER SHARE

	Consolidated 2023 £'000	2022 £'000
Profit after income tax attributable to the owners of Angling Direct PLC	539	3,077

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	77,267,304	77,267,304
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	900,536	1,000,912
Weighted average number of ordinary shares used in calculating diluted earnings per share	78,167,840	78,268,216

	Pence	Pence
Basic earnings per share	0.70	3.98
Diluted earnings per share	0.69	3.93

NOTE 34. SHARE-BASED PAYMENTS

Note 34. Share-based payments

On 18 August 2020, the Group granted options to the Chief Executive Officer Andrew Torrance and the Chief Financial Officer Steve Crowe. The share-based payment of £165,000 (2022: £165,000) was recognised as expense in the statement of profit or loss and other comprehensive income.

On 2 August 2021, the Group granted options to the Operating Board. The vesting conditions of these options are: service to 31 January 2024, sales revenue of £90.5m with a gross margin of 36.7%; pre-IFRS 16 EBITDA ratio of 7%; and stock turnover of 3.5x. The share-based payment of £26,000 (2022: £26,000) was recognised as an expense in the statement of profit or loss and other comprehensive income.

On 1 August 2022, the Group granted additional options to the Operating Board. The vesting conditions of these options are: service to 31 January 2025, sales revenue of £100m with a gross margin of 36.7%; pre-IFRS 16 EBITDA ratio of 5.7%; and stock turnover of 3.3x. The share-based payment of £18,000 was recognised as an expense in the statement of profit or loss and other comprehensive income.

Set out below are summaries of options granted under the plan:

2023 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
18/08/2020	18/08/2030 *	£0.220	984,444	-	-	-	984,444
18/08/2020	18/08/2030 **	£0.210	492,222	-	-	-	492,222
02/08/2021	02/08/2031 ***	£0.720	700,000	-	-	-	700,000
01/08/2022	01/08/2032 ****	£0.370	-	900,000	-	-	900,000
			2,176,666	900,000	-	-	3,076,666

* LTP(1)
** LTP(2)
*** LTP(3)
**** LTP(4)

2022 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
18/08/2020	18/08/2030 *	£0.220	984,444	-	-	-	984,444
18/08/2020	18/08/2030 **	£0.210	492,222	-	-	-	492,222
02/08/2021	02/08/2031 ***	£0.720	-	700,000	-	-	700,000
			1,476,666	700,000	-	-	2,176,666

* LTP(1)
** LTP(2)
*** LTP(3)

The weighted average share price during the financial year was £0.380 (2022: £0.688).

The weighted average exercise price for options at the beginning of the year was £0.379, no options were exercised in the year, outstanding at the end of the year was £0.376. There were no options exercisable on 31 January 2023.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 8.33 years (2022: 8.85 years). The options have a contractual life of 10 years and have a three year vesting period, cannot be exercised until 31 January 2023 LTIP(1), 31 March 2024 LTIP(2), 31 January 2024 LTIP(3) and 31 January 2025 LTIP(4).

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/08/2022	01/08/2032	£0.380	£0.370	32.600%	-	3.300%	£0.095

Expected volatility has been determined by reference to the historical share return volatility of Angling Direct Plc.

NOTE 35. EVENTS AFTER THE REPORTING PERIOD

Post the reporting period, in February 2023, one of the Groups stores (Reading) suffered a fire. The severity of the fire has resulted in the store temporarily having to cease trading and at the date of this report the store is being renovated by the landlord. The Group is insured for both the value of the stock held at the location as well as loss profits from the location to cover the period of closure (up to twelve months). The quantification of the full claim will be subject to discussion with insurers once the store opening date is agreed, post the required renovation works being completed.

No other matter or circumstance has arisen since 31 January 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Company statement of financial position
As at 31 January 2023

	Note	2023 £'000	Restated 2022 £'000
Non-current assets			
Intangibles	2	6,060	6,176
Property, plant and equipment	3	7,320	6,721
Right-of-use assets	4	10,601	10,043
Investments in subsidiaries	5	85	90
Total non-current assets		24,066	23,030
Current assets			
Inventories	6	15,555	15,959
Trade and other receivables	7	3,516	986
Income tax refund due		59	-
Prepayments		567	392
Cash and cash equivalents		13,296	16,574
Total current assets		32,993	33,911
Current liabilities			
Trade and other payables	8	6,582	7,912
Contract liabilities	9	727	643
Lease liabilities	10	1,600	1,470
Derivative financial instruments		51	1
Income tax		-	463
Total current liabilities		8,960	10,489
Net current assets		24,033	23,422
Total assets less current liabilities		48,099	46,452
Non-current liabilities			
Lease liabilities	10	9,124	8,616
Restoration provision	11	756	681
Deferred tax	12	855	744
Total non-current liabilities		10,735	10,041
Net assets		37,364	36,411
Equity			
Share capital	13	773	773
Share premium	14	31,037	31,037
Share-based payments reserve	15	475	266
Retained profits		5,079	4,335
Total equity		37,364	36,411

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account. In 2023, the profit for the year amounted to £744,000 (2022: profit of £3,045,000).

The financial statements of Angling Direct PLC (company number 05151321 (England and Wales)) were approved by the Board of Directors and authorised for issue on 15 May 2023. They were signed on its behalf by:

Andy Torrance
Executive Director and Chief Executive Officer

15 May 2023

Company statement of changes in equity

31 January 2023

	Share capital £'000	Share premium account £'000	Reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2021	773	31,037	75	1,290	33,175
Profit after income tax expense for the year	-	-	-	3,045	3,045
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3,045	3,045
Transactions with owners in their capacity as owners:					
Share-based payments (note 21)	-	-	191	-	191
Balance at 31 January 2022	773	31,037	266	4,335	36,411

	Share capital £'000	Share premium account £'000	Reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2022	773	31,037	266	4,335	36,411
Profit after income tax expense for the year	-	-	-	744	744
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	744	744
Transactions with owners in their capacity as owners:					
Share-based payments (note 21)	-	-	209	-	209
Balance at 31 January 2023	773	31,037	475	5,079	37,364

NOTE 1. ACCOUNTING POLICIES

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

Basis of preparation

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

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

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

Investments

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

NOTE 2. INTANGIBLES

	2023 £'000	2022 £'000
Non-current assets		
Goodwill - at cost	5,802	5,802
Less: Impairment	(182)	(182)
	5,620	5,620
Software - at cost	1,720	1,431
Less: Accumulated amortisation	(1,280)	(875)
	440	556
	6,060	6,176

Reconciliations

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

	Goodwill £'000	Software £'000	Total £'000
Balance at 1 February 2021	5,620	631	6,251
Additions	-	327	327
Amortisation expense	-	(402)	(402)
Balance at 31 January 2022	5,620	556	6,176
Additions	-	289	289
Amortisation expense	-	(405)	(405)
Balance at 31 January 2023	5,620	440	6,060

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

Impairment testing

Goodwill is allocated to the Company's cash-generating unit ('CGU').

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

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

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

NOTE 2. INTANGIBLES (CONTINUED)

Key assumptions used for value-in -use calculations:

	2023 %	2022 %
Budgeted gross margin	36.3%	36.6%
Five year compound revenue growth rate	5.1%	9.3%
Pre-tax discount rate	10.2%	10.4%

Based on the assessment, no impairment charge is required. Management has performed a number of sensitivity tests on the above rates and note that there are no impairment indicators arising from this analysis. The recoverable amount exceeded the carrying amount by £31,520,885.

Sensitivity

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

i. the application of a 1.0% increase in discount rate from 10.2% to 11.2% would not result in impairment.

ii. reducing the five year revenue compound growth rate by 100 bps would not result in impairment.

iii. reducing the five year revenue compound growth rate by 240 bps would result in impairment.

NOTE 3. PROPERTY, PLANT AND EQUIPMENT

	2023 £'000	2022 £'000
Non-current assets		
Land and buildings improvements - at cost	1,002	1,002
Less: Accumulated depreciation	(342)	(303)
	660	699
Plant and equipment - at cost	8,948	7,475
Less: Accumulated depreciation	(2,815)	(1,974)
	6,133	5,501
Motor vehicles - at cost	15	15
Less: Accumulated depreciation	(12)	(10)
	3	5
Computer equipment - at cost	1,301	1,096
Less: Accumulated depreciation	(777)	(580)
	524	516
	7,320	6,721

Reconciliations

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

	Land and buildings improvements £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2021	715	4,726	7	571	6,019
Additions	-	1,423	-	227	1,650
Disposals	-	(5)	-	-	(5)
Depreciation expense	(16)	(643)	(2)	(282)	(943)
Balance at 31 January 2022	699	5,501	5	516	6,721
Additions	-	1,474	-	205	1,679
Depreciation expense	(39)	(842)	(2)	(197)	(1,080)
Balance at 31 January 2023	660	6,133	3	524	7,320

NOTE 4. RIGHT-OF-USE ASSETS

	2023 £'000	2022 £'000
Non-current assets		
Land and buildings – long leasehold - right-of-use	18,192	15,739
Less: Accumulated depreciation	(7,758)	(5,825)
	10,434	9,914
Plant and equipment - right-of-use	80	80
Less: Accumulated depreciation	(56)	(49)
	24	31
Motor vehicles - right-of-use	433	326
Less: Accumulated depreciation	(304)	(248)
	129	78
Computer equipment - right-of-use	59	59
Less: Accumulated depreciation	(45)	(39)
	14	20
	10,601	10,043

Reconciliations

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

	Land and buildings improvements £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2021	9,420	409	82	26	9,937
Additions	1,588	-	57	-	1,645
Disposals	-	(322)	-	-	(322)
Remeasurement	344	-	-	-	344
Depreciation expense	(1,438)	(56)	(61)	(6)	(1,561)
Balance at 31 January 2022	9,914	31	78	20	10,043
Additions	2,142	-	106	-	2,248
Remeasurement	73	-	-	-	73
Depreciation expense	(1,695)	(7)	(55)	(6)	(1,763)
Balance at 31 January 2023	10,434	24	129	14	10,601

NOTE 5. INVESTMENTS IN SUBSIDIARIES

	2023 £'000	2022 £'000
Non-current assets		
Investments in subsidiaries	85	90

During the year four subsidiaries were dissolved and the £5,000 movement in the year relates to their investments being disposed of.

A detailed list of subsidiaries is detailed within note 31 to the consolidated financial statements

NOTE 6. INVENTORIES

	2023 £'000	2022 £'000
Current assets		
Finished goods - at cost	15,555	15,959

Finished goods include £nil (2022: £0.3m) of provisions to remove certain product lines from the Group as part of a product ranging exercise, and includes £0.1m (2022: £nil) of provisions for obsolescence. This write down to reflect net realisable value of these product lines was recognised as an expense during the year to 31 January 2023.

NOTE 7. TRADE AND OTHER RECEIVABLES

	2023 £'000	2022 £'000
Current assets		
Due within one year:		
Trade receivables	23	62
Amounts owed by group undertakings	-	572
Other receivables	262	352
	285	986
Due outside one year:		
Amounts owed by group undertakings	3,231	-
	3,516	986

Amounts owed by group undertakings are subject to a loan agreement. The loan is repayable in full on 31 December 2031.

NOTE 8. TRADE AND OTHER PAYABLES

	2023 £'000	2022 £'000
Current liabilities		
Trade payables	4,288	4,844
Accrued expenses	1,050	1,811
Refund liabilities	53	42
Social security and other taxes	729	793
Other payables	462	422
	6,582	7,912

Contract liabilities has been reported separately on the Statement of financial position. This was previously reporting in other payables. Refer to note 9 for details.

Refer to note 25 to the consolidated financial statements for further details.

NOTE 9. CONTRACT LIABILITIES

	2023 £'000	2022 £'000
Current liabilities		
Contract liabilities at the start of the year	643	613
Issued in year	3,801	2,202
Redeemed in year	(3,717)	(2,172)
Contract liabilities at the end of the year	727	643

The contract liabilities primarily relate to unredeemed vouchers and gift cards. This will be recognised as revenue when the vouchers and gift cards are redeemed by customers, which is expected to occur over the next two years.

NOTE 10. LEASE LIABILITIES

	2023 £'000	2022 £'000
Current liabilities		
Lease liability	1,600	1,470
Non-current liabilities		
Lease liability	9,124	8,616
	10,724	10,086

Within non-current liabilities are lease liabilities falling due after 5 years totalling £3,626,000 (2022: £4,556,000).

NOTE 11. RESTORATION PROVISION

	2023 £'000	2022 £'000
Non-current liabilities		
Restoration provision	756	681

Restoration

The provision represents the present value of the estimated costs for future restoration of the premises leased by the Group at the end of the respective lease terms. The provision therefore includes estimates associated with the timing of future closures of premises and the costs of restoration prior to return to the lessor. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at each reporting date. The discount rate applied to future cash outflows is 4.0% to 6.5%.

Management has conducted a review of the estimated costs for future restoration, prior to return to the lessor at the end of the lease, of the premises leased by the Group and has revised its estimate based on the results of the review.

Movements in provisions

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

2023	Restoration provision £'000
Carrying amount at the start of the year	681
Additional provisions recognised	49
Unwinding of discount	26
Carrying amount at the end of the year	756

NOTE 12. DEFERRED TAX

	2023 £'000	2022 £'000
Non-current liabilities		
Deferred tax	855	744

	2023 £'000	2022 £'000
Deferred tax liability comprises temporary differences attributable to:		
Property, plant & equipment	1,049	898
IFRS 16 transitional adjustment	(70)	(82)
Unapproved share options issued	(119)	(67)
Short term timing differences	(5)	(5)
Deferred tax liability	855	744
Movements:		
Opening balance	744	263
Adjustment recognised for prior periods	12	(3)
Deferred tax – rate change	-	179
Other temporary differences	99	305
Closing balance	855	744

NOTE 13. SHARE CAPITAL

	2023 Shares	2022 Shares	2023 £'000	2022 £'000
Ordinary shares of £0.01 each - fully paid	77,267,304	77,267,304	773	773

NOTE 14. SHARE PREMIUM

	2023 £'000	2022 £'000
Share premium account	31,037	31,037

The share premium account is used to recognise the difference between the issued share capital at nominal value and the capital received, net of transaction costs.

NOTE 15. SHARE-BASED PAYMENTS RESERVE

	2023 £'000	2022 £'000
Share-based payments reserve	475	266

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

	Shared-based payments £'000
Balance at 1 February 2021	75
Options granted	191
Balance at 31 January 2022	266
Options granted	209
Balance at 31 January 2023	475

NOTE 16. DIVIDENDS

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

NOTE 17. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

NOTE 18. AUDITOR REMUNERATION

The auditor's remuneration for audit and other services is disclosed within note 28 to the consolidated financial statements.

NOTE 19. CONTINGENT LIABILITIES

The Company had no material contingent liabilities as at 31 January 2023 and 31 January 2022.

NOTE 20. RELATED PARTY TRANSACTIONS

Transactions with related parties

The following transactions occurred with related parties:

	2023 £'000	2022 £'000
Payment for goods and services:		
Payment for services (rented property) to other related party (Hillages Ltd) (a)	149	140
Payment for services (electricity charges) to other related party (Contex Builders Ltd) (b)	1	1

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

e. D I Bailey is a director of Contex Builders Ltd.

Receivable from and payable to related parties

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

	2023 £'000	2022 £'000
Current receivables:		
Due within one year:		
Amounts owed by group undertakings	-	567
Due outside of one year:		
Amounts owed by group undertakings	3,231	-
Current liabilities:		
Trade payables	13	-

Loans to/from related parties

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

Terms and conditions

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

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

NOTE 21. SHARE-BASED PAYMENTS

On 18 August 2020, the Company granted options to the Chief Executive Officer Andrew Torrance and the Chief Financial Officer Steve Crowe. The share-based payment of £165,000 (2022: £165,000) was recognised as expense in the statement of profit or loss and other comprehensive income.

On 2 August 2021, the Company granted options to the Operating Board. The vesting conditions of these options are: service to 31 January 2024, sales revenue of £90.5m with a gross margin of 36.7%; pre-IFRS 16 EBITDA ratio of 7%; and stock turnover of 3.5x. The share-based payment of £26,000 (2022: £26,000) was recognised as an expense in the statement of profit or loss and other comprehensive income.

On 1 August 2022, the Company granted additional options to the Operating Board. The vesting conditions of these options are: service to 31 January 2025, sales revenue of £100m with a gross margin of 36.7%; pre-IFRS 16 EBITDA ratio of 5.7%; and stock turnover of 3.3x. The share-based payment of £18,000 was recognised as an expense in the statement of profit or loss and other comprehensive income.

NOTE 21. SHARE-BASED PAYMENTS (CONTINUED)

Set out below are summaries of options granted under the plan:

2023 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
18/08/2020	18/08/2030 *	£0.220	984,444	-	-	-	984,444
18/08/2020	18/08/2030 **	£0.210	492,222	-	-	-	492,222
02/08/2021	02/08/2031 ***	£0.720	700,000	-	-	-	700,000
01/08/2022	01/08/2032 ****	£0.370	-	900,000	-	-	900,000
			2,176,666	900,000	-	-	3,076,666

* LTP(1)
** LTP(2)
*** LTP(3)
**** LTP(4)

2022 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
18/08/2020	18/08/2030 *	£0.220	984,444	-	-	-	984,444
18/08/2020	18/08/2030 **	£0.210	492,222	-	-	-	492,222
02/08/2021	02/08/2031 ***	£0.720	-	700,000	-	-	700,000
			1,476,666	700,000	-	-	2,176,666

* LTIP (1)
** LTIP (2)
*** LTIP (3)

The weighted average share price during the financial year was £0.380 (2022: £0.688).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 8.33 years (2022: 8.85 years). The options have a contractual life of 10 years and have a three year vesting period, cannot be exercised until 31 January 2023 LTIP(1), 31 March 2024 LTIP(2), 31 January 2024 LTIP(3) and 31 January 2025 LTIP(4).

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

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/08/2022	01/08/2032	£0.380	£0.370	32.600%	-	3.300%	£0.095

Expected volatility has been determined by reference to the historical share return volatility of Angling Direct Plc.

NOTE 22. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

Company directory

Directors	Martyn Page - Non-Executive Chairman
	Andy Torrance - Executive Director and Chief Executive Officer
	Steven Crowe - Executive Director and Chief Financial Officer
	Chris Keen - Non-Executive Director
	Nicola Murphy - Non-Executive Director
Company secretary	Shona Wright
Registered office	2d Wendover Road, Rackheath Industrial Estate, Rackheath, Norwich, Norfolk NR13 6LH
Auditor	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House, Cambridge Business Park, Cambridge, Cambridgeshire CB4 0WZ
Solicitors	Leathes Prior 74 The Close, Norwich, Norfolk NR1 4DR Mills & Reeve LLP 1 St James Court, Whitefriars, Norwich, NR3 1RU Marriott Harrison LLP 11 Staple Inn, Holborn, London WC1V 7QH
Website	www.anglingdirect.co.uk
Nominated advisor and broker	Singer Capital Markets Advisory LLP 1 Bartholomew Lane, London EC2N 2AX
Company registrars	Share Registrars Limited The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR

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Angling Direct
Getting Everyone Fishing