Angling Direct
Getting Everyone Fishing

Angling Direct Plc

Getting Everyone Fishing

Annual Report and
Financial Statements - 31 January 2024

1. Strategic report

2. Governance report

3. Financial statements

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

Getting Everyone Fishing

“We have a strategy to become Europe’s largest fishing club by inspiring and delighting increasing numbers of customers, focusing on sustainable profitable growth and enhancing local fishing communities. This will generate sustainable value for all stakeholders as we create a better world for anglers, fisheries, supply partners and all those who love the pastime.”

Steve Crowe
CEO

Key highlights

10.2%
Sales growth

10.5%
Gross profit growth

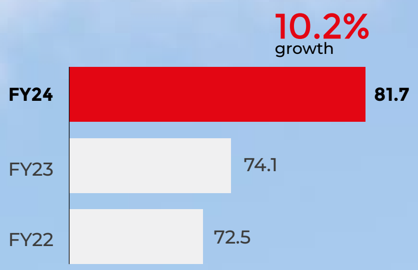
21.0%
Pre IFRS 16 EBITDA growth

+£6.5m
Operating cashflow

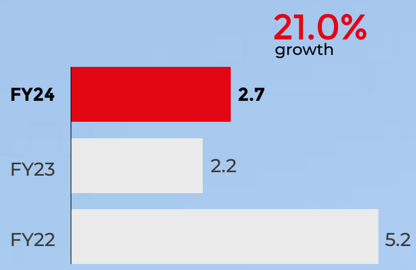
Our key objective for FY24 was to accelerate our UK sales and earnings growth momentum by improving customer choice and experience through whichever channel they choose. This was supported by the launch of MyAD, our omni-channel customer loyalty scheme, the cornerstone to our vision to build Europe's largest fishing club. MyAD reached a membership in excess of 220,000 at the year end. Outside of the UK, we continued to take share across all key markets, balancing our two key objectives of achieving growth and improving profitability.

Overall, our sales revenues grew by 10.2% to £81.7m despite the continued consumer headwinds. Our gross profit grew 10.5% as our agile trading approach resulted in the Group over indexing its gross margin growth above its sales growth. The Group continued to closely steward cashflows whilst continuing to invest, to build further resilience into the business and also enhance the platform for innovation and future growth.

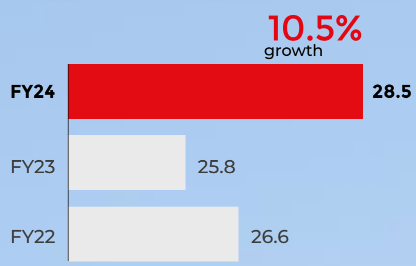
Revenue (£m)



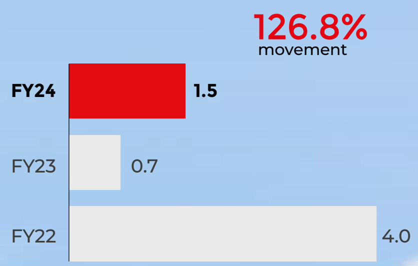
Pre-IFRS 16 EBITDA (£m)



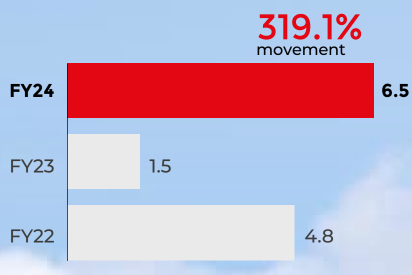
Gross profit (£m)



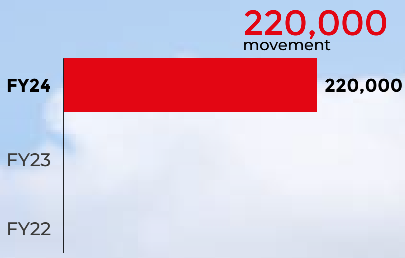
Profit before tax (£m)



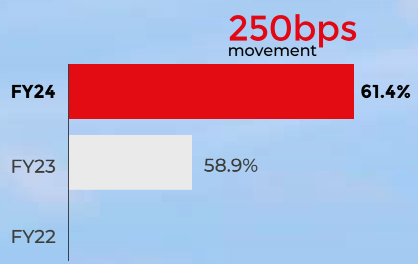
Operating cash flow (£m)



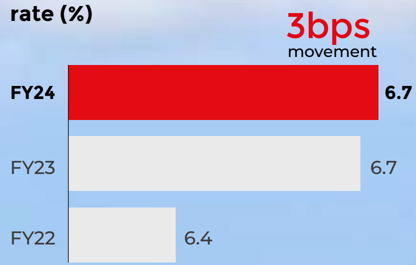
MyAD membership



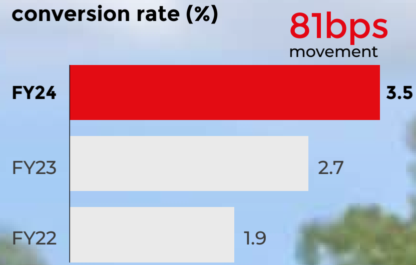
UK store conversion



UK Website customer conversion rate (%)



European Website customer conversion rate (%)



See pages 14 to 15 for definitions

Andy Torrance
Non-Executive Chairman

Chairman's statement

> **"Angling Direct has once again achieved record sales, winning new customers attracted by the continued development of a market leading, contemporary, omni-channel consumer proposition."**

Introduction

I am delighted to present my first Chair's statement having moved from my Chief Executive role in June 2023 following the Annual General Meeting. Angling Direct has once again achieved record sales, winning new customers attracted by the continued development of a market leading, contemporary, omni-channel consumer proposition. We are pleased to have achieved this performance despite ongoing pressure on consumer discretionary spend in a sustained inflationary environment.

Amid strong signs that fishing tackle markets in both the UK and Europe continue to consolidate, Angling Direct maintains its strategy of appropriately and prudently investing where the opportunity exists to increase market share. We remain focused on our strong purpose of 'Getting Everyone Fishing', as we believe everyone should have the opportunity to get out by the waterside and experience the proven wellbeing benefits of angling.

Staying true to our rigorous investment criteria, we progressed our UK store roll-out with the opening of two new stores in the year.

We maintained our considered and prudent approach to investing in our European business, with our focus on improving trading margins and operational efficiencies, while also achieving good growth and share gain in the key territories of this large and attractive market.

Digitally, the launch of MyAD, our new omni-channel customer loyalty scheme, exceeded our expectations with over 220,000 customer sign ups in its first year. MyAD is unique in our market, allowing customers to access a range of benefits and content, including differentiated pricing as well as increasingly targeted offers and promotions. We have made considerable effort to introduce and leverage retail AI technology into several areas of our offering including paid advertising, product recommendations and customer services.

Finally, I am delighted that we have our strong executive leadership team in place, as Steve Crowe, previously CFO, replaced me as CEO in June 2023 and Sam Copeman joined as the Group's new CFO in June, working alongside Steve. The Board is very pleased with how well Steve and Sam have transitioned into their new roles and look forward to them leading the Company through its next exciting phase of profitable growth.

People & community

One of our strong founding principles is that we should help improve the angling experience for everyone who engages with us. Our continued focus on 'Getting Everyone Fishing' is important to everyone at Angling Direct as we want to ensure that the Group has a positive impact on the sustainable health of angling as a pastime with all the associated benefits for our employees, suppliers, shareholders, local communities, and the environment.

Our success is in no small way due to the dedication and enthusiasm of our superb colleagues who share our vision and are passionate in delivering the very best experience to our angling community. 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.

We continue to support the Angling Trust as lead sponsors for the "Get Fishing" campaign, which last year engaged over 27,000 new participants.

We endorse the wide-ranging evidence that fishing can be a great way to improve all round wellbeing and we support bodies set up to encourage and enable those with disabilities, of any kind, to benefit from fishing. We have been particularly focused on supporting Tackling Minds, a rapidly growing Community Interest Company focused on using fishing to help improve mental health.

Financial overview

The Group achieved a record revenue of £81.7m in the financial year to 31 January 2024 (2023: £74.1m, up 10.2%).

Store sales increased by 7.6% to £44.4m (2023 £41.3m) and online sales increased by 13.5% to £37.2m from £32.8m. Within this, UK online sales increased by 11.1% to £32.9m, achieving a return to growth. Significantly, UK online sales are now 62.8% 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 a number of headwinds facing the broader market, the Group delivered pre IFRS 16 EBITDA of £2.7m (2023: £2.2m) and a pre-tax profit of £1.5m (2023: £0.7m). The Group ended the year with a strong balance sheet and net cash of £15.8m as at 31 January 2024 (2023: £14.1m).

£81.7m

Record revenues

Record revenues grew 10.2%

£15.8m

Cash

Looking ahead

Since the year end, we have opened 3 stores in the UK and our first European store, being a mix of new stores as well as acquiring, smaller footprint existing fishing tackle stores in new catchments. This takes our total to 50 UK stores and one European store, with further UK openings in the pipeline through the year.

I am particularly pleased that we have opened our first store in Utrecht, the Netherlands, following the establishment of our European distribution centre which commenced deliveries in March 2022. The opening of this store is a significant milestone for Angling Direct, enabling our European customers to participate in the full Angling Direct omni-channel proposition. We know from our experience in the UK that our physical stores and amazing colleagues act as great ambassadors for our brand, and we expect the new store to complement our digital business within the EU.

For Angling Direct the last four years have seen a period of significant growth and a return to profitability. After a huge amount of organisational change, we are now firmly embedded as the clear UK market leader and have established a growing strategic presence within key markets in Europe. For consumers, the challenging economic environment will continue into this year, and we are not immune to greater than anticipated UK government policy driven cost inflation.

"We are now firmly embedded as the clear UK market leader and have established a growing strategic presence within key markets in Europe."

+16%

Own brand gross profit growth

However, our strength lies in being laser focused on providing the very best for our customers, in the most cost-efficient way. Whilst rates of market consolidation are difficult to forecast, we anticipate that opportunities will arise for those businesses, such as Angling Direct, that are prepared and capable of seizing and delivering upon them. With our strong balance sheet and experienced management team, we are well placed and ready to progress our growth strategy by capitalising on such opportunities, benefiting our colleagues, our shareholders, the angling community, the wider society and, not least, the environment.

Board changes

Following my move to Chair and the aforementioned CEO and CFO changes in the year, I would like to offer my heartfelt thanks to our founder, Martyn Page, who stepped down from his role as Non-Executive Chairman to become a Non-Executive Director. As a Board and on behalf of the Group, we are delighted that Martyn has remained on the Board, continuing to offer wisdom and guidance, in turn helping the business to stay firmly on course with our strategic aims, our beliefs, purpose and culture. There were no other Non-Executive Director changes in the year, providing continuity to the board.

The current year has already got off to an exciting start and we look forward to updating shareholders on strategic progress as we continue to grow our market share in the UK and Europe, both in store and online.

Yours sincerely,

Andy Torrance
Non-Executive Chairman

13 May 2024

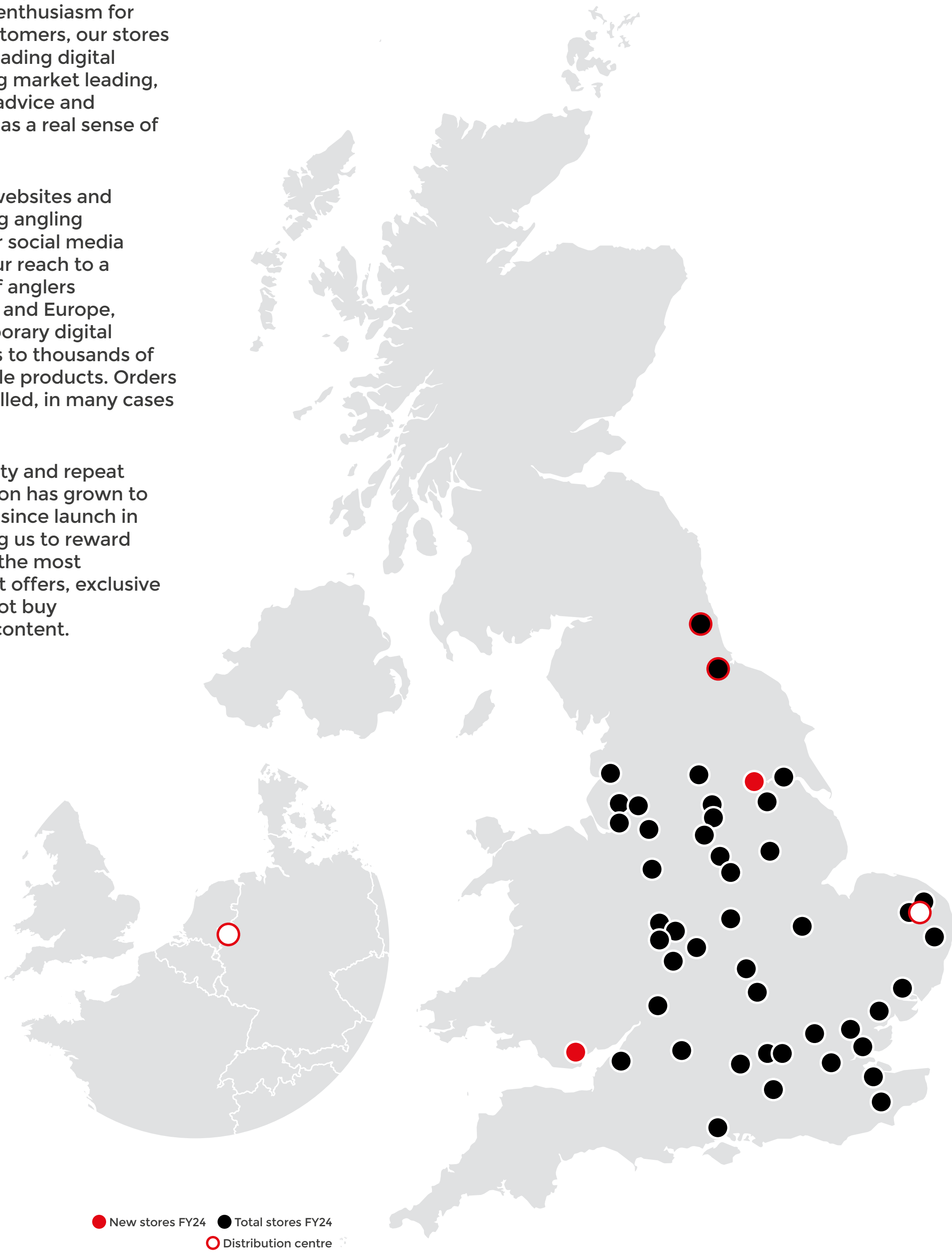
At a glance

We are by some way the largest omni-channel specialist fishing tackle retailer in the UK, with a fast-growing presence in Europe. Our five websites attract more than eight million visitors each year, with online transactions fulfilled from either our UK or European distribution centres. At peak, over 32,000 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 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, 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. Orders are seamlessly fulfilled, in many cases next day.

Our UK MyAD loyalty and repeat purchase proposition has grown to 220,000 members since launch in June 2023, enabling us to reward loyalty by offering the most compelling product offers, exclusive deals, money cannot buy competitions and content.



47 UK stores

Stores, good access, convenient locations in high density fishing catchments

5 websites

Five market leading websites .uk, .de, .fr, .nl and .eu with over 30,000 products across all major brands

220,000 members

MyAD Europe's leading fishing club

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 128,000, Facebook 173,000, TikTok 26,000, X (formerly Twitter) 14,000, ADTV 64,000, 4.4m views)

TeamAD

446 passionate angling colleagues, multi discipline and highly respected

Superior service

Multilingual in-house customer service, marketing and SEO

Steve Crowe
Executive Director
and Chief Executive Officer

Chief Executive's review

Building Europe's Biggest Fishing Club

We have a strategy to become Europe's largest fishing club by inspiring and delighting increasing numbers of customers, focusing on sustainable profitable growth and enhancing local fishing communities. This will generate sustainable value for all stakeholders as we create a better world for anglers, fisheries, supply partners and all those who love the pastime. We are now the largest, and most trusted fishing retailer in the UK, and we continue to take share in a substantial retail category, underpinning resilience and further growth potential in our revenues.

The recent launch of our MyAD proposition brings together our complete offer under one banner, bridging the gap between our physical stores and our digital offering. MyAD launched in June 2023 as an omni-channel customer loyalty scheme, the cornerstone to building Europe's largest fishing club. MyAD reached a membership in excess of 220,000 at the period end. This unified positioning will significantly enhance our marketing efficiency and effectiveness across the business. The proposition has allowed us to harvest, for example, early stage insights on cross-channel customer behaviour and the impact of targeted customer offers and promotions. This gives us confidence around the development roadmap for MyAD in the coming year. It has reinforced our belief in the strategic benefits this can provide for Angling Direct and our partners, as well as our valued members.

We are the only UK angling business which has successfully brought together digital and retail services at scale, operating as the UK's market leading business with record in year UK revenues of £77.4m representing 9.0% growth and mid-teen UK market share.

Our European ambitions remain strong, with attractive addressable markets that are approximately three times the size of the UK market. We have made risk appropriate steps to trial an omni channel offer in the coming year in the Netherlands, with the signing of a retail lease in January 2024, in an existing angling catchment and the store now trading. The digital business continues to take share across all its key markets, balancing growth and profitability to ensure that, as markets recalibrate, Angling Direct is well placed to deliver value for all stakeholders.

"Focused on our clear purpose to inspire everyone to get out and enjoy an exceptional fishing experience, we are building Europe's most engaging fishing club through MyAD. Despite industry headwinds, we have taken market share and built further innovation and resilience into our business."

Steve Crowe

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 markets as people of all backgrounds discover the restorative pleasure, challenge and wellbeing benefits of angling.

Omnichannel seamlessly connected for the customer

Our network of stores, across 47 UK sites at the period end, gives us scale and reach that brings us closer to anglers and enables us to offer greater flexibility and convenience than our competitors, under one consistent operating platform and brand. We will continue to invest in the opportunity for new angling stores in the UK, rolling out at pace in attractive catchments, particularly where we observe the need for an increasingly contemporary retail offer. During the year, we established two new catchments for the UK business (opening stores in Cardiff in February and Goole in April), and we continue to seek out new catchments which present the opportunity to deliver scalable revenues and accretive returns.

In our UK stores, we continued to optimise operating processes against the backdrop of increasing colleague and premises costs. We achieved stronger customer conversion (up 250 bps to 61.4%) through digital price and promotion labelling deployment, and continued refinement of store colleague hours against customer footfall intensity windows. Further work on a digitised central returns model also commenced in Q4.

We remain committed to utilising innovative contemporary digital technologies as part of providing our customers with market leading advice, engagement, service and inspiration. Our in-house web development team has continued to progressively deploy our digital customer journey functionality, to improve speed and resilience, alongside improved onsite search relevance. Q4 saw the team deploy new AI retail technology to drive improved product recommendations and subsequent conversion into the customer journey, seamlessly integrated with our digital paid marketing campaigns.

We will continue to leverage our category authority and expertise to lead choice, innovation and value, making it easier for anglers to access the best products and services. Our ongoing development of our own brand offer through the Advanta and the new entry level Discover brands provides a key area of competitive advantage and supply resilience. We will continue to focus on cash generation from these brands, positioning them where supply partners' alternative products have margins which undervalues their products or there is inconsistency of supply. Own brands gross profit grew 16.0% in FY24, with further substantial headroom for development in the coming year.

Consumer headwinds and inflationary cost pressures for suppliers and competitors have made trading conditions increasingly volatile. We remain agile in our trading, continuing to balance the trajectory of taking further market share against maintaining resilient gross margins. In addition, in FY24 we developed two new revenue streams: in-store services (reel spooling) and income from selling digital and physical promotional space for our brand partners. Further opportunities exist in FY25. The UK business is demonstrating success with revenue increasing by 9.0% while improving bought in margins by 40 bps.

Both our UK and European distribution centres continue to explore and test improved ways of operating. Despite strong wage and energy headwinds, both operations delivered carriage and colleague ratios below FY23.

Our medium-term objectives – on a positive journey to deliver sustainable value for shareholders

We continue to scale the Group, growing the UK business at pace, with the medium-term target of growing to £100m revenue and earnings in excess of £6m now within sight. The European business continues to scale, balancing the longer-term opportunity against the current market economics. Our medium-term priority here is to move the European business through the early stages of its development to break-even.

Our Group EBITDA ratio increased 30 bps to 3.3%, with the UK EBITDA growth of 15.6%[1] over indexing against its sales growth at 9.0% and the European EBITDA losses improving as a ratio of Group EBITDA by c1800 bps to 35.9%.

The UK business is starting to demonstrate both progressive gross margins, which have evolved from 31.2% in FY20 to 35.4% in FY24 and leveraging the UK Group central fixed cost base. Both these facets represent clear opportunities for further value creation.

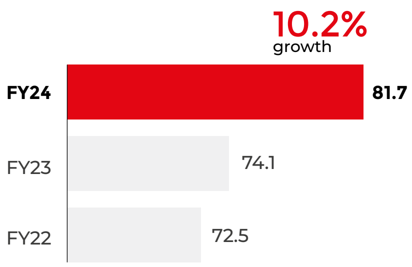
Macro headwinds on market pricing (driven by faltering competition) and store theft were greater challenges than anticipated in FY24, presenting real opportunity for improvements in FY25 and beyond. We continue to adapt trading protocols to manage risks around increased levels of theft, an issue affecting the whole retail sector as reported elsewhere. The stores suffered £0.5m of shrinkage in the year (FY23: £0.3m); as a ratio of UK sales this represents a 30 bps drag on the UK EBITDA margin.

The Group generated positive cashflows both at an operating performance level and post investment of further capital deployment. Operating cash flow increased to £6.5m against the prior year of £1.5m. Capital deployment increased in the year to £2.9m as we sought to accelerate activities that would drive enhanced EBITDA metrics for the Group in FY25.

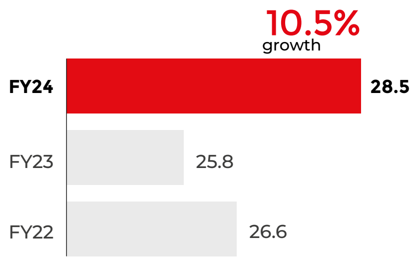
As a result of our strong cash management, the Board remains focused on evaluating and delivering opportunities to drive returns beyond our medium-term targets by deploying surplus funds and accelerating our organic and M&A growth strategy. The investment of surplus funds would be weighted towards the UK business. Given the current market backdrop, we are seeing an increased pipeline of relevant M&A opportunities, however, in many cases vendor pricing expectations are incompatible with our overriding objective of ensuring that deployment of surplus funds is value accretive for our shareholders.

[1] Excluding the cyber security insurance proceeds reported in FY23 that related to an FY22 event

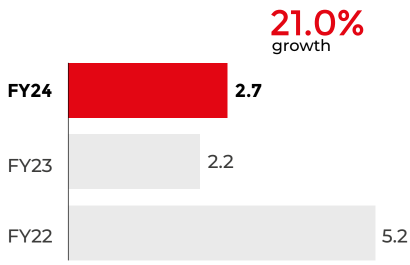
Revenue (£m)



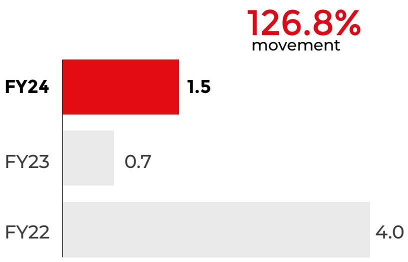
Gross profit (£m)



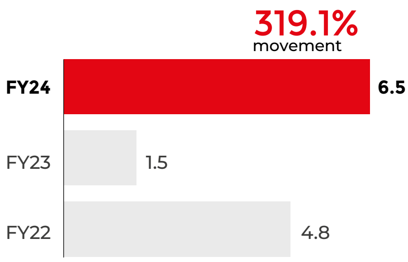
Pre-IFRS 16 EBITDA (£m)



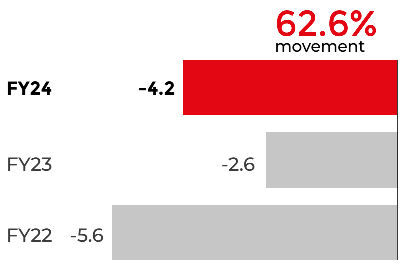
Profit before tax (£m)



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:

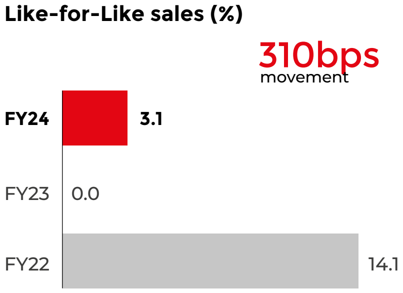
Revenue – Revenue is a measure of sales growth across all channels within the Group. By growing revenue we are able to understand how well we serve new and returning customers and to what extent we are growing our market share.

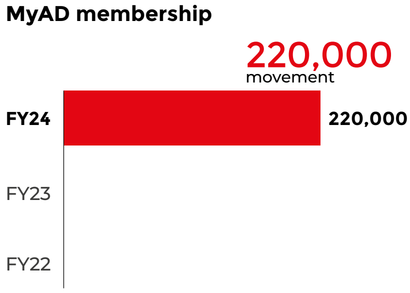
Gross margin – Gross margin represents revenue after deducting the cost of products after associated trade and settlement discounts as well as deductions for estimated stock losses and reductions to reduce stock to its net realisable value. It is a KPI as it helps us measure our performance at ensuring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

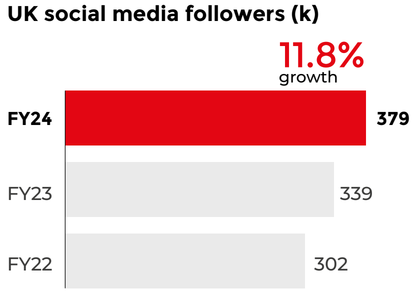
Pre-IFRS 16 EBITDA – Measuring adjusted EBITDA assists in understanding the underlying performance of the Group consistent with its objective to grow in a sustainably profitable way. The measure is aligned with the way our institutional investors and colleagues review the operating performance of the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

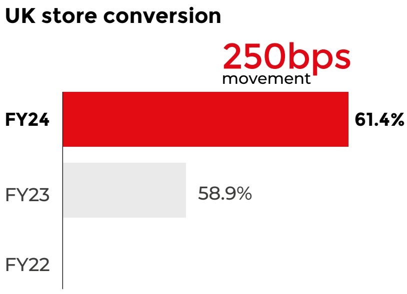
Operating cash flow – Operating cash flow is a measure of net cash generated from operating activities before financing and capital expenditure. This is important to measure as it allows us to strategically reinvest in the future growth of the business.

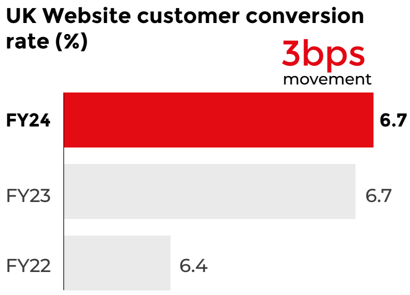
Net debt / (cash) – Net debt represents the Group's IFRS 16 lease liabilities less the cash position as at the reporting date. The KPI measures the Group's gearing of its balance sheet from its lease commitments and helps the Group evaluate its continued roll out of its store portfolio and distribution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

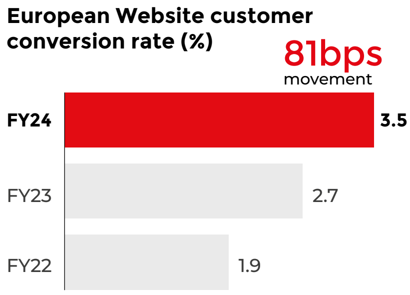












Commercial KPIs:

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. FY23 website visitors have been restated due to a Google enforced change in the analytical tools that collect this data (FY23 conversion previously reported as 5.7).

Native language 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.

NEW GROWTH OPPORTUNITIES

EUROPEAN MARKETS

Our clear strategy is to become Europe's first choice fishing club through which all anglers can shop with confidence, seek advice, and be inspired.

In the period we continued to develop our European business, underpinned by our belief in the clear opportunity to establish a market leading, contemporary, omni-channel proposition in mainland Europe, significantly growing our addressable market. We were pleased to identify and sign the lease for our first store in mainland Europe, in the Netherlands in January. This followed a thorough search for a suitable site to act as a test-case for our omni-channel model which is designed to enhance returns for all stakeholders.

Overall, the European market, due to its significant size and fragmented nature, remains very attractive to Angling Direct in order to significantly expand its addressable market and develop a significantly larger business over the long term. The Board believes that our omni-channel customer offering is the appropriate model to deliver profitable growth.

The European consumer landscape is currently more uncertain than the UK with intense pricing competition continuing. The Group will continue to focus on margin discipline and adopting a prudent approach to developing both the existing digital business and an adaptable physical trading presence in Europe in light of the prevailing conditions. Key areas of focus include optimising ranging, marketing and pricing strategies, with our work to date in these areas resulting in year-on-year improvements in the gross and EBITDA margins by +410 bps and +1550 bps respectively. Whilst the competitive market is creating opportunity for the Group, we will keep EU trading progress under continual evaluation and, ahead of any potential significant cash investment, maintain our rigorous review of the likely returns in this area of the business. In summary, we believe that the current intense levels of price competition are unsustainable and will create opportunity for the Group alongside a disciplined approach to expansion. We remain confident in the significant longer term growth opportunity.

UK MARKETS

The MyAD fishing club and insight this brings will continue to be developed to support both suppliers and customers, and ultimately to deliver incremental shareholder value.

We remain confident the UK has over 80 catchments which can be served by Angling Direct and in H2 commenced the search programme for the "smaller" store format. More latterly in the year, elements of the market started to exhibit increasing levels of distress with a number of single premises retailers shutting their doors. This presents opportunity for the Group, as evidenced by two store acquisitions completing in February 2024 and April 2024 respectively. UK store catchments of scale offer the ability for the Group to deliver attractive returns on capital and leverage the Group's UK cost base.

Our own brand product development has gained momentum during the year, and we see increased opportunities for broadening this range further, including through potential new brand acquisitions, as we deploy further capital into the UK market.

Our values underpin how we operate – maintaining our commitment to a sustainable future

Our colleagues remain the face of Angling Direct to our customers and are key to delivering an excellent service, both in store and online. They also play an important 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.

As the exclusive retail sponsors of the Angling Trust's Get Fishing campaign, designed to attract new and lapsed anglers through a bankside coaching collaboration with Sport England and the Environment Agency, we are delighted that the programme reached over 27,000 individuals through 1,500 events during 2023. The campaign's digital communications had a reach of over 3m, all sign-posting the collaboration with Angling Direct. We continue to work closely with the Angling Trust to improve this reach and attract and retain anglers through tailored marketing journeys and product offers. Our ambition remains to support the health of the pastime and industry through collaboration.

Coarse fishing licence sales remain broadly flat against those of the pre COVID landscape but with over 20% increases in young people and disabled licence sales pointing to increasing engagement from people new to the pastime.

Underpinned by our belief in the general wellbeing benefits of fishing, we 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 organisation which uses fishing as therapy. We promote, sell and fulfill their merchandise through 14 of our physical stores as well as through our webstore with all proceeds being returned to Tackling Minds. During the period this returned £26k to Tackling Minds.

We have refreshed our approach to developing a culture where "everybody can contribute", aligned with our objective to become the leading employer within our market. We have increased the focus on our annual leadership survey, driving clear action plans from leaders with the primary focus being on driving one team with the opportunity to all win together. In addition, we have introduced "benefits statements for all store colleagues" so we mutually reflect on the total value of the colleague offer and continued to offer additional well-being days for all colleagues over and above historic annual leave entitlements.

We continued to extend our social media and YouTube reach. In the period, our YouTube subscribers exceeded 60,000 for the first time. We have seen particular success with our "Masterclass" and '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 ESG responsibilities seriously and that extends to ensuring Angling Direct is continually working towards enhancing sustainable business practices across the areas of environmental protection, economic viability, and social diversity. See pages 39 to 41 for more information on sustainability.

Current trading, this year's road map and beyond

We have a clear ambition to continue to scale the UK business in the next 12 months and beyond. Our MyAD proposition will continue to take market share through leveraging our physical and digital infrastructure to serve new and existing customers as market consolidation reduces the number of other retail outlets in the market. Alongside this we will increase the pace of our UK physical estate roll out to acquire existing retailers or reach new unserved catchments where we believe we can make accretive returns. The UK digital business will continue with its journey, accessing and developing new retail AI technologies to maintain its competitive advantage.

In Europe we will continue to responsibly grow our digital business, balancing ambition in a highly attractive addressable market, set against the current softer market conditions. Alongside this we will look to learn at pace from our first European store, to be well placed ahead of the FY25/26 fishing season to evaluate further roll out if appropriate.

Against these ambitions in Q1 the overall Group grew revenue 4.0%. Two new UK trading locations have been secured through acquisition and opened in FY25 thus far, alongside opening in one new catchment. In addition, we have signed an agreement with a leading UK retailer to trial retail space within its existing estate where it is mutually beneficial to both parties.

In Europe, the Netherlands store has commenced trading in May 2024, giving us the opportunity to trial and learn about the omni-channel model in Europe.

We continue to focus on gross margin development, and at the same time, our operational grip continues to mitigate ongoing cost headwinds.

With significant cash on the balance sheet, the Group will continue to strategically invest in UK market share gains, scaling the Angling Direct own brand opportunity and operational efficiencies. In Q4 FY24, the UK business committed to a seven-figure capital investment in an automated UK packaging solution, to drive further efficiencies and reduce exposure to further significant living wage inflation.

The changing competitive landscape in the UK presents us with the opportunity to deploy capital, take market share and reduce surplus liquidity. Vendor expectations on valuation and timing continue to be a persistent challenge to our M&A strategy, however the Board remains committed to delivering growth while retaining both strong liquidity and a robust balance sheet.

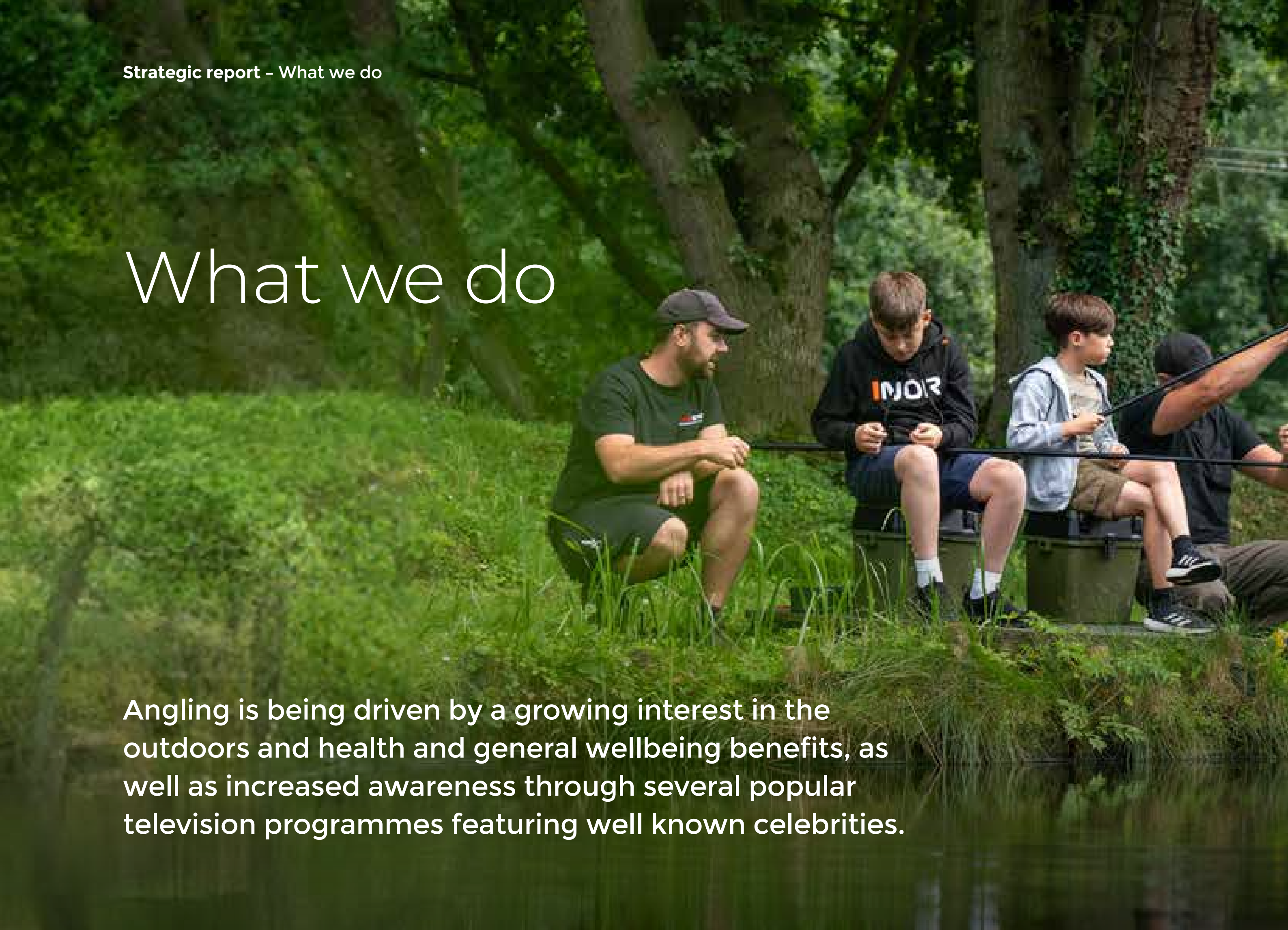
We remain vigilant to the external headwinds facing the sector, including inflationary pressures, and believe that our experienced management team and agile business model position us well to navigate any challenges in the period ahead as we fully capitalise on the significant opportunity available to us in the UK and European markets.

With the continued support of our outstanding colleagues, I look forward to sharing further success with shareholders through 2024 and beyond.

Steve Crowe

Executive Director and Chief Executive Officer

13 May 2024



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, advice 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 fishing club through which all anglers can shop with confidence, seek advice, and be inspired.

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

We have a strategy to become Europe's largest fishing club by inspiring and delighting increasing numbers of customers, focusing on delivering 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, regardless of background or ability, in the great outdoors.

OUR AMBITION

To become Europe's first choice fishing club through which all anglers can shop with confidence, seek advice and be inspired.

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 on 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 remains 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.

Our MyAD proposition enables customers to access the best of our products, promotions and exclusive digital content.

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 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 organisations in a variety of campaigns, both digitally and physically. We are also supporting the Anglers Against Pollution campaign via our membership of the Angling Trust, alongside the "Get Fishing" campaign.

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 is 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 800,000 licensed anglers in England and Wales and the Environment Agency ("EA") 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 114,000 new online customers in FY24. Angling Direct is the UK market leader, with an estimated market share of approximately 14% and we estimate we are approximately five times larger than the next largest market participant in the UK.

The fishing tackle market across 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.

14%

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.

30,000

Product lines

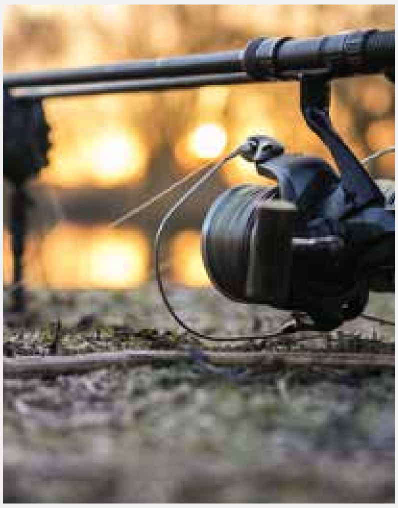
30,000 product lines from over 100 suppliers

4.8/5

Feefo rating

Our Feefo rating is high

OUR PRODUCT AUTHORITY



We sell the most comprehensive range of fishing tackle and related products, both in our 47 Angling Direct retail stores and also online via our five websites www.anglingdirect.co.uk, www.anglingdirect.de, www.anglingdirect.fr, www.anglingdirect.nl and www.anglingdirect.eu. In 2022 we launched our online trading app. We provide an incredibly large choice of fishing tackle products from the leading brands our customers love, catering for all major fishing disciplines. At the year-end we stocked over 30,000 different product lines from over 100 suppliers.

Our category management teams work increasingly collaboratively with our suppliers to ensure we only list high quality products. Our purchasing colleagues work to 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 match 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.

Additionally, we make large amounts of digital material available, via our websites, social media channels, 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 MyAD proposition enables members to access "money cannot buy" experience based competitions.

OUR CUSTOMER EXPERIENCE

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

All our stores are situated 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 are immersed in the local fishing scene.

Our MyAD proposition, 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 websites 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 4.8 out of 5, with over 9,000 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. We value strong mutually-beneficial relationships with our key suppliers as we seek to grow the fishing tackle market and our reach within it.

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 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.

Sam Copeman
Chief Financial Officer

Chief Financial Officer's statement

Continuing to deliver record revenues, strengthening EBITDA margins and generating cash to execute our strategy.

The Group has continued to deliver on its strategic priorities throughout FY24, despite the competitive pricing environment, the challenging consumer landscape, increased cost headwinds facing the business and the weather impact on angling conditions in H2 of FY24. The Group delivered record revenues, strengthened EBITDA margins and enhanced its strong balance sheet and liquidity position. The UK financial performance continued to underpin the investment in Europe. The Group remains well positioned to capitalise on opportunities as further market consolidation occurs and a more favourable consumer dynamic returns.

Financial highlights

In FY24 the Group delivered record revenues, with 10.2% growth to £81.7m (FY23: £74.1m). This was delivered in the UK, both online and within the store portfolio, in terms of both the existing store footprint and the new space effect of new and prior year store openings. This was set alongside growth in the second full year of trading in Europe from the distribution centre in the Netherlands.

Pre-IFRS16 EBITDA grew 21.0% to £2.7m (FY23: £2.2m) which equates to 36.9% growth on a comparable basis, when excluding the cyber security insurance proceeds reported in FY23 that related to an FY22 event. This performance was underpinned by margin progression through improved own brand customer engagement, upside from the FY23 range review driven by supplier mix, improving supplier terms and the roll out of new revenue streams in terms of both in-store services (e.g. spooling) and commercial marketing. This was then partially eroded through higher levels of retail shrinkage and store theft (consistent with the wider retail industry news flow) and higher out of season promotional activity in H2. The EBITDA growth was also supported by a number of operational initiatives and efficiencies delivered within the cost base. Profit before tax grew 126.8%, underpinned by the EBITDA growth as well as the higher interest income, as cash balances are optimised in the higher interest rate environment.

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	2024 Post IFRS16	2024 Pre IFRS16	2023 Post IFRS16	2023 Pre IFRS16	Change % Post IFRS16	Change % Pre IFRS16
Revenue (£m)	81.7	81.7	74.1	74.1	10.2%	10.2%
EBITDA (£m)	5.3	2.7	4.6	2.2	16.7%	21.1%
Profit before tax (£m)	1.5	1.5	0.7	0.8	126.8%	94.3%
Basic earnings per share (pence)	1.58		0.7		125.7%	

Adjusted financial measures are defined on page 78 of the Annual Report and reconciled to the financial measures defined by International Financial Reporting Standards ("IFRS"). Management uses EBITDA on a pre IFRS16 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 10.2% year on year, with the UK business growing at 9.0% and the European business growing at 36.3%.

UK store revenues were resilient and rose 7.6% to £44.4m, underpinned by stronger conversion and new store openings (Cardiff in February and Goole in April), increasing the Group's store footprint from 45 to 47. These new stores, alongside those stores opened in FY23, contributed £3.6m of revenue in the year. Like for like store revenue was £40.7m[1], representing 3.1% growth underpinned by improved conversion, and demonstrating strength against FY23 where the growth rate was flat. UK online revenue increased 11.1% to £32.9m driven by strong average transaction value growth. The UK business also did not benefit from any inflationary tailwinds, with this broadly flat year on year. Overall the UK business delivered 60.6% growth versus the pre-Covid FY20 year, with further scope for expansion.

The European business continued to be a purely online offering during FY24, based from our European distribution centre in The Netherlands. This delivered revenue growth of 36.3% to £4.3m, with the Group continuing to focus on European territories with the market size to deliver both strong revenue growth and promising levels of profitability. Our key territories of Germany, France, and The Netherlands increased revenue year on year by 40.0% and these territories now represent 96.9% of total international revenue (FY23: 94.3% and FY22: 84.4%). These European markets were materially impacted by the competitive pricing environment and the challenging consumer landscape in FY24, so from a medium-term upside perspective these markets remain attractive as they normalise.

Revenue	31 January 2024 £m	31 January 2023 £m
UK	77.4	71
Germany, France and Netherlands	4.2	3
Other countries	0.1	0.2
	81.7	74.1
Retail stores	44.4	41.3
Ecommerce	37.2	32.8
	81.7	74.1

[1] Excluding the Reading store which has not materially traded in the period after it suffered a fire in the first week of February 2023. Total like for like stores grew £0.5m / 1.1% including Reading.

Gross profit

Total gross profit increased by 10.5% to £28.5m (FY23: £25.8m). Total gross margin increased by 10 bps to 34.9% (FY23: 34.8%).

In the UK, gross margins increased by 10 bps to 35.4%. This progression was delivered through: improved own brand customer engagement; upside from FY23 range review driven by supplier mix, improving supplier terms, and the roll out of new revenue streams in terms of both in-store services (e.g. spooling) and commercial marketing. This was then partially eroded through higher levels of retail shrinkage and store theft, consistent with the wider retail industry news flow, and higher out of season promotional activity in H2. In Europe, the gross margin improved by 410 bps to 27.4%, primarily driven by range optimisation and mix.

Own brand product ranges (Advanta, alongside the new entry level Discover brand introduced in FY24) contributed 8.8% (FY23 8.3%) of total gross profit, £2.5m, during the year (FY23: £2.1m). This was an increase of 16.0% on the prior year and over indexed against total gross profit growth (10.7%) by 540 bps.

Other income

The Reading store did not materially trade in the period after it suffered a fire in the first week of February 2023. This was an insured risk and the Group has received payments on account in respect of the insurance policies which are reflected in the accounts along with a prudent provision for the remaining amounts, as the claim position is not yet finalised.

FY23 includes insurance proceeds in respect of the malicious cyber-attack during Q4 FY22 that was subject to an insurance claim with the Group's insurers, successfully settled in FY23 (FY23: £0.3m).

Administrative expenses

Total administrative expenses increased by 9.1% to £23.7m (FY23: £21.7m) compared to a 10.2% increase in revenue.

In the UK, head office administrative expenses increased 6.7% year on year excluding cyber income recognised in FY23 relating to an FY22 event, against a UK revenue growth at 9.0%, as the Group continued to challenge itself to ensure its growth leveraged its central fixed cost base. This represented 6.8% as a percentage of revenue; a 20 bps improvement year on year. In UK retail, administrative expenses increased by £0.5m, of which £0.4m relates to the investment timing of new space and increased energy costs. In UK online, administrative expenses increased by £0.7m of which over £0.6m relates to variable costs that flex with revenue.

In Europe, administrative expenses have stayed broadly flat despite the 36.3% increase in revenue, as we continue to leverage the existing cost base while climbing the growth curve.

Distribution expenses

Total distribution expenses increased by 6.1% to £3.5m (FY23: £3.3m) compared to a 10.2% increase in revenue. These costs are variable based on revenue so highlight some of the strong cost focus in the year, with the UK improving by 30 bps as a percentage of revenue. Europe costs also had a slight reduction as a percentage of revenue (20 bps).

Segmental Analysis

The UK stores segment delivered pre-IFRS16 EBITDA growth of 9.1% (£0.5m), over indexing against revenue growth of 7.6% (£3.1m), including the EBITDA drag of the new space effect as it builds up to maturity. This highlights the progress in the year beyond the headline revenue growth, in terms of the gross profit and cost base outturn, despite the retail shrinkage and cost headwinds and continuing to invest in growth.

The UK online segment delivered pre-IFRS16 EBITDA growth of 11.9% (£0.4m), also over indexing against revenue growth of 11.1% (£3.3m). This again highlights the progress in the year beyond the headline revenue growth in terms of the gross profit and cost base outturn, despite the cost headwinds and continuing to invest in growth..

The European segment delivered revenue growth of £1.1m (36.3%) and pre-IFRS16 EBITDA growth of £0.2m, reducing the EBITDA losses by 19.3% to -£1.0m. This highlights the progress in the margin and the leveraging of the cost base as we continue to prudently grow the European business. Overall, this resulted in the European pre-IFRS16 EBITDA losses improving as a percentage of Group EBITDA by c1,800 bps to 35.9%.

The UK head office segment saw a modest decrease in pre-IFRS EBITDA of £0.3m (5.0%), excluding the £0.3m FY22 cyber claim income recognised in FY23 that related to an FY22 event. As set out above, this is against the backdrop of UK revenue growth at 9.0%, as the Group continued to challenge itself to ensure its growth leveraged its central fixed cost base. To demonstrate the progress, this represented 6.8% of revenue, a 20 bps improvement year on year.

Financial highlights	2024 Stores	2024 UK Online	2024 Europe Online	2024 UK head office	2024 Total	2023 Stores	2023 Online	2023 Europe Online	2023 UK head office	2023 Total
Revenue (£m)	44.4	32.9	4.3	-	81.7	41.3	29.7	3.1	-	74.1
Net assets	14.2	3.1	2.5	18.8	38.5	14.4	3.3	3.4	16.2	37.3
Profit / (loss) before tax (£m)	4.2	3.2	(1)	(4.8)	1.5	3.9	2.8	(1.3)	(4.8)	0.7
EBITDA post IFRS 16 (£m)	7.4	3.8	(0.7)	(5.1)	5.3	6.7	3.4	(1)	(4.5)	4.6
EBITDA pre IFRS 16 (£m)	5.3	3.6	(1)	(5.3)	2.7	4.9	3.2	(1.2)	(4.7)	2.2

Profit before tax and EBITDA

Profit before tax increased 126.8% to £1.5m (FY23: £0.7m) with the ratio to revenue increasing to 1.9% from 0.9% in FY23, gross margin representing 0.1% of the movement, the cost base 0.4% and increased interest income 0.5% (from £0.1m to £0.5m).

Post IFRS 16 EBITDA increased 16.7% to £5.3m (FY23: £4.6m) and as a ratio of revenue improved to by 30 bps to 6.5% (FY23: 6.2%). When excluding the £0.3m cyber security insurance proceeds reported in FY23, but relating to an FY22 event, the EBITDA growth improved to 23.7% and as a ratio of revenue grew 70 bps to 6.5% (FY23: 5.8%).

On a pre IFRS 16 basis, EBITDA increased 21.0% to £2.7m (FY23: £2.2m) and as a ratio of revenue improved to by 30 bps to 3.3% (FY23: 3.0%). When excluding the £0.3m cyber security insurance proceeds reported in FY23, but relating to an FY22 event, the EBITDA growth improved to 36.9% and as a ratio of revenue grew 60 bps to 3.3% (FY23: 2.7%).

Tax

The Group's effective tax rate was 19.7% (FY23: 19.4%). 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. 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. Headline corporation tax rates in the UK (c24% for the full year, 19% to 31 March 2023, then 25% for the remainder of FY24) and the Netherlands (25.8%) are comparable and therefore no material difference arises from the differential in headline corporation tax rates.

Taxation	£m	%
Profit before tax	1.5	
Expected tax at UK standard rate of tax	0.4	24.0%
Ineligible depreciation	0.0	0.5%
Capital allowances enhanced deduction	(0.0)	(0.8%)
Difference in current and deferred tax rate	0.0	0.9%
Adjustments in respect of previous year's tax charge	(0.1)	(4.9%)
Actual charge / effective tax rate	0.3	19.7%

Returns and dividends

Basic earnings per share ('EPS') were 1.58p (FY23: 0.70p) increasing 125.7% year on year, comparable with the rate of increase in 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 growth opportunities, including M&A activity. Accordingly, in the short term, the Directors do not recommend a dividend payment to be distributed for the year ended 31 January 2024. The dividend policy will be kept under review as strategic expansion plans progress.

Statement of financial position

The consolidated statement of financial position remains robust. As at 31 January 2024 the Group had a net asset position of £38.5m (FY23: £37.3m) and a net current asset position of £24.3m (FY23: £23.7m). The Group includes £0.3m of net assets and liabilities of its wholly owned subsidiary ADNL B.V.

The Group continued to have no external borrowing as at the reporting date and closed FY24 with a cash and cash equivalents position of £15.8m (FY23: £14.1m). Net debt (representing the Group's IFRS16 lease liabilities less the cash position as at the reporting date) decreased to (£4.2m) from (£2.6m) in FY23, (£0.0m) reflecting the broadly flat (+£20k) lease obligations in the UK stores with the remainder largely reflecting the improved working capital position (also see the statement of cashflows section below).

The table below shows the key components of the statement of financial position. Property, plant and equipment grew by £1.2m with the continued investment in the store portfolio, notably with two new stores in the year (Goole and Cardiff) and one re-fit (Guildford). Right of use assets (ROU) have reduced modestly by £0.2m, with the two new stores being added into the estate alongside the new store in Utrecht (lease signed in January 2024 and opened in May 2024) with the remaining movement including new leases in Guildford (plus early exit of the previous lease), Lincoln and Chelmsford. Offsetting this growth in the gross ROU asset, the depreciation charge grew to £2.1m (FY23: £2.0m). The Group continues to evaluate its dilapidation obligations and associated restoration provision for its growing physical store and distribution centre footprint. The average length of lease remaining for the Group has reduced to 5.1 years (FY23: 5.6 years). Additional investment in our software and IT platforms of £0.3m was largely offset by a corresponding depreciation charge as the business reaches a relative level of maturity in its investment profile. Refer to note 2 to the consolidated financial statements for our policy with respect to intangible assets. Working capital improved by £1.0m, underpinned by stock levels reducing £0.8m despite the additional new space impact (£0.5m, includes some stock build for Cannock, not opened until FY25), reflecting a comparable £1.3m improvement year on year driven by further improvements in our stock ranging and fulfilment processes. The stock holding in the European distribution centre remained broadly flat. Stock turn for the Group marginally increased to 2.9x from 2.8x with a higher year on year stock, particularly over H1, due to the timing of forward orders and securing availability in the seasonal peak. Similarly, stock turn for the UK modestly increased to 3.1x from 3.0x.

Statement of financial position	31 January 2024 £m	31 January 2023 £m
Property, plant and equipment	8.7	7.5
IFRS 16 Right-of-use assets	11.2	11.4
Intangible assets	6.1	6.1
Total non-current assets	26.0	25.0
Stock	17.0	17.8
Cash	15.8	14.1
Other current assets	1.2	1.1
Total current assets	34.0	33.0
Trade and other payables / contract liabilities	(7.8)	(7.5)
Lease liabilities	(1.8)	(1.8)
Other current liabilities	(0.0)	(0.1)
Total current liabilities	(9.6)	(9.3)
Lease liabilities	(9.8)	(9.8)
Other non-current liabilities	(2.0)	(1.7)
Total non-current liabilities	(11.8)	(11.4)
Net assets	38.5	37.3

Cashflow and funding

During FY24 the Group increased its cash generated from operating activities increased by £5.0m to £6.5m (FY23: £1.5m). Operating cash generation was improved as a result of increased profit before tax as set out above (£0.8m), lower tax (£0.6m) and a year on year working capital inflow improvement (£3.4m).

The lower tax payments (£0.6m) were driven by a £0.5m UK tax payment in FY23 that was made up of the FY22 tax due (£0.4m) and a single quarterly payment on account that was made towards FY24 (£0.1m). The business had no tax to pay in respect of the FY23 year (taxable losses) so it fell outside of the quarterly payment regime and as such the quarterly payment on account was refunded in FY24 (£0.1m).

In FY23 the working capital outflow was £2.4m as a result of higher stock (£1.5m – driven by new space and the initial investment into the European distribution centre) and lower creditors (£0.9m) as more stock paid for at year end driven by supplier mix. In FY24 this trend reversed with a working capital inflow of £1.0m driven by lower stock at year end (£0.9m, as set out above despite additional new space).

The Group has pursued its growth strategy by continuing to deploy available cash resources into further development of our e-commerce platforms both in the UK and internationally, alongside investment in our technology and inventory management systems, with the Group investing £0.3m in FY24. The Group also deployed £2.5m on property plant and equipment, largely reflected the continued investment in the retail estate (as set out above).

Total cash generated in the period was £1.7m (FY23: £2.5m cash utilised).

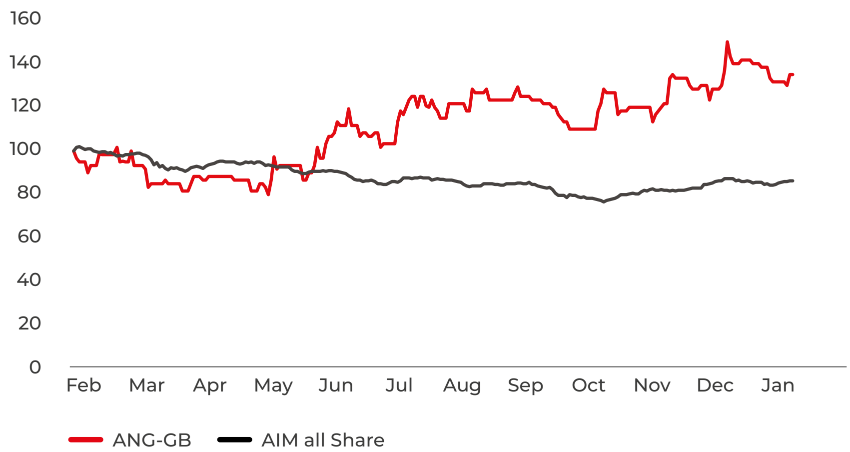
Statement of cashflows	31 January 2024 £m	31 January 2023 £m
Opening cash	14.1	16.6
Profit before tax	1.5	0.7
Movement in working capital	1.0	(2.4)
Depreciation and amortisation	3.8	3.5
Taxation received / paid	0.1	(0.5)
Other operating adjustments	0.1	0.3
Net cash from operating activities	6.5	1.5
Net cash used in investing activities	(2.9)	(2.3)
Net cash used in financing activities	(1.8)	(1.7)
Net (decrease) / Increase in cash in year	1.7	(2.5)
FX changes on cash equivalents	(0.1)	0.0
Closing cash	15.8	14.1

Going concern and viability

At the Statement of Financial Position date, the Group had cash balances of £15.8m. The Directors consider the £15.8m enables them to meet all current liabilities as these fall due. Since the year end, the Group has continued to trade within the range of internal plans upon which this assessment has been based.

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 £31.3m, compared to £22.8m 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 2023 to 31 January 2024.

Sam Copeman
Chief Financial Officer
13 May 2024

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.

We run an annual all-colleague survey that results in the Operating Board and each team within the business to build an 'impact plan' that helps us address any issues and opportunities identified from the survey. We have also implemented an "ask the Operating Board" session, where any colleague can virtually, or in-person ask the Operations Board any question they would like to further understand.

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

More widely, we continue to publish a weekly bulletin to all colleagues on a weekly basis and each colleague is part of 'AD Connections' which is a twice-yearly review which will include an element of colleague feedback and engagement.

We continue to review, and where appropriate, increase the frequency of our all colleague or team conferences and leadership meetings with our store manager conference being held in April 2024.

Outcomes

Our colleagues provide valuable feedback, particularly on issues which affect them most. The Operations Board and each team within the business has reviewed the outputs of the colleague survey and shared the results within their team and propose initiatives and challenges to the manager of their team and, where appropriate, the Operations Board.

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. We have done this through the launch of MyAD, the Group's market leading loyalty and repeat purchase membership model and through regular customer surveys.

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 employ a wide range of anglers across the business in terms of experience and discipline which enables us to actively 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 experienced anglers 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 as well continuing to invest in the website to ensure it remains secure, contemporary and efficient.

Outcomes

We continue to invest to ensure we can offer customers the most complete angling experience through the development of our "new concept" store and maintaining a contemporary website. The continued focus on colleagues with angling experience in customer facing roles is to ensure we retain the ability to provide excellent customer service alongside high quality sales advice.

Our digital reach continues to grow in the UK with 160,000 Facebook, 117,000 Instagram, 26,000 TikTok and 14,000 X (formerly Twitter) followers. Alongside these platforms we have 62,000 subscribers to our ADTV (YouTube) channel which had 4.4 million views in the year. We continue to build momentum in Europe, growing to 13,000 Facebook and 11,000 Instagram followers, alongside 2,000 ADTV 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 and 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 more recent impact on the global supply chains of the uncertainties in the Red Sea region.

We have continued to build partnerships with key suppliers where they sponsor line recycling centres at fisheries to enable them to continue to supply us with their new fishing line products. In the year we recycled 1.4 million meters (c. 900 miles) of line, bringing the cumulative total to almost 5.4 million meters (c. 3,100 miles) of line recycled.

We continue to work with our manufacturers to reduce the quantum of plastic packaging in our own brand products, ditching the industry standard of single-use blister packs and instead choosing to package our Advanta feeders in shelf display boxes, 95% of which were recycled and entirely recyclable, saving over 20,000 blister packs from entering our supply chain. We also eliminated all packaging from our own brand luggage, allowing customers to interact directly with our products, preventing over 7,000 boxes from entering our supply chain in one year.

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. We have also worked with the Pike Anglers Club of Great Britain to create increased awareness around the risks of warm water piking. We also continue to invest blog content on our website to help anglers get the most from their angling experience. 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.

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 the Angling Trust's "Get Fishing" are examples of initiatives receiving the Group's support that allow us to engage with our communities. We continue to promote, sell and fulfill merchandise for Tackling Minds an organisation founded to get people into fishing from all walks of life, be it mental health, social deprivation, addiction or disability.

Outcomes

During the year the stores gave away free around 10,000 "Get Kids Fishing" kits to the under 16's as a key component of our 'Getting Everyone Fishing' purpose. Our support for the Angling Trust's "Get Fishing" campaign resulted in over 27,000 individuals through 1,500 individual events enjoying bankside coaching, this was delivered in collaboration with Sport England and the Environment Agency. We also continue to promote, sell and fulfill merchandise for Tackling Minds, returning £26k in the year.

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 have also invested in a complete refresh of the investor section of our website.

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 with votes ranging from 96.4% 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 FY23 full year and HY24 roadshow through the Investor Meet Company platform.

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 Operating Board.

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, further mitigating 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

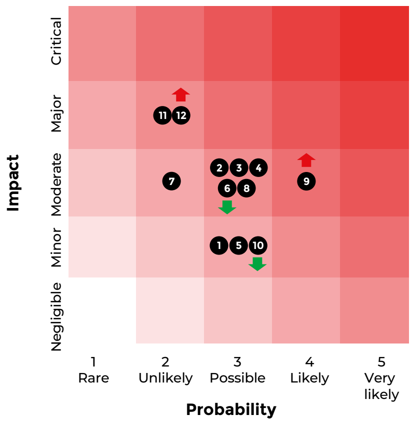
Assists the Board to fulfil its corporate governance duties and oversees responsibilities in relation to financial reporting, internal controls, and risk management structure.

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 34 to 38.



Item	Risk map Reference
1 Future pandemic or lockdown	A
2 New jurisdictions	B
3 Health & safety legislation	C
4 Distribution centre	D
5 Search engine change	E
6 Data security & IT resilience	F
7 Market competition	G
8 Sale of 3rd party brands	H
9 Dependence on key personnel	I
10 Inventory management	J
11 Going concern & liquidity	K
12 Employment market	L

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 / geopolitical**	Future uncertainty over a health pandemic and associated lockdowns. Future pandemics affect our ability to source product and supply to our customers through our omni channel model.	By continuing to closely monitor as a Board evolving government and public health guidance and geopolitical instability. 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 reducing reliance on third party brands. We continue to deepen our own brand range and volumes of orders. The Group leverages its 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.	The Group continues to offer flexible working where appropriate to support safe working across the Group as a whole. The supply of imported branded goods has some risk given the more recent uncertainties in Red Sea region as well as some suppliers continuing to rebuild their working capital, post COVID-19. The business has flexed its working capital commitment to mitigate instability around the Red Sea region. Consumers spend patterns volatile within trading weeks as consumer news alongside inflationary environment impact disposable income and consumer confidence. As a result of the prolonged 'cost of living crisis' the business has experienced higher levels of product shrink theft across the store portfolio.
◀▶ **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 continues to be monitored by the Board against the strength of the UK operation and the Group's overall cash headroom. A Dutch legal entity (ADNL B.V.) 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 operation.	The Group continues to utilise Dutch legal, tax and accounting advisors to mitigate the associated legal and compliance risks in territory. The Board continues to diligently monitor the performance of ADNL B.V. to ensure its strategy remains appropriately balanced versus the committed capital. A commitment to open the first European store in the Netherlands (Utrecht) was entered into in January 2024, with Dutch property and legal advisors utilised.

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 centres 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 an appropriate health and safety policy is in place and that this is delivered through the Operating Board. Health and safety are an agenda item on both the Board work plan as well as the fortnightly Operations Board agenda. Specialist and appropriately qualified third-party advisers are used when required. The Group is appropriately insured.	Continued focus on health and safety in all locations. Rolling program of site-specific risk assessments and audits from the compliance team. Continued use of e-learning training modules for all colleagues. Six colleagues trained in IOSH (Institute of Occupational Safety and Health). Established 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 IT 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 on these 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. The Group has committed substantial capital investment in an automated customer order packaging solution for the UK distribution centre. The Group has invested in the upgrade of some of its core IT systems and is in the process of transitioning this to the cloud, improving its IT resilience, systems speed and efficiency in both distribution centres (UK and Europe).
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. There could be a regulatory driven change in the way large technology companies (e.g. Google) operate, driven by the Digital Markets, Competition and Consumers Bill currently moving through the UK parliamentary process.	The Group will continue to operate SEO 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 Group utilises its legal advisors to 'horizon scan' for regulatory changes and developments that could impact the digital operating environment.	The Group delivered a UK online advertising spend at c5% of sales (FY23: c5%) despite the increasingly competitive environment. The Group maintained its mix of paid v non-paid advertising below 60/40. The Group has deployed additional AI retail technology in the year that seeks to deliver a refined approach to paid search that will underpin the investment in advertising spend in the increasingly competitive environment.

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 resilience**	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. The Group utilises multi-factor authentication throughout the IT estate and deployed strong end point detection and response software.	Strengthened IT team that has undertaken a review of the key risks. The Group has invested in the upgrade of some of its core IT systems and is in the process of transitioning this to the cloud, improving its IT resilience right across the business. All users undertook additional training via a cyber security awareness refresher. Additional internal security review undertaken as a follow up to the cyber-attack in late FY22, and reviewed by the Board.
◀▶ **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" marketplaces as well as "Direct to consumer" offerings represent a threat to the Group's current operating model. The impact of inflationary operating cost pressures on the business could result in higher customer pricing that the wider consumer landscape will not accept, impacting both sales and profitability.	The Group differentiates itself through a 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, ambitions and strategy to our colleagues to ensure we maintain our differentiation in the market. The customer proposition continues to evolve with the launch of MyAD, the Group's market leading loyalty and repeat purchase proposition. See 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 into Europe. The Group continues to invest in its commercial capability through data driven decision making via new and improved data capability. The Group has observed increasing levels of distressed UK businesses within the industry, from both a profitability and working capital perspective. The Group continues to deploy technology to ensure its pricing is competitively positioned in the market in both stores and online.

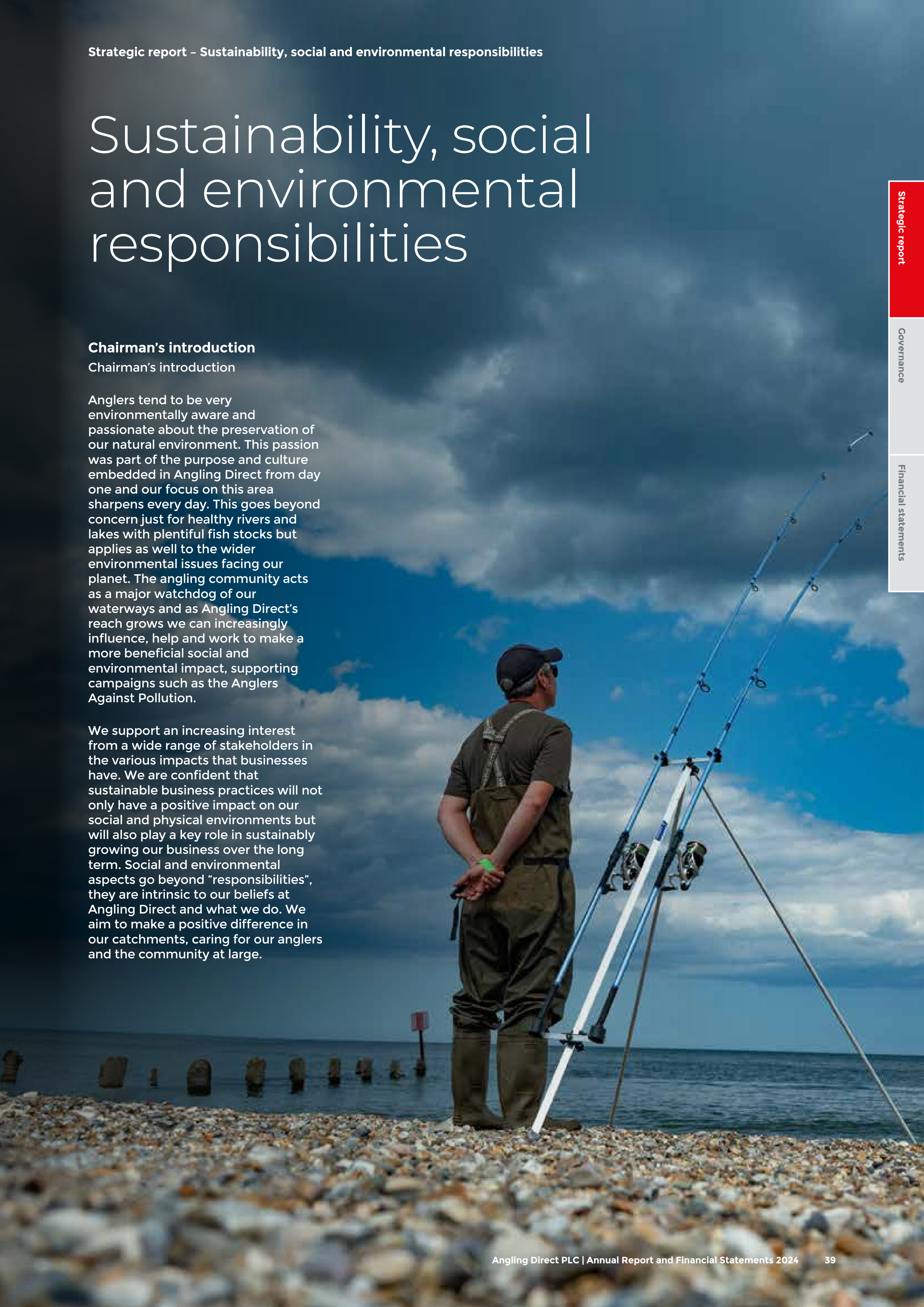
Risk	Description	Mitigation	Changes in year
Supply and sale of Third-party Branded products	The Group purchases products from a number of large global and domestic fishing equipment brand owners, and the Group's business depends on its ability to source a range of products from well-recognised brands 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 91.2% of the Group's gross profit in FY24 (FY23: 91.7%), the Directors do not consider that the Group is significantly reliant on any one or more major brand / brand owner. The Board believe that there is balanced level of risk given 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 and we continue to engage proactively with key suppliers. Category management deploy a regular formal end-to-end review process with each key suppliers to assess value opportunities covering of the supplier relationship.	Category management disciplines are maturing within the business operations and continue to invest significant time in developing key relationships within the supplier base. The Group's own brand ambitions are building momentum, providing further mitigation to the risk over the medium term. Following the deployment of regular formal end-to-end reviews with key suppliers, a number are even more positively engaging with the Group and are keen to build a long-term partnership offering sustainably for all stakeholders. The Group remains committed to work closely with these valued suppliers.
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, short-term bonus incentive schemes 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.	Necessary investment in organisational overheads restricts the opportunity to fund compelling remuneration arrangements. No Executive Director or senior manager short term incentives triggered in FY24. Executive Directors and senior managers are having their remuneration reviewed in June 2024.
Inventory management	The high volumes of stock across a large number of SKUs (stock keeping units) 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. The Group has a dedicated Loss Prevention Manager role, focussed on protecting inventory.	As a result of the prolonged 'cost of living crisis' higher levels of product shrink from theft have been experienced across the store portfolio. The UK business has implemented a centralised returns process to further enhance the control of returns. Category management have specific objectives on stock turn and gross profit parameters. Greater transparency and data on discipline, category and product performance by channel with clear accountability within the organisation. The business has continued to be increasingly aggressive in its range review work in FY24, reducing the Group's year-on-year stock holding on a headline basis by c5% to £17.0m. The business has improved it's targeted buying to support planned promotional activity and MyAD incentives

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
◀▶ **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 surplus 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 from which to grow the UK business, as well as continuing 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.	Surplus cash above working capital requirement continues to keep the Group well positioned in terms of UK M&A opportunities as well as enabling the considered European expansion without any immediate need to raise further funding or constrain UK working capital. Strong working capital performance in FY24 with net cash inflow from operating activities of £6.5m (FY23: £1.5m).
▲ **Employment Market**	With high levels of inflation and employment, attracting talent becomes more challenging. The economic environment is challenging both national living wage and non-national 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. The above inflation increases in the national living wage have reduced the pay gap to more senior roles within the business, or to other roles outside the business, making them less attractive versus the premium they pay. Ahead of the increased national living wage coming in to force in in April 2024, the Group refined shift patterns and look at investment opportunities (e.g. automated packaging) to help fund the increase through productivity changes.

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 6% of its revenue denominated in Euros (FY23: <5%). 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 FY24. 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 26 of the financial statements. In Europe the Group buys and sells in Euros, 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-evaluated.

Sustainability, social and environmental responsibilities



Chairman's introduction

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 a major watchdog of our waterways and as Angling Direct's reach grows we can increasingly influence, help and work to make a more beneficial social and environmental impact, supporting campaigns such as the Anglers Against Pollution.

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 continued to increase 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 have continued 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 sustainability report. modern-day slavery policy and gender pay reporting.

Our overall approach is built upon three key elements: →

The Strategic Report on pages 2 to 41 was approved by the Board on 13 May 2024 and signed on its behalf:

Steve Crowe
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 – Re-spooling own brand"
4. "Fish and fisheries protection – Keeping the net full"

We support the Anglers National Line Recycling Scheme with in-store bins in every store and have now recycled nearly 5.4 million meters of old fishing line. During 2024 we worked with a number of fishery owners to locate bins at their fisheries. We also introduced a fishing line re-spooling service in all our stores in FY24 which is saving large volumes of plastic line spools.

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 employ experienced anglers as colleagues in-store, thereby enhancing our ability to help even more people enjoy the benefits of fishing. We also continue to produce informative and educational videos and articles for our ADTV channel and blog to help people achieve more success and enjoyment from their fishing.

We remain committed to our 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 encourage all our colleagues to take their wellbeing days in addition to their holiday entitlement and these days can be used to go fishing or to take part in another activity which focuses on wellbeing. We ensure every colleague receives formal performance reviews throughout the year where colleagues agree their objectives for the year, their best next

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 PPN 06/21 as our internal measure for reducing our carbon footprint. Our Streamlined Energy and Carbon Reporting statement can be found on page 55. Notably our carbon use improving by 6% and our intensity ratio improving by 177 bps.

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 and we have recently agreed to invest around a million pounds in a new automated packing machine in the UK, which will significantly reduce cardboard and tape usage.

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 electronically scan supplier invoices, further reduce our landfill waste, and convert to an all-electric/hybrid vehicle fleet.

move and identify the appropriate development pathways to enable the business to support their career goals. Additionally, we conducted our fourth annual all colleague engagement survey, which through our impact planning, ensures we remain 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.

We continued to issue free starter kits to the younger generation to encourage the take up of angling. To date we have issued over 40,000 free kits. Our total charitable donations amounted to £1k in the year.

We continue as a major supporter of Tackling Minds, an organisation helping people with a range of mental health issues. We are hoping that the research we co-funded at Anglia Ruskin University will further encourage green social prescribing of angling (fishing on prescription) by the NHS. This is a significant research program focused on people with disabilities whether physical or mental.

+3.3%

Net asset growth

2 Governance report

In this section

Chairman's introduction

A Torrance
Non-Executive Chair

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.

Martyn Page retired from his role as Chair of the Board after the Annual General Meeting of the Company in June 2023 but remains on the Board as a Non-Executive Director. Similarly, I stepped down from my previous position as Chief Executive Officer, to take up the role of Non-Executive Chair.

A Torrance
Non-Executive Chair

13 May 2024

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
Andy Torrance	Chairman	Non-Executive	Appointed Chair June 2023	No change
Steve Crowe	CEO	Executive	Appointed CEO June 2023	No change
Sam Copeman	CFO	Executive	Appointed CFO June 2023	No change
Martyn Page	Director	Non-Executive	Resigned from Chair June 2023	No change
Chris Keen	Director	Non-Executive	No change	Chair Audit committee
Nicola Murphy	Director	Non-Executive	No change	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 Director, had an approximate shareholding of 14.25% as at 31 January 2024. 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.

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
Andy Torrance	Non-Executive Chairman	8/8		
Steve Crowe	CEO	7/8		
Sam Copeman	CFO	4/5*		
Martyn Page	Non-Executive Director	8/8		
Chris Keen	Non-Executive Director	8/8	4/4	5/5
Nicola Murphy	Non-Executive Director	6/8	4/4	5/5

*Board meeting in July 2023 to approve CEO and CFO LTIP, so CEO and CFO did not attend.

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 as appropriate.

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.
- Data privacy and retention
- Principal risk review and evaluation;
- European strategy;
- Review of all new store plans and roll-outs; and
- Regular review of ongoing wider strategic objectives.

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. An internal review of the Board's effectiveness during the period was conducted in March 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/corporate. The Board receives regular updates on the views of shareholders through briefings and reports from the CEO, CFO and Chairman, as well as 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. The Group operates an "Ask the Operating Board" town hall on a rolling three-month basis. This gives all colleagues the opportunity to pre-submit or ask in the moment questions or challenges they have on their mind directly to the 6 key operational leaders of the business including the CEO and CFO.

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 "Sustainability, 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.

(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.
- 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 2024:

Member	Attendance
Nicola Murphy	5/5
Chris Keen	5/5

Responsibilities and terms of Remuneration Policy

The remuneration policy adopted by the Company is key to the success of the Group and therefore is the most critical part of the Remuneration Committee's role. The remuneration of the Chief Executive Officer and the Chief Financial Officer is wholly designed to retain and incentivise and ensure that the Company achieves its ultimate objective in increasing shareholder value over the long term. 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.

The Remuneration Committee is currently formulating a new long term incentive scheme for the Executive Team.

Salaries are reviewed annually and benchmarked against AIM companies of a similar size in the retail sector.

The current Chief Executive Officer, Steve Crowe, was appointed on 22nd June 2023 and an annual salary of £230,000 was agreed by the remuneration Committee.

On 22nd April Martyn Page stood down as Chairman to become a Non-Executive Director, reducing his remuneration from £70,000 to £39,000 per annum. Andy Torrance was appointed as Non-Executive Chairman transitioning his annual remuneration from £256,000 to £80,000. The Board approved both changes.

The current Chief Financial Officer, Sam Copeman, joined the Company on 3rd June 2023 and joined the board on 22nd June 2023 on an annual salary of £170,000, approved by the Remuneration committee.

A cash bonus scheme was introduced in April 2020 to incentivise the Operating Board of the Group. The CEO, the CFO and four 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 2024 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 2024. (2023: nil)

Following a full 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 are reviewed at the end of June 2024, aligning with other senior managers. It was further recommended that the basic salary of the Non-Executive Chairman and Non-Executive Directors also remain unchanged. The bonus scheme remains in place but now focussing on two key performance indicators.

Directors' interests

The beneficial interests of the Directors in the share capital of the Group as of 31 January 2024 and 31 January 2023 were as follows:

	31 January 2023 Number of shares	31 January 2024 Number of shares	31 January 2024 % of issued share capital
Non - Executive Directors			
Martyn Page	11,010,000	11,010,000	14.25%
Chris Keen	25,475	45,475	0.06%
Andy Torrance	50,000	150,000	0.19%
Nicola Murphy	-	17,692	0.02%

The Directors' interests in share options as of 31 January 2024 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 are 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 2024 was as follows:

	Salary and fees £	Benefits £	Bonus £	Pensions £	2024 total £	2023 total £
Executive						
Andy Torrance (up to 22 June 2023)	106,667	12,252	-	-	118,919	286,646
Steven Crowe	216,180	9,996	-	17,294	243,470	220,596
Sam Copeman (from 3 June 2023)	112,244	6,603	-	8,979	127,826	-
Non-Executive						
Martyn Page	51,241	-	-	2,333	53,574	78,371
Andy Torrance (from 23 June 2023)	54,780	-	-	-	54,780	-
Chris Keen	39,000	-	-	-	39,000	32,386
Nicola Murphy	39,000	-	-	-	39,000	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		
Steven Crowe	02.01.2020	6 months
Sam Copeman	22.06.2022	6 months
Non-Executive		
Martyn Page	06.04.2017	3 months
Andy Torrance	04.10.2019	3 months
Chris Keen	09.04.2022	3 months
Nicola Murphy	15.06.2022	3 months

Share incentive plan

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 2023	Awarded during period	Vested and exercised during the period	31 January 2024	Date granted
Andy Torrance	LTIP	810,000	-	-	810,000	18 August 2020
Steven Crowe	LTIP	666,666	-	-	666,666	18 August 2020
Steven Crowe	LTIP	-	1,500,000	-	1,500,000	28 July 2023
Sam Copeman	LTIP	-	999,999	-	999,999	28 July 2023

The Directors' interests in share options as of 31 January 2024 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
Steven Crowe	1,000,000	37.5p per share	28 July 2026	28 July 2033
Steven Crowe	500,000	37.5p per share	28 July 2027	28 July 2033
Sam Copeman	333,333	37.5p per share	28 July 2026	28 July 2033
Sam Copeman	666,666	37.5p per share	28 July 2027	28 July 2033

Director profiles

Executive Directors

Steve Crowe
Chief Executive Officer, FCA, BA (Hons)

Steve joined the Group as CFO in January 2020 to bring substantial strategic and commercial experience from both private equity and blue-chip corporate environments. Steve became CEO in June 2023. Steve's previous posts include COO at Verisk Claims, CFO at Validus IVC Ltd, Director of Finance Aviva General Insurance and M&A Director Aviva General Insurance. He has almost 26 years' experience in leading businesses in strategy, major commercial and business change decisions including mergers & acquisitions ('M&A'). He also has a first-class record of building and executing ambitious plans creating shareholder value. Steve is a member of the Institute Chartered Accountants in England and Wales.

Sam Copeman
Chief Financial Officer, FCA, BEng (Hons)

Sam joined the Group in June 2023 as CFO with over 20 years' experience as a senior finance leader. Prior to joining the Group, Sam held roles across a variety of industries within private equity, debt leveraged and private ownership structures and has a track record of creating shareholder value through the development and execution of ambitious strategic plans, driving growth and delivering shareholder value. Sam's previous posts include CFO at Esportif (global sports management), CFO at 3sun Group (pan-European renewable energy services) and CFO at EV (global energy technology, services and manufacturing). Sam is a member of the Institute Chartered Accountants in England and Wales.

Non-Executive Directors

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

After joining the Group as a Non-Executive Director in October 2019, Andy then became CEO in February 2020 and moved into the Non-Executive Chairman position in June 2023. Having previously held 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. In March 2024, Andy become the Non-Executive Chairman of Eden Mobility Ltd, the UK's leading omni-channel retailer of mobility scooters and associated products.

Martyn Page
Non- Executive Director

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 then Executive role at the Group, Martyn 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 Broad.

Chris Keen
MBA, ACA, Non-Executive Director

Chris is a member of the Institute of Chartered Accountants in England and Wales with 26 years of experience in various CFO 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 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 CIC 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 29-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 Co-Patron of The Katie Piper Foundation (supporting victims of burns) and most recently became a 'Forever Founder' at Wealthier (a network built to empower women across the globe).

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 2024.

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 41 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 14 to 15) and principal risks and uncertainties (pages 33 to 38).

Financial results

The Group's financial performance and position are set out in the consolidated financial statements on pages 64 to 94 and discussed in the Chief Financial Officer's statement on pages 24 to 29 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 operating environment and the impact on the Group's operations, financial performance and outlook, as well as covering the principal areas of risk.

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 is committed to reinvesting 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 2024 (2023: £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 £0.3m (2023: £0.3m). 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 ('NXC')	Served as NXC through to 22 June 2023 and then appointed as a Non-Executive Director from 22 June 2023
Andy Torrance	Chief Executive Officer ('CEO') / ('NXC')	Re-elected as a Director on 22 June 2023, and served as CEO through to 22 June 2023 and then appointed as NXC from 22 June 2023
Steven Crowe	Chief Financial Officer ('CFO') / CEO	Re-elected as a Director on 22 June 2023, and served as CFO through to 22 June 2023 and then appointed as CEO from 22 June 2023
Sam Copeman	CFO	Appointed as a Director and CFO on 22 June 2023
Chris Keen	Non-Executive Director	Served throughout the year
Nicola Murphy	Non-Executive Director	Re-elected as a Director on 22 June 2023

Director profiles are included in the corporate governance report on pages 50 to 51. As per the Articles of Association, all Directors and shall retire and be re-elected at least once every three years.

Directors' shareholdings

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

Substantial shareholdings

On 31 January 2024, 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	20,054,204	25.95
Business Growth Fund	11,325,000	14.66
Mr M Page	11,010,000	14.25
Canaccord Genuity Wealth Management	7,226,690	9.40
Dowgate Capital	6,566,039	8.50
Mr W Hill	3,753,413	4.83
Hargreaves Lansdown	3,492,077	4.52
abrdn	2,650,850	3.43
Kelso Capital	2,320,000	3.00

Directors' remuneration

A full breakdown of the Directors' remuneration is provided in "Aggregate Directors' remuneration" section of the corporate governance report on page 48.

Charitable and political donations

During the year ended 31 January 2024, the Group made political donations totalling £nil (2023: £nil), charitable donations amounting to £1k (FY23: £6k) and returned £26k to Community Interest Companies (2023: £nil).

Health and safety

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

Significant agreements

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

Risk management

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

Financial instruments

The Group's policy and exposure to financial instruments is explained in note 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 2024 was:

	Male	Female
Directors of the Group	5	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	379	61

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 are 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 55.

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 are provided in the corporate governance section on page 46 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 45 days of average daily purchases (FY23: 46 days). Further details of the Group's engagement with its suppliers are 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.

S Crowe

Executive Director and Chief Executive Officer

13 May 2024

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 enable 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 39 to 41). The Company has appointed Enistic Limited to independently assess the business, using the methodology set out below, for the year ended 31 January 2024.

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

Emissions from activities owned or controlled by your 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	2024 Total volume (kwh)	2024 Calculated emissions (tonnes of CO_2 e)	2023 Total volume (kwh)	2023 Calculated emissions (tonnes of CO_2 e)
Gas	Emissions from combustion of gas	212,115	45	182,947	39
Transport	Emissions from combustion of fuel for transport purposes	417,172	118	418,130	136
Total		629,287	163	601,077	175

Scope 2 emissions (indirect)

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

Scope 2

Energy type	Definition	2024 Total volume (kwh)	2024 Calculated emissions (tonnes of CO_2 e)	2023 Total volume (kwh)	2023 Calculated emissions (tonnes of CO_2 e)
Electricity	Emissions from purchased electricity	2,427,886	668	2,436,622	710
Total		2,427,886	668	2,436,622	710

Total emission scope summary

Energy type	2024 Total volume (kwh)	2024 Calculated emissions (tonnes of CO_2 e)	2023 Total volume (kwh)	2023 Calculated emissions (tonnes of CO_2 e)
Scope 1 (direct)	629,287	163	601,077	175
Scope 2 (indirect)	2,427,886	668	2,436,622	710
Total	3,057,173	831	3,037,699	885

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 FY24 and FY23 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. As part of our Environmental Policy Group work (see page 40) we have a "carbon reduction – reeling in net zero" workstream that champions carbon reduction within the business.

We have implemented the initiatives below for the purpose of increasing the businesses energy efficiency in the FY24:

- LED lighting roll out for all new stores and retrofit of some existing sites;
- Increasing use of electric and hybrid vehicles within the Company's fleet;
- Engaging colleagues around awareness and consumption, for example via an internal energy league table competition to reduce usage and to generate new ideas;
- Increased maintenance and housekeeping on equipment (for example fridges and freezers) to reduce energy usage as identified in our Energy Savings Opportunities Scheme Phase 3 report; and
- Continued encouragement of video conferencing technology (e.g. Zoom, Teams, etc.) as opposed to business travel where appropriate.

Intensity ratio

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

	2024		2023	
Intensity measurement	Turnover (£m)	Intensity ratio (tCO_2e/turnover £m)	Turnover (£m)	Intensity ratio (tCO_2e/turnover £m)
Tonnes of CO_2e per total £m sales revenue	77.4	10.74	70.7	12.51

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 54 tonnes (6% reduction) and the turnover intensity ratio has improved by 14.1% despite continued openings of new physical retail space in the current year, combined with the full year impact of the two stores opened in the prior year. 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.

Directors responsibility 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 have 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

A Torrance
Non-Executive Chairman

13 May 2024

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 2024 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 their preparation 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:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2024 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;
- 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard 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 the overall audit strategy, the allocation of resources in the audit and directing the 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, receipts proof in total 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 used data analytics to review 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 £190,000. 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 £170,000.

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 75% of materiality and concluded performance materiality to be £140,000.

We assessed performance materiality for the Company's financial statements as a whole at 75% of materiality and concluded performance materiality to be £127,000.

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 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 2024 the group had cash balances of £15,765,000 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 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 and cash receipts proof in total to gain assurance over completeness and existence of revenue. We performed integrity testing on a sample of these transactions.
- 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 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 group'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 group and the group'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

13 May 2024

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 January 2024

	Note	2024 £'000	Consolidated 2023 £'000
Revenue from contracts with customers	5	81,657	74,096
Cost of sales of goods	8	(53,153)	(48,307)
Gross profit		28,504	25,789
Other income	6	205	287
Interest revenue calculated using the effective interest method		494	104
Expenses			
Administrative expenses		(23,728)	(21,742)
Distribution expenses		(3,458)	(3,260)
Finance costs	8	(500)	(509)
Profit before income tax expense		1,517	669
Income tax expense	10	(299)	(130)
Profit after income tax expense for the year attributable to the owners of Angling Direct PLC		1,218	539
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(96)	127
Other comprehensive income for the year, net of tax		(96)	127
Total comprehensive income for the year attributable to the owners of Angling Direct PLC		1,122	666

		Pence	Pence
Basic earnings per share	33	1.58	0.70
Diluted earnings per share	33	1.57	0.69

Consolidated statement of financial position
As at 31 January 2024

	Note	2024 £'000	Consolidated 2023 £'000
Non-current assets			
Intangibles	11	6,052	6,060
Property, plant and equipment	12	8,675	7,534
Right-of-use assets	13	11,237	11,418
Total non-current assets		25,964	25,012
Current assets			
Inventories	14	16,974	17,813
Trade and other receivables	15	403	447
Income tax refund due		-	58
Prepayments		811	603
Cash and cash equivalents		15,765	14,127
Total current assets		33,953	33,048
Current liabilities			
Trade and other payables	16	6,976	6,765
Contract liabilities	17	790	727
Lease liabilities	18	1,809	1,793
Derivative financial instruments	26	9	51
Income tax		32	-
Total current liabilities		9,616	9,336
Net current assets		24,337	23,712
Total assets less current liabilities		50,301	48,724
Non-current liabilities			
Lease liabilities	18	9,754	9,750
Restoration provision	19	851	801
Deferred tax	20	1,171	883
Total non-current liabilities		11,776	11,434
Net assets		38,525	37,290
Equity			
Share capital	21	773	773
Share premium	22	31,037	31,037
Reserves	23	619	602
Retained profits		6,096	4,878
Total equity		38,525	37,290

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 13 May 2024. They were signed on its behalf by:

Steve Crowe
Executive Director and Chief Executive Officer

13 May 2024

Consolidated statement of changes in equity
For the year ended 31 January 2024

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	Share capital £'000	Share premium account £'000	Reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2023	773	31,037	602	4,878	37,290
Profit after income tax expense for the year	-	-	-	1,218	1,218
Other comprehensive income for the year, net of tax	-	-	(96)	-	(96)
Total comprehensive income for the year	-	-	(96)	1,218	1,122
Transactions with owners in their capacity as owners:					
Share-based payments (note 34)	-	-	113	-	113
Balance at 31 January 2024	773	31,037	619	6,096	38,525

Consolidated statement of cash flows
For the year ended 31 January 2024

Cash flows from operating activities	Note	2024 £'000	2023 £'000
Profit before income tax expense for the year		1,517	669
Adjustments for:			
Depreciation and amortisation		3,796	3,485
Share-based payments		113	209
Net movement in provisions		30	30
Net variance in derivative liabilities		(42)	50
Interest received		(494)	(104)
Interest and other finance costs		512	429
		5,432	4,768
Change in operating assets and liabilities:			
Decrease in trade and other receivables		49	95
Decrease/(increase) in inventories		910	(1,540)
Increase in prepayments		(206)	(58)
Increase/(decrease) in trade and other payables		171	(965)
Increase in contract liabilities		63	84
		6,419	2,384
Interest received		494	104
Interest and other finance costs		(512)	(429)
Income taxes refunded/(paid)		79	(513)
Net cash from operating activities		6,480	1,546
Cash flows from investing activities			
Payments for property, plant and equipment	12	(2,595)	(2,014)
Payments for intangibles	11	(332)	(289)
Net cash used in investing activities		(2,927)	(2,303)
Cash flows from financing activities			
Repayment of lease liabilities	32	(1,835)	(1,720)
Net cash used in financing activities		(1,835)	(1,720)
Net increase/(decrease) in cash and cash equivalents		1,718	(2,477)
Cash and cash equivalents at the beginning of the financial year		14,127	16,604
Effects of exchange rate changes on cash and cash equivalents		(80)	-
Cash and cash equivalents at the end of the financial year		15,765	14,127

Notes to the consolidated financial statements
31 January 2024

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 13 May 2024. The Directors have the power to amend and reissue the financial statements.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION

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 2024 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 Group'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.

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.

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 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations but they are not expected to have a material impact on the Group's financial statements.

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 2026 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 52 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 17. The financial position of the Group and its cash flows are described in the "Chief Financial Officer's statement" on page 29. 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 33 and the "Risk management and internal controls" in the corporate governance section on page 53.

The Group's policy is to ensure that it has sufficient facilities to cover its future funding requirements. At 31 January 2024, the Group had cash and cash equivalents of £15.8m (2023: £14.1m). 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 Group as a whole as a CGU. Judgement is required as to whether E-commerce sales (and associated costs) could be attributable to stores for the purposes of impairment testing when calculating the value in use of acquired goodwill. Whilst Management believes that a proportion of E-commerce sales could be attributed to stores, the basis of attribution was difficult to determine due to the interdependency of E-commerce and in-store sales and insufficient evidence to reliably estimate this. For this reason, the CGU for goodwill is deemed to be the cashflows of the entire Angling Direct Group. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using pre-tax budgeted EBITDA projections based on the Group's internal forecasts for one year, extrapolated to five years.

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

Impairment of property, plant and equipment, 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 11%. 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 introduced on prior year 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 £47,000 existed (2023: £107,000). 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, £99,000 as at 31 January 2024 (2023: £79,000) 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 2024, 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.

Operating segments

Management has made a judgement that there are three operating segments (Stores, UK Online and Europe Online). The business operated predominantly in the UK, also operating three native language web sites for Germany, France and the Netherlands, being the European segment.

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 fulfilled 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 fulfilling the order. In 2024, Revenue of £683,000 (2023: £937,000) was recognised in the UK Online and fulfilled by the Stores, and profit of £44,000 (2023: £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 2024, £24,965,000 of non-current assets are located in the UK (31 January 2023: £24,066,000) and £1,086,000 of non-current assets are located in the Netherlands (31 January 2023: £946,000).

There are no major customers in the current year and prior year that contribute more than 10% of the Group's revenue.

Operating segment information

Consolidated - 2024	Stores £'000	UK Online £'000	Europe Online £'000	Head office £'000	Total £'000
Revenue	44,438	32,933	4,286	-	81,657
Profit/(loss) before income tax	4,171	3,198	(1,018)	(4,834)	1,517
EBITDA post IFRS16	7,391	3,756	(745)	(5,083)	5,319
Total assets	26,036	6,679	3,657	23,545	59,917
Total liabilities	(11,885)	(3,619)	(1,187)	(4,701)	(21,392)
EBITDA Reconciliation					
Profit/(loss) before income tax	4,171	3,198	(1,018)	(4,834)	1,517
Less: Interest income	-	-	-	(494)	(494)
Add: Interest expense	455	42	32	(29)	500
Add: Depreciation and amortisation	2,765	516	241	274	3,796
EBITDA post IFRS 16	7,391	3,756	(745)	(5,083)	5,319
Less: Costs relating to IFRS 16 lease liabilities	(2,047)	(180)	(220)	(181)	(2,628)
EBITDA pre IFRS 16	5,344	3,576	(965)	(5,264)	2,691

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 IFRS 16	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

NOTE 5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue

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

	2024 £'000	Consolidated 2023 £'000
Route to market		
Retail store sales	44,438	41,296
E-commerce	37,219	32,800
	81,657	74,096
Geographical regions		
United Kingdom	77,371	70,952
Europe and Rest of the World	4,286	3,144
	81,657	74,096
Timing of revenue recognition		
Goods transferred at a point in time	81,657	74,096

NOTE 6. OTHER INCOME

	2024 £'000	Consolidated 2023 £'000
Insurance claim	154	258
Rental income	51	29
Other income	205	287

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	2024 £'000	Consolidated 2023 £'000
Profit before income tax expense post IFRS 16	1,517	669
Less: Interest income	(494)	(104)
Add: Interest expense	500	509
Add: Depreciation and amortisation	3,796	3,485
EBITDA post IFRS 16	5,319	4,559
Less: costs relating to IFRS 16 lease liabilities	(2,628)	(2,335)
EBITDA pre IFRS 16	2,691	2,224

NOTE 8. EXPENSES

	2024 £'000	Consolidated 2023 £'000
Profit before income tax includes the following specific expenses:		
Cost of sales		
Cost of inventories as included in 'cost of sales'	53,153	48,307
Depreciation		
Land and buildings improvements	10	39
Plant and equipment	1,142	862
Motor vehicles	2	2
Computer equipment	191	204
Land and buildings right-of-use assets	2,032	1,904
Plant and equipment right-of-use assets	7	7
Motor vehicles right-of-use assets	66	56
Computer equipment right-of-use assets	6	6
Total depreciation	3,456	3,080
Amortisation		
Software	340	405
Total depreciation and amortisation *	3,796	3,485
Finance costs		
Interest and finance charges paid/payable on lease liabilities	512	430
Interest and finance charges on restoration provision	30	30
Change in fair value of forward foreign currency hedges	(42)	49
Finance costs expensed	500	509
Foreign exchange losses	(4)	18
Leases		
Short-term lease payments	20	40
Low-value assets lease payments	70	47
Total leases expensed	90	87

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

NOTE 9. STAFF COSTS

	2024 £'000	Consolidated 2023 £'000
Aggregate remuneration:		
Wages and salaries	10,453	9,711
Social security costs	944	963
Other pension costs	465	377
Total staff costs	11,862	11,051

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

	2024 £'000	Consolidated 2023 £'000
Stores	303	300
Warehouse	51	46
Administration	41	45
Marketing	26	28
IT and web	12	12
Management	9	9
Other	4	2
Average number of employees	446	442

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

	2024 £'000	Consolidated 2023 £'000
Income tax expense		
Current tax	45	25
Deferred tax - origination and reversal of temporary differences (note 20)	329	80
Current tax adjustment recognised for prior periods	(34)	(34)
Deferred tax adjustment recognised for prior periods	(41)	59
Aggregate income tax expense	299	130
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	1,517	669
Tax at the statutory tax rate of 24.03% (2023: 19%)	365	127
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-qualifying depreciation	8	12
Super deduction rate	(12)	(54)
Non-deductible expenses	-	1
Deferred tax rate change	13	19
Total	374	105
Adjustment in respect of prior years	(75)	25
Income tax expense	299	130

The corporate income tax rate went from 19% up to 25% from 1 April 2023 hence an average rate of 24.03% for the year ended 31 January 2024.

NOTE 11. INTANGIBLES

	2024 £'000	Consolidated 2023 £'000
Non-current assets		
Goodwill - at cost	5,802	5,802
Less: Impairment	(182)	(182)
	5,620	5,620
Software - at cost	2,052	1,720
Less: Accumulated amortisation	(1,620)	(1,280)
	432	440
	6,052	6,060

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 2022	5,620	556	6,176
Additions	-	289	289
Amortisation expense	-	(405)	(405)
Balance at 31 January 2023	5,620	440	6,060
Additions	-	332	332
Amortisation expense	-	(340)	(340)
Balance at 31 January 2024	5,620	432	6,052

Impairment testing

Goodwill is allocated to the cash-generating unit ('CGU') of Angling Direct Plc.

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.

Key assumptions used for value-in -use calculations:

	2024 %	2023 %
Budgeted gross margin	36.90%	36.30%
Five year compound revenue growth rate	6.70%	5.10%
Pre-tax discount rate	11.00%	10.20%

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 £39,983,358.

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 11.0% to 12% 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 340 bps would result in impairment.

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

	2024 £'000	Consolidated 2023 £'000
Non-current assets		
Land and buildings improvements - at cost	1,002	1,002
Less: Accumulated depreciation	(352)	(342)
	650	660
Plant and equipment - at cost	11,116	9,158
Less: Accumulated depreciation	(3,607)	(2,836)
	7,509	6,322
Motor vehicles - at cost	9	15
Less: Accumulated depreciation	(8)	(12)
	1	3
Computer equipment - at cost	1,432	1,333
Less: Accumulated depreciation	(917)	(784)
	515	549
	8,675	7,534

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 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
Additions	-	2,335	-	157	2,492
Exchange differences	-	(6)	-	-	(6)
Depreciation expense	(10)	(1,142)	(2)	(191)	(1,345)
Balance at 31 January 2024	650	7,509	1	515	8,675

Refer note 13 for impairment testing.

NOTE 13. RIGHT-OF-USE ASSETS

	2024 £'000	Consolidated 2023 £'000
Non-current assets		
Land and buildings – long leasehold - right-of-use	21,089	19,235
Less: Accumulated depreciation	(10,017)	(7,984)
	11,072	11,251
Plant and equipment - right-of-use	80	80
Less: Accumulated depreciation	(63)	(56)
	17	24
Motor vehicles - right-of-use	510	433
Less: Accumulated depreciation	(370)	(304)
	140	129
Computer equipment - right-of-use	59	59
Less: Accumulated depreciation	(51)	(45)
	8	14
	11,237	11,418

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 one such lease 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 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 2024; 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 £20,000 (2023: £40,000), low value assets leases £70,000 (2023: £47,000) and interest on leases £512,000 (2023: £430,000).

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 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
Additions	1,481	-	77	-	1,558
Remeasurement	398	-	-	-	398
Exchange differences	(26)	-	-	-	(26)
Depreciation expense	(2,032)	(7)	(66)	(6)	(2,111)
Balance at 31 January 2024	11,072	17	140	8	11,237

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 2024 (2023: two).

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

	2024 %	2023 %
Compound revenue growth rate	8.70%	8.50%
Pre-tax discount rate	11.00%	10.20%

Based on the assessment, no impairment charge is required. Management have performed a number of sensitivity tests on the above rates and note there are no impairment indicators arising from this analysis. The recoverable amounts exceeded the carrying amount by £69,000 for Store A, and £68,000 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 11.0% to 12.0% 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 430bps would result in impairment.

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 780bps would result in impairment.

NOTE 14. INVENTORIES

		Consolidated
	2024 £'000	2023 £'000
Current assets		
Finished goods - at cost	16,974	17,813

Finished goods include £0.05m (2023: £0.1m) of provisions for obsolescence. The movement in this provision reflects the net realisable value of the product lines was recognised through the statement of profit or loss during the year to 31 January 2024.

NOTE 15. TRADE AND OTHER RECEIVABLES

		Consolidated
	2024 £'000	2023 £'000
Current assets		
Trade receivables	23	26
Other receivables	380	421
	403	447

NOTE 16. TRADE AND OTHER PAYABLES

		Consolidated
	2024 £'000	2023 £'000
Current liabilities		
Trade payables	4,503	4,543
Accrued expenses	1,107	1,088
Refund liabilities	32	55
Social security and other taxes	367	589
Other payables	967	490
	6,976	6,765

Refer to note 25 for further information on financial instruments.

NOTE 17. CONTRACT LIABILITIES

	2024 £'000	Consolidated 2023 £'000
Current liabilities		
Contract liabilities	790	727
Reconciliation		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance (Contract liabilities at the start of the year)	727	643
Issued in year	2,821	3,801
Redeemed in year	(2,758)	(3,717)
Closing balance (Contract liabilities at the end of the year)	790	727

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

	2024 £'000	Consolidated 2023 £'000
Current liabilities		
Lease liability	1,809	1,793
Non-current liabilities		
Lease liability	9,754	9,750
	11,563	11,543

Refer to note 25 for information on the maturity analysis of lease liabilities. Details of finance costs are included within note 8.

NOTE 19. RESTORATION PROVISION

	2024 £'000	Consolidated 2023 £'000
Non-current liabilities		
Restoration provision	851	801

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 8.25%.

Movements in provisions

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

Consolidated - 2024	Restoration provision £'000
Carrying amount at the start of the year	801
Additional provisions recognised	52
Unwinding of discount	30
Provisions released on disposal	(31)
Effects of movement in exchange rates	(1)
Carrying amount at the end of the year	851

NOTE 20. DEFERRED TAX

	Consolidated 2024 £'000	2023 £'000
Non-current liabilities		
Deferred tax liability comprises temporary differences attributable to:		
Property, plant & equipment	1,463	1,097
IFRS 16 transitional adjustment	(58)	(70)
Unapproved share options issued	(147)	(119)
Tax losses	(87)	(25)
Deferred tax liability	1,171	883
Movements:		
Opening balance	883	744
Charged to profit or loss (note 10)	329	80
Adjustment recognised for prior periods	(41)	59
Closing balance	1,171	883

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

	At 1 February 2023 £'000	Recognised in Profit or loss £'000	At 31 January 2024 £'000
Property, plant and equipment	1,097	366	1,463
IFRS 16 transitional adjustment	(70)	12	(58)
Options issued	(119)	(28)	(147)
Tax losses	(25)	(62)	(87)
	883	288	1,171

NOTE 21. SHARE CAPITAL

	2024 Shares	2023 Shares	Consolidated 2024 £'000	2023 £'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

	2024 £'000	Consolidated 2023 £'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

	2024 £'000	Consolidated 2023 £'000
Foreign currency reserve	31	127
Share-based payments reserve	588	475
	619	602

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 2022	-	266	266
Foreign currency translation gains	127	-	127
Options granted	-	209	209
Balance at 31 January 2023	127	475	602
Foreign currency translation gains	(96)	-	(96)
Options granted	-	113	113
Balance at 31 January 2024	31	588	619

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	2024 £'000	2023 £'000	2024	2023
Maturity:				
0 - 3 months	313	526	1.252	1.1718
3 - 6 months	32	141	1.2706	1.1903
> 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	2024 £'000	2023 £'000	2024	2023
US dollars	3	98	-	-
Euros	3,464	3,753	513	682
	3,467	3,851	513	682

Sensitivity analysis

The calculations below assume that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date. The analysis assumes that all other variables remain constant.

Consolidated - 2024	% change	£'000 Strengthens Effect on profit before tax	£'000 Effect on equity	% change	£'000 Weakens Effect on profit before tax	£'000 Effect on equity
Euros	10%	295	221	(10%)	(295)	(221)

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	10%	9	8	(10%)	(9)	(8)
Euros	10%	307	249	(10%)	(307)	(249)
		316	257		(316)	(257)

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 (0.20% of 2024 revenue – 2023: 0.02%).

Funds lodged with Paypal, Stripe, Klarna and Novuna Finance totalled £172,000 on 31 January 2024 (2023: £210,000) and are included in trade and other receivables. Credit risk in relation to cash 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 - 2024	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	-	4,503	-	-	-	4,503
Other liabilities	-	1,352	-	-	-	1,352
Interest-bearing - variable						
Lease liability	4.41%	2,335	2,268	5,451	3,523	13,577
Total non-derivatives		8,190	2,268	5,451	3,523	19,432
Derivatives						
Forward foreign exchange contracts to purchase foreign currency	-	9	-	-	-	9
Total derivatives		9	-	-	-	9

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

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	2024 Financial assets measured at amortised cost £'000	Total £'000	2023 Financial assets measured at amortised cost £'000	Total £'000
Trade and other receivables	15	403	-	447	447
Cash and cash equivalents		15,765	-	14,127	14,127
Total financial assets		16,168	-	14,574	14,574

Liabilities	Note	2024 Financial liabilities at fair value through profit or loss £'000	2024 Financial liabilities measured at amortised cost £'000	2024 Total £'000	2023 Financial liabilities at fair value through profit or loss £'000	2023 Financial liabilities measured at amortised cost £'000	2023 Total £'000
Trade and other payables (excluding social security and other taxes)	16	-	(6,609)	(6,609)	-	(6,176)	(6,176)
Right of use liabilities	18	-	(11,563)	(11,563)	-	(11,543)	(11,543)
Derivative financial instruments	26	(9)	-	(9)	(51)	-	(51)
Total financial liabilities		(9)	(18,172)	(18,181)	(51)	(17,719)	(17,770)

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 - 2024	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Forward foreign currency hedges	-	9	-	9
Total liabilities	-	9	-	9

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

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 Mark to Market (MTM) 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:

	2024 £'000	Consolidated 2023 £'000
Short-term employee benefits	1,319	1,263
Share-based payments	113	209
	1,432	1,472

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:

	2024 £'000	Consolidated 2023 £'000
Audit services		
Audit or review of the financial statements	79	60

NOTE 29. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 January 2024 and 31 January 2023.

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:

	2024 £'000	Consolidated 2023 £'000
Payment for goods and services:		
Payment for services (rented property) to other related party (Hillages Ltd) (a)	153	149
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.

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 £nil (2023: £13,000 to Sportquest Holidays Ltd) 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, except where stated otherwise.

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%
ADNL B.V.	Dirk Hartogweg 14, DC1 Unit 5, 5928LV, Venlo, Netherlands.	Trading from 1 March 2022 onwards	100.00%

NOTE 32. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Consolidated	Lease liability £'000
Balance at 1 February 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
Net cash used in financing activities	(1,835)
Acquisition of leases	1,499
Exit of leases	(282)
Exchange differences	(27)
Remeasurement of leases	665
Balance at 31 January 2024	11,563

NOTE 33. EARNINGS PER SHARE

	Consolidated 2024 £'000	2023 £'000
Profit after income tax attributable to the owners of Angling Direct PLC	1,218	539

	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	515,516	900,536
Weighted average number of ordinary shares used in calculating diluted earnings per share	77,782,820	78,167,840

	Pence	Pence
Basic earnings per share	1.58	0.70
Diluted earnings per share	1.57	0.69

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 £43,000 (2023: £165,000) was recognised as an 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 £nil (2023: £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 £nil (2023: £18,000) was recognised as an expense in the statement of profit or loss and other comprehensive income.

On 28 July 2023, the Group granted additional options to the Operating Board. The vesting conditions of these options are: service to 28 July 2026, and pre-IFRS16 EBITDA targets separated for the UK and European businesses. The share-based payment of £22,000 was recognised as an expense in the statement of profit or loss and other comprehensive income.

On 28 July 2023, the Group granted options to the Chief Executive Officer Steve Crowe and the Chief Financial Officer Sam Copeman. The vesting conditions of these options are: service to 28 July 2026, and pre-IFRS16 EBITDA targets separated for the UK and European businesses. The share-based payment of £27,000 was recognised as an expense in the statement of profit or loss and other comprehensive income.

On 28 July 2023, the Group granted options to the Chief Executive Officer Steve Crowe and the Chief Financial Officer Sam Copeman. The vesting conditions of these options are: service to 28 July 2027, and pre-IFRS16 EBITDA targets separated for the UK and European businesses. The share-based payment of £21,000 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:

2024 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 (i)	£0.220	984,444	-	-	-	984,444
18/08/2020	18/08/2030 (ii)	£0.210	492,222	-	-	-	492,222
02/08/2021	02/08/2031 (iii)	£0.720	700,000	-	-	-	700,000
01/08/2022	01/08/2032 (iv)	£0.370	900,000	-	-	-	900,000
28/07/2023	28/07/2033 (v)	£0.280	-	800,000	-	-	800,000
28/07/2023	28/07/2033 (vi)	£0.375	-	1,333,333	-	-	1,333,333
28/07/2023	28/07/2033 (vii)	£0.375	-	1,166,666	-	-	1,166,666
			3,076,666	3,299,999	-	-	6,376,665

(i) LTIP (1)
(ii) LTIP (2)
(iii) LTIP (3)
(iv) LTIP (4)
(v) LTIP (5)
(vi) LTIP (6)
(vii) LTIP (7)

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 (i)	£0.220	984,444	-	-	-	984,444
18/08/2020	18/08/2030 (ii)	£0.210	492,222	-	-	-	492,222
02/08/2021	02/08/2031 (iii)	£0.720	700,000	-	-	-	700,000
01/08/2022	01/08/2032 (iv)	£0.370	-	900,000	-	-	900,000
			2,176,666	900,000	-	-	3,076,666

(i) LTIP (1)
(ii) LTIP (2)
(iii) LTIP (3)
(iv) LTIP (4)

The weighted average share price during the financial year was £0.342 (2023 £0.380).

The weighted average exercise price for options at the beginning of the year was £0.376, no options were exercised in the year, outstanding at the end of the year was £0.364. There were no options exercisable on 31 January 2024.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 8.45 years (2023: 8.33 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), 31 January 2025 LTIP(4), 28 July 2026 LTIP(5), 28 July 2026 LTIP(6), 28 July 2027 LTIP(7).

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
28/07/2023	28/07/2033	£0.375	£0.280	40.87%	-	4.743%	£0.165
28/07/2023	28/07/2033	£0.375	£0.375	40.87%	-	4.743%	£0.122
28/07/2023	28/07/2033	£0.375	£0.375	40.87%	-	4.743%	£0.142

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

NOTE 35. CAPITAL COMMITMENTS

At 31 January 2024, there were commitments for capital expenditure contracted for, but not incurred, of £575,000 (2023: £nil).

NOTE 36. EVENTS AFTER THE REPORTING PERIOD

In Crewe, the following two transactions were consolidated on to a single site:

On 8 February 2024, acquired the business and assets of HF Angling Limited (a company registered in England and Wales) for consideration of £0.21m. The business comprised of a single angling retail store in Crewe, UK.

On 9 February 2024, acquired the specified assets of Fink Foods Limited (a company registered in England and Wales) for consideration of £0.04m. The assets were acquired from a single angling retail store in Crewe, UK.

In Walsall, on 22 April 2024, acquired the specified assets of Allen's Fishing Tackle Limited (a company registered in England and Wales) for consideration of £0.07m. The assets were acquired from a single angling retail store in Walsall, UK.

The initial accounting for these acquisitions is incomplete given the proximity to the year end.

Company statement of financial position

As at 31 January 2024

	Note	2024 £'000	Restated 2023 £'000
Non-current assets			
Intangibles	3	6,052	6,060
Property, plant and equipment	4	8,379	7,320
Right-of-use assets	5	10,449	10,601
Investments in subsidiaries	6	85	85
Trade and other receivables	8	2,112	3,231
Total non-current assets		27,077	27,297
Current assets			
Inventories	7	14,919	15,555
Trade and other receivables	8	239	285
Income tax refund due		9	59
Prepayments		781	567
Cash and cash equivalents		15,518	13,296
Total current assets		31,466	29,762
Current liabilities			
Trade and other payables	9	6,682	6,582
Contract liabilities	10	782	727
Lease liabilities	11	1,583	1,600
Derivative financial instruments		9	51
Income tax		-	-
Total current liabilities		9,056	8,960
Net current assets		22,410	20,802
Total assets less current liabilities		49,487	48,099
Non-current liabilities			
Lease liabilities	11	9,202	9,124
Restoration provision	12	786	756
Deferred tax	13	1,121	855
Total non-current liabilities		11,109	10,735
Net assets		38,378	37,364
Equity			
Share capital	14	773	773
Share premium	15	31,037	31,037
Share-based payments reserve	16	588	475
Retained profits		5,980	5,079
Total equity		38,378	37,364

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 2024, the profit for the year amounted to £901,000 (2023: profit of £744,000).

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 13 May 2024. They were signed on its behalf by:

Steve Crowe
Executive Director and Chief Executive Officer

13 May 2024

Company statement of changes in equity

31 January 2024

	Share capital £'000	Share premium account £'000	Shared based payments reserve £'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 20)	-	-	209	-	209
Balance at 31 January 2023	773	31,037	475	5,079	37,364

	Share capital £'000	Share premium account £'000	Shared based payments reserve £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2023	773	31,037	475	5,079	37,364
Profit after income tax expense for the year	-	-	-	901	901
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	901	901
Transactions with owners in their capacity as owners:					
Share-based payments (note 20)	-	-	113	-	113
Balance at 31 January 2024	773	31,037	588	5,980	38,378

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. RESTATEMENT OF COMPARATIVES

Restatement of Trade and other receivables.

The Company has restated the trade and other receivables to show the split between Non-current and Current assets for year ending 31 January 2023. The restatement of the statement of profit or loss and other comprehensive income for the year ended 31 January 2023 and the statement of financial position as at 31 January 2023 is as follows:

- Reduction in Current Trade and other receivables £3,231,000
- Increase in Non-current Trade and other receivables £3,231,000.

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

	1 Feb 2022 Reported	£'000 Adjustment	1 Feb 2022 Restated
Non-current assets			
Trade and other receivables	-	3,231	3,231
Total non-current assets	24,066	3,231	27,297
Current assets	3,516	(3,231)	285
Trade and other receivables			
Total current assets	32,993	(3,231)	29,762
Current liabilities	8,960	-	8,960
Total current liabilities			
Net current assets	24,033	(3,231)	20,802
Total assets less current liabilities	48,099	-	48,099
Non-current liabilities			
Total non-current liabilities	10,735	-	10,735
Net assets	37,364	-	37,364
Equity			
Retained profits	5,079	-	5,079
Total Equity	37,364	-	37,364

NOTE 3. INTANGIBLES

	2024 £'000	2023 £'000
Non-current assets		
Goodwill - at cost	5,802	5,802
Less: Impairment	(182)	(182)
	5,620	5,620
Software - at cost	2,052	1,720
Less: Accumulated amortisation	(1,620)	(1,280)
	432	440
	6,052	6,060

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 2022	5,620	556	6,176
Additions	-	289	289
Amortisation expense	-	(405)	(405)
Balance at 31 January 2023	5,620	440	6,060
Additions	-	332	332
Amortisation expense	-	(340)	(340)
Balance at 31 January 2024	5,620	432	6,052

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.

Key assumptions used for value-in-use calculations

	2024 %	2023 %
Budgeted gross margin	36.90%	36.30%
Five year compound revenue growth rate	6.70%	5.10%
Pre-tax discount rate	11.00%	10.20%

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 £39,983,358.

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 11.0% to 12.0% 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 340 bps would result in impairment.

NOTE 4. PROPERTY, PLANT AND EQUIPMENT

	2024 £'000	2023 £'000
Non-current assets		
Land and buildings improvements - at cost	1,002	1,002
Less: Accumulated depreciation	(352)	(342)
	650	660
Plant and equipment - at cost	10,797	8,948
Less: Accumulated depreciation	(3,566)	(2,815)
	7,231	6,133
Motor vehicles - at cost	9	15
Less: Accumulated depreciation	(8)	(12)
	1	3
Computer equipment - at cost	1,401	1,301
Less: Accumulated depreciation	(904)	(777)
	497	524
	8,379	7,320

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 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
Additions	-	2,218	-	157	2,375
Depreciation expense	(10)	(1,120)	(2)	(184)	(1,316)
Balance at 31 January 2024	650	7,231	1	497	8,379

NOTE 5. RIGHT-OF-USE ASSETS

	2024 £'000	2023 £'000
Non-current assets		
Land and buildings – long leasehold - right-of-use	19,872	18,192
Less: Accumulated depreciation	(9,588)	(7,758)
	10,284	10,434
Plant and equipment - right-of-use	80	80
Less: Accumulated depreciation	(63)	(56)
	17	24
Motor vehicles - right-of-use	510	433
Less: Accumulated depreciation	(370)	(304)
	140	129
Computer equipment - right-of-use	59	59
Less: Accumulated depreciation	(51)	(45)
	8	14
	10,449	10,601

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 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
Additions	1,284	-	77	-	1,361
Remeasurement	412	-	-	-	412
Depreciation expense	(1,846)	(7)	(66)	(6)	(1,925)
Balance at 31 January 2024	10,284	17	140	8	10,449

NOTE 6. INVESTMENTS IN SUBSIDIARIES

	2024 £'000	2023 £'000
Non-current assets		
Investments in subsidiaries	85	85

A detailed list of subsidiaries is detailed within note 31 to the consolidated financial statements.

NOTE 7. INVENTORIES

	2024 £'000	2023 £'000
Current assets		
Finished goods - at cost	14,919	15,555

Finished goods include £0.05m (2023: £0.1m) of provisions for obsolescence. The movement in this provision reflects the net realisable value of the product lines was recognised through the statement of profit or loss during the year to 31 January 2024.

NOTE 8. TRADE AND OTHER RECEIVABLES

	2024 £'000	2023 £'000
Non-current assets		
Amounts owed by group undertakings	2,112	3,231
Current assets		
Trade receivables	17	23
Other receivables	222	262
	239	285
	2,351	3,516

Amounts owed by group undertakings are subject to a loan agreement. The loan is repayable in full on 31 December 2031.

NOTE 9. TRADE AND OTHER PAYABLES

	2024 £'000	2023 £'000
Current liabilities		
Trade payables	4,281	4,288
Accrued expenses	1,038	1,050
Refund liabilities	30	53
Social security and other taxes	387	729
Other payables	946	462
	6,682	6,582

Refer to note 25 to the consolidated financial statements for further details.

NOTE 10. CONTRACT LIABILITIES

	2024 £'000	2023 £'000
Current liabilities		
Contract liabilities	782	727
Reconciliation		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	727	643
Issued in year	2,808	3,801
Redeemed in year	(2,753)	(3,717)
Closing balance	782	727

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 11. LEASE LIABILITIES

	2024 £'000	2023 £'000
Current liabilities		
Lease liability	1,583	1,600
Non-current liabilities		
Lease liability	9,202	9,124
	10,785	10,724

Within non-current liabilities are lease liabilities falling due after 5 years totalling £3,523,000 (2023: £3,626,000).

NOTE 12. RESTORATION PROVISION

	2024 £'000	2023 £'000
Non-current liabilities		
Restoration provision	786	756

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 8.25%.

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:

2024	Restoration provision £'000
Carrying amount at the start of the year	756
Additional provisions recognised	34
Unwinding of discount	27
Provisions released on disposal	(31)
Carrying amount at the end of the year	786

NOTE 13. DEFERRED TAX

	2024 £'000	2023 £'000
Non-current liabilities		
Deferred tax	1,121	855

	2024 £'000	2023 £'000
Deferred tax liability comprises temporary differences attributable to:		
Property, plant & equipment	1,419	1,049
IFRS 16 transitional adjustment	(58)	(70)
Unapproved share options issued	(147)	(119)
Short term timing differences	(93)	(5)
Deferred tax liability	1,121	855
Movements:		
Opening balance	855	744
Charged/(credited) to profit or loss	282	99
Adjustment recognised for prior periods	(16)	12
Closing balance	1,121	855

NOTE 14. SHARE CAPITAL

	2024 Shares	2023 Shares	2024 £'000	2023 £'000
Ordinary shares of £0.01 each - fully paid	77,267,304	77,267,304	773	773

NOTE 15. SHARE PREMIUM

	2024 £'000	2023 £'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 16. SHARE-BASED PAYMENTS RESERVE

	2024 £'000	2023 £'000
Share-based payments reserve	588	475

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 2022	266
Options granted	209
Balance at 31 January 2023	475
Options granted	113
Balance at 31 January 2024	588

NOTE 17. DIVIDENDS

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

NOTE 18. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

NOTE 19. AUDITOR REMUNERATION

The auditor's remuneration for audit and other services is disclosed within note 28 to the consolidated financial statements.

NOTE 20. CONTINGENT LIABILITIES

The Company had no material contingent liabilities as at 31 January 2024 and 31 January 2023.

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 £43,000 (2023: £165,000) was recognised as an 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 £nil (2023: £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 £nil (2023: £18,000) was recognised as an expense in the statement of profit or loss and other comprehensive income.

On 28 July 2023, the Group granted additional options to the Operating Board. The vesting conditions of these options are: service to 28 July 2026, and pre-IFRS16 EBITDA targets separated for the UK and European businesses. The share-based payment of £22,000 was recognised as an expense in the statement of profit or loss and other comprehensive income.

On 28 July 2023, the Group granted options to the Chief Executive Officer Steve Crowe and the Chief Financial Officer Sam Copeman. The vesting conditions of these options are: service to 28 July 2026, and pre-IFRS16 EBITDA targets separated for the UK and European businesses. The share-based payment of £27,000 was recognised as an expense in the statement of profit or loss and other comprehensive income.

On 28 July 2023, the Group granted options to the Chief Executive Officer Steve Crowe and the Chief Financial Officer Sam Copeman. The vesting conditions of these options are: service to 28 July 2027, and pre-IFRS16 EBITDA targets separated for the UK and European businesses. The share-based payment of £21,000 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:

2024 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 (i)	£0.220	984,444	-	-	-	984,444
18/08/2020	18/08/2030 (ii)	£0.210	492,222	-	-	-	492,222
02/08/2021	02/08/2031 (iii)	£0.720	700,000	-	-	-	700,000
01/08/2022	01/08/2032 (iv)	£0.370	900,000	-	-	-	900,000
28/07/2023	28/07/2033 (v)	£0.280	-	800,000	-	-	800,000
28/07/2023	28/07/2033 (vi)	£0.375	-	1,333,333	-	-	1,333,333
28/07/2023	28/07/2033 (vii)	£0.375	-	1,166,666	-	-	1,166,666
			3,076,666	3,299,999	-	-	6,376,665

(i) LTIP (1)
(ii) LTIP (2)
(iii) LTIP (3)
(iv) LTIP (4)
(v) LTIP (5)
(vi) LTIP (6)
(vii) LTIP (7)

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 (i)	£0.220	984,444	-	-	-	984,444
18/08/2020	18/08/2030 (ii)	£0.210	492,222	-	-	-	492,222
02/08/2021	02/08/2031 (iii)	£0.720	700,000	-	-	-	700,000
01/08/2022	01/08/2032 (iv)	£0.370	-	900,000	-	-	900,000
			2,176,666	900,000	-	-	3,076,666

(i) LTIP (1)
(ii) LTIP (2)
(iii) LTIP (3)
(iv) LTIP (4)

The weighted average share price during the financial year was £0.342 (2023: £0.380).

The weighted average exercise price for options at the beginning of the year was £0.376, no options were exercised in the year, outstanding at the end of the year was £0.364. There were no options exercisable on 31 January 2024.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 8.45 years (2023: 8.33 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), 31 January 2025 LTIP(4), 28 July 2026 LTIP(5), 28 July 2026 LTIP(6), 28 July 2027 LTIP(7).

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
28/07/2023	28/07/2033	£0.375	£0.280	40.087%	-	4.743%	£0.165
28/07/2023	28/07/2033	£0.375	£0.375	40.087%	-	4.743%	£0.122
28/07/2023	28/07/2033	£0.375	£0.375	40.087%	-	4.743%	£0.142

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	Andy Torrance - Executive Chairman (appointed Chairman on 1 June 2023)
	Martyn Page - Non-Executive Director (stepped down from Chairman on 1 June 2023)
	Steven Crowe - Executive Director and Chief Executive Officer (appointed CEO from CFO on 1 June 2023)
	Sam Copeman – Executive Director and Chief Financial Officer (appointed CFO on 1 June 2023)
	Chris Keen - 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
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