THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or as to what action you should take, you are recommended immediately to seek your own financial advice from your stockbroker, bank manager, solicitor or other independent adviser who specialises in advising on the acquisition of shares and other securities and is authorised under the Financial Services and Markets Act 2000 (as amended) (''FSMA'') if you are resident in the UK or, if you are not resident in the UK, from another authorised independent adviser. The whole of this document should be read. Your attention is drawn in particular to the section entitled ''Risk Factors'' **in Part II of this document that describes certain risks associated with an investment in the Company.**

The Directors of Angling Direct plc (the ''**Company**''), whose names, business addresses and functions appear on page 7 of this document, and the Company accept responsibility, individually and collectively, in accordance with the AIM Rules for Companies (''**AIM Rules**''), for the information contained in this document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document, which comprises an admission document drawn up in accordance with the AIM Rules, has been issued in connection with the proposed admission of the issued and to be issued Ordinary Shares to trading on AIM, a market operated by the London Stock Exchange plc (''**AIM**''). This document does not contain an offer or constitute any part of an offer to the public within the meaning of sections 85 and 102B of FSMA, the Companies Act 2006 or otherwise. This document is not an approved prospectus for the purposes of section 85 of FSMA and a copy of it has not been, and will not be, delivered to or approved by the Financial Conduct Authority (the ''**FCA**'') in accordance with the Prospectus Rules or delivered to or approved by any other authority which could be a competent authority for the purposes of the Prospectus Directive.

Angling Direct plc

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05151321)

Placing of 14,062,500 Ordinary Shares of 1 pence each at 64 pence per share
Admission to trading on AIM

Nominated Adviser and Broker

CENKOS

The Placing is conditional, *inter alia*, on Admission taking place on or before 13 July 2017 (or such later date as the Company and Cenkos Securities plc (''**Cenkos**'') may agree but, in any event, no later than 31 July 2017). The Placing Shares will, on Admission, rank *pari passu* in all respects with the issued ordinary share capital of the Company on Admission including the right to receive all dividends or other distributions declared, paid or made after Admission.

A copy of this document will be available, free of charge, during normal business hours on any weekday (except Saturdays, Sundays and public holidays), at the offices of the Company being 2D Wendover Road, Rackheath Industrial Estate, Norwich, Norfolk, NR13 6LH, for a period of one month from the date of Admission. This document is also available to download by following the link in the Investor section of the website of the Company at www.anglingdirect.co.uk

Application will be made for the Ordinary Shares (including the Placing Shares) to be admitted to trading on AIM (''**Admission**''). It is expected that Admission will take place and that dealings in the issued and to be issued Ordinary Shares will commence on 13 July 2017. **AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the official list of the United Kingdom Listing Authority (the ''Official List''). A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.** In particular, it should be remembered that the price of securities and the income from them can go down as well as up. The AIM Rules are less demanding than those of the Official List. **Each AIM company is required pursuant to the AIM Rules to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on Admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers.** It is emphasised that no application is being made for the Ordinary Shares to be admitted to the Official List or to any other recognised investment exchange. **Further, neither the London Stock Exchange nor the FCA has examined or approved the contents of this document.**

This document does not constitute an offer to sell, or a solicitation of an offer to buy, Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, this document is not for distribution in or into the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan, except that the document may be provided in certain limited circumstances to persons in the United States in connection with a placing of Ordinary Shares in private placements exempt from the registration requirements of the US Securities Act of 1933, as amended (''**Securities Act**''). The Ordinary Shares have not been and will not be registered under the Securities Act, any state securities laws in the United States or any securities laws of Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or in any country, territory or possession where to offer them without doing do so may contravene local securities laws or regulations. Accordingly, the Ordinary Shares may not, subject to certain limited exceptions, be offered or sold, directly or indirectly, in the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan or to, or for the account limited or benefit of, any person in, or any national, citizen or resident of the United States, Canada, Australia, the Republic of South Africa, the Republic of Ireland or Japan. The distribution of this document outside the United Kingdom may be restricted by law and, therefore, persons outside the United Kingdom into whose possession this document comes should inform themselves about and observe any restrictions as to the Placing, the Ordinary Shares or the distribution of this document.

Cenkos is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Placing and Admission (whether or not a recipient of this document), and is acting exclusively for the Company as nominated adviser and broker for the purpose of the AIM Rules. Cenkos will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Placing and Admission or the contents of this document. In particular, the information contained in this document has been prepared solely for the purposes of the Placing and Admission and is not intended to inform or be relied upon by any subsequent purchasers of Ordinary Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. Without limiting the statutory rights of any person to whom this document is issued, no representation or warranty, express or implied, is made by Cenkos as to the contents of this document. No liability whatsoever is accepted by Cenkos for the accuracy of any information or opinions contained in this document, for which the Directors and the Company are solely responsible, or for the omission of any information from this document for which it is not responsible.

FORWARD-LOOKING STATEMENTS

This document contains forward looking statements relating to the Company's future prospects, developments and strategies, which have been made after due and careful enquiry and are based on the Directors' current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Forward-looking statements are identified by their use of terms and phrases such as ''believe'', ''could'', ''envisage'', ''estimate'', ''intend'', ''may'', ''plan'', ''will'' or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are subject to, *inter alia*, the risk factors described in Part II of this document. The Directors believe that the expectations reflected in these statements are reasonable, but may be affected by a number of variables which could cause actual results or trends to differ materially. Each forward-looking statement speaks only as of the date of the particular statement.

CONTENTS

PLACING STATISTICS

Placing Price	64 pence
Number of Ordinary Shares in issue on Admission	42,812,500
Market capitalisation on Admission *(approximately)*	£27.4 million
Number of New Ordinary Shares being issued pursuant to the Placing	11,562,500
Number of Existing Ordinary Shares being placed pursuant to the Placing	2,500,000
Estimated gross proceeds of the Placing receivable by the Company	£7.4 million
Flotation costs payable by the Company *(approximately)*	£0.8 million
AIM 'ticker'	ANG.L
SEDOL	BF1XGQ0
ISIN number	GB00BF1XGQ00
Free Float	40.9 per cent.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	30 June 2017
Admission and dealings in the Ordinary Shares to commence on AIM	13 July 2017
CREST accounts credited for Placing Shares in uncertificated form	13 July 2017
Despatch of definitive share certificates, where applicable	By 31 July 2017

References to time are to London time unless otherwise stated. Each of the dates in the above timetable is subject to change without further notice.

DEFINITIONS

In this document, where the context permits, the expressions set out below shall bear the following meaning:

"Act"	the Companies Act 2006, as amended from time to time
"Admission"	the admission of the Ordinary Shares issued and to be issued pursuant to the Placing, to trading on AIM and such admission becoming effective in accordance with the AIM Rules
"Admission Document" or **"this Document"**	this document
"AIM"	the market of that name operated by London Stock Exchange plc
"AIM Rules"	the London Stock Exchange's AIM Rules for Companies
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers setting out the eligibility, ongoing obligations and certain disciplinary matters in relation to nominated advisers published by the London Stock Exchange as amended from time to time
"Articles"	the articles of association of the Company, adopted on 19 June 2017
"Business Day"	a day, other than a Saturday or Sunday, on which banks are open for commercial business in the City of London
"certificated" or **"certificated form"**	the description of a share or other security which is not in uncertificated form (that is not in CREST)
"Company" or **"Angling Direct"**	Angling Direct plc, a company incorporated in England and Wales with registered number 05151321 and having its registered office at 2D Wendover Road, Rackheath Industrial Estate, Norwich, Norfolk, NR13 6LH
"CREST"	the relevant system (as defined in the CREST Regulations) for paperless settlement of share transfers and the holding of shares in uncertificated form which is administered by Euroclear UK & Ireland Limited
"CREST Manual"	the compendium of documents entitled CREST Manual issued by CRESTCo from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, the CREST Rules, CCSS Operations Manual, and the CREST Glossary of Terms
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended
"CREST Rules"	the rules from time to time issued by CRESTCo governing the admission of securities to and the operation of the CREST UK System
"CREST UK System"	the facilities and procedures of the relevant systems of which CRESTCo is the Approved Operator pursuant to the CREST Regulations
"CRESTCo"	Euroclear UK and Ireland Limited, the operator of the CREST UK System or such other person as may for the time being be approved by HM Treasury as operator under the CREST Regulations
"Directors" or **"Board"**	the directors of the Company whose names appear on page 7 of this document
"Disclosure Rules" or **"DGTR"**	the disclosure guidance and transparency rules made by the Financial Conduct Authority under Part VI of FSMA
"EBITDA"	earnings before interest, tax, depreciation and amortisation
"EMI"	Enterprise Management Incentive

"Executive Directors"	Martyn Page, Darren Bailey and John Hunter
"Existing Ordinary Shares"	the Ordinary Shares in issue in the Company as at the date of this document
"FCA"	the Financial Conduct Authority
"Financial Services and Markets Act" or **"FSMA"**	the Financial Services and Markets Act 2000 (as amended)
"Founders"	Martyn Page and William Hill, who are both Shareholders and holders of some of the Preference Shares (indirectly through Hillages)
"Group"	the Company and its subsidiaries from time to time
"Hillages" or **"Hillages Limited"**	Hillages Limited, a company incorporated in England and Wales with company number 03268370 and controlled by the Founders and Darren Bailey
"HMRC"	Her Majesty's Revenue & Customs
"Historical Consolidated Financial Information"	the Group's financial statements for the periods ended 31 January 2015, 31 January 2016 and 31 January 2017
"IFRS"	International Financial Reporting Standards, as adopted for use in the European Union
"Lock-in Agreements"	the agreement by which the Directors and certain Shareholders have agreed, with Cenkos and the Company, certain undertakings with respect to their holdings of Ordinary Shares on Admission, as more particularly described in paragraph 12.5 of Part IV of this document
"London Stock Exchange"	London Stock Exchange plc
"New Ordinary Shares"	new Ordinary Shares proposed to be issued and allotted pursuant to the Placing
"Memorandum"	the memorandum of association of the Company
"Nominated Adviser", **"Nomad"** or **"Cenkos"**	Cenkos Securities plc, the nominated adviser and broker to the Company
"Official List"	the Official List maintained by the FCA in accordance with section 74(1) of FSMA for the purpose of Part VI of FSMA
"Ordinary Shares" or **"Shares"**	ordinary shares of one pence each in the capital of the Company
"Placees"	purchasers or subscribers for the Placing Shares, as procured by Cenkos on behalf of the Company or Selling Shareholders pursuant to the Placing Agreement
"Placing"	the conditional placing by Cenkos Securities of the Placing Shares on behalf of the Company or the Selling Shareholders (as applicable), all at the Placing Price pursuant to and on the terms of the Placing Agreement
"Placing Agreement"	the conditional agreement dated 29 June 2017 between (i) Cenkos, (ii) the Company, (iii) the Directors and (iv) the Selling Shareholders relating to the Placing, further details of which are set out in paragraph 12.2 of Part IV of this document
"Placing Price"	64 pence per Placing Share
"Placing Shares"	the 11,562,500 Ordinary Shares to be issued or transferred (as applicable) to Placees pursuant to the Placing
"Preference Shares"	preference shares of £1 each in the capital of the Company
"Prospectus Directive"	Directive 2003/71/EC of the European Parliament and of the Council of the European Union and any relevant implementing measure in each Relevant Member States

"Prospectus Rules"	the prospectus rules of the Financial Conduct Authority made under Part VI of the FSMA
"Registrar" or **"Share Registrars"**	Share Registrars Limited at The Courtyard, 17 West Street, Farnham, Surrey GU97DR
"Relationship Agreements"	the relationship agreements between each Founder and the Company as summarised in paragraph 12.6 of Part IV of this document
"Remuneration Committee"	the remuneration committee of the Board
"Selling Shareholders"	Martyn Page, Darren Bailey, William Hill and Richard Beaumont
"Shareholders"	holders of Ordinary Shares
"Subsidiary" or **"subsidiaries"**	the Company's subsidiaries or any one of them upon Admission
"Takeover Code"	the City Code on Takeover and Mergers published by the Takeover Panel
"Takeover Panel"	the Panel on Takeovers and Mergers
"UK"	United Kingdom

DIRECTORS, SECRETARY AND ADVISERS

Directors	Martyn Graham Page, CTA, TEP	*Executive Chairman*
	Darren Ian Bailey	*Chief Executive Officer*
	John (Ian) Lindsay Hunter, FCMA	*Finance Director*
	Stephen Nigel Moon	*Non-Executive Director*
	David (Paul) Rodwell Davies, ACA	*Non-Executive Director*
Company Secretary	Shona Wright	
Registered Office of the Company	2d Wendover Road Rackheath Industrial Estate, Norwich, NR13 6LH	
Nominated Adviser and Broker	Cenkos Securities plc 6.7.8 Tokenhouse Yard London, EC2R 7AS	
Auditors and Reporting Accountants to the Company	Price Bailey LLP 7th Floor Dashwood House 69 Old Broad Street London, EC2M 1QS	
Solicitors to the Company	Leathes Prior 74 The Close Norwich, NR1 4DR	
	Marriott Harrison LLP 11 Staple Inn London, WC1V 7QH	
Solicitors to the Nominated Adviser and Broker	Holman Fenwick Willan LLP 65 Crutched Friars London, EC3N 2AE	
Registrars	Share Registrars Limited The Courtyard 17 West Street Farnham, GU9 7DR	

PART I

INFORMATION ON ANGLING DIRECT

Introduction

Angling Direct is the largest specialist fishing tackle retailer in the UK. The Company principally sells fishing tackle products and related products through a network of 15 Angling Direct retail stores located in the UK and also online via its own website (www.anglingdirect.co.uk) and other third party websites. The Company currently sells over 21,500 fishing tackle products, including capital items, consumables, luggage and clothing. The Company also owns and sells fishing tackle products under its own brand 'Advanta®', which was formally launched in March 2016.

Company revenue for the year ended 31 January 2017 grew 29 per cent. to £21.0 million, with 45 per cent. coming from the Angling Direct retail store network and 42 per cent. from the Company's own Angling Direct website. The balance of the sales is split between eBay and from providing fishing tackle to the UK insurance industry for the settlement of claims for stolen, damaged and lost tackle under household insurance policies. For the year ended 31 January 2017, the Company achieved an EBITDA of approximately £0.9 million and a profit after tax of £0.6 million.

The Company has a current online database of approximately 235,000 customers and intends to shortly launch a membership programme to increase revenue, customer loyalty and traffic to the Company's own website.

The Group's strategy is to continue the rollout of Angling Direct stores using proven store formats and to significantly increase online sales. The Directors expect the Company's store rollout to be via new retail stores and the acquisition of existing independent fishing tackle retailers. The Directors believe the continued expansion of the Company's retail store network is important in supporting the future growth strategy of the Group, both offline and online. The Directors believe the physical presence of an Angling Direct retail store increases activity on the Company's website and also increases brand awareness. The Company operates a central distribution centre in Rackheath near Norwich to support online sales and has invested in this centre to support the Company's future online growth strategy.

The Company is seeking to raise approximately £7.4 million (before expenses) through the Placing, the net proceeds of which will be used to accelerate the Group's growth strategy via the opening of new Angling Direct stores within the UK, the acquisition of existing fishing tackle stores, investment into the digital retail offering of the Company and the repayment of Preference Shares. In addition, the Placing will raise approximately £1.6 million (before expenses) for the Selling Shareholders through the sale of 2,500,000 Ordinary Shares.

History of the Group

From 1986, the Founders started to acquire interests in a number of small fishing tackle shops in Norfolk. In 2002 the Founders, through Hillages Limited, acquired the freehold of the current Norwich premises and opened a "superstore" on this site which was the first retail unit to be branded "Angling Direct". The Angling Direct website to support the retail activities was launched in May 2000.

In November 2008, the Company acquired an interest in J. Simpson (Angling) Limited which operated a fishing tackle store in Waltham Cross and in May 2012 acquired HL & S Limited which operated an existing fishing tackle store in Chelmsford. At a similar time, Hillages Limited agreed to transfer all of its fishing tackle retail business to the Company. Between May 2014 and November 2016 the Company continued to roll out new stores across the country including a fishing tackle store in Sheffield through the acquisition of Climax Fishing Tackle Limited in July 2016. As at the date of this Document, the Company operates 15 Angling Direct stores. The Company has funded the opening of new stores and the acquisition of existing stores through a mixture of investment from existing Shareholders, debt and cash generated from its existing operations.

In March 2016, the Company formally launched its own brand, Advanta®. All of the brand's products, with the exception of bait, are manufactured in China. The Advanta® brand is primarily focused at the carp angler.

The Directors believe a key milestone in the history of the Company was the opening of the Company's central distribution centre in Rackheath, Norfolk in March 2015. The opening of the central distribution centre by the Group was necessary to support the core online growth strategy of the Group moving forwards.

The Business

The Company is established as the largest specialist fishing tackle retailer in the UK. The Group generates revenue from retail store sales, online sales channels and via the provision of fishing tackle to the UK insurance industry.

The Company places great emphasis on creating a culture of supporting anglers and the future of angling. The Directors believe this is demonstrated by a number of initiatives that the Company has undertaken. For example, by the end of 2017, it is anticipated that each retail store will employ a qualified angling coach and the coach's role will not only be to offer advice in store but also to hold lessons at local angling destinations to attract new anglers and help existing anglers improve their skills. Furthermore, the Angling Direct website is developed to not only sell fishing tackle but also to assist anglers catch more fish and feel part of a community. Articles and videos (published by ADTV) are published on the website on a regular basis which offers instruction, advice on new products and reviews of rivers and lakes. All are aimed at increasing the anglers' enjoyment and success.

Retail Stores

The Company currently operates 15 retail stores. The Company's retail stores have been key to the growth of the Angling Direct brand. The Company has developed 'angling superstores' which, the Directors believe, are destination stores rather than traditional fishing tackle shops. The Company seeks to design Angling Direct retail stores as destination venues for anglers to exchange information as well as purchase angling-related products. The Company employs staff at each of its stores who are themselves anglers and can therefore offer an informed and professional service to customers.

A map of the store locations can be seen below:

As can be seen above, the Company has a concentration of stores within East Anglia and Kent. The Directors are actively seeking to increase the geographic footprint of the Company over the next three years and target areas include the Midlands, North West England, the South East and the South West. The Company intends to target new stores in out of town centre light industrial unit locations which typically provide between 3,500 sq.ft and 7,000 sq.ft of retail space. The

Directors believe out of town sites are essential to the future store opening programme because of the availability of car parking, lower rental costs and ease of access for customers. Full details on the stores' size and lease terms can be seen in paragraph 13 of Part IV.

The average Angling Direct revenue per store for the year ended 31 January 2017 was approximately £0.6 million. The Directors expect average turnover per store to increase moving forward as the average sq.ft per store increases and the Company has the resources and infrastructure in place to widen its geographic coverage and hence open stores in areas with a high density of anglers. The Directors target payback from new stores within two years from opening (excluding stock).

Turnover from the Company's retail stores grew by 22 per cent. to £9.4 million for the year ended 31 January 2017, being 45 per cent. of total Group sales for the period. The average basket in the year ended 31 January 2017 was £29.48 (2016: £29.64 and 2015: £28.10).

Online

The Company achieves the vast majority of its online sales from its own website – www.anglingdirect.co.uk – but also generates sales on eBay.

www.anglingdirect.co.uk

Angling Direct owns and operates an English language website for all sales in the UK and globally. Since 2013, the Company has invested in its website to gain market share in the online sale of fishing tackle. This investment has centred around the development of the www.anglingdirect.co.uk website and the creation of an in-house online sales division to drive traffic and sales to the Company website.

The Directors believe the Company's website is a key point of interaction with the Company's customers. Product selection, placement on page, colour, promotional activity and banner content, amongst other decisions, are made to ensure the site remains fresh, relevant and interesting for potential customers and to ensure popular, fast-moving and promoted products are presented in the most effective way. The presentation of the website is reviewed by the Company's in-house online sales division.

Angling Direct has its own, dedicated on-site photography studio to support images and promotional material produced by product suppliers and advertised on the Company's website.

The Company operates a strategy of improving the Company's online offering by increasing the content of the website with articles, blogs and videos to develop the angling community ethos of the Angling Direct offering and by using tools such as Google Analytics to focus this investment in the most efficient areas. The Directors believe that the substantial content within the Angling Direct website is key to its success as it allows the development of an angling community ethos as well as driving search engine optimisation through key word search.

Turnover from the Company's website grew by 61 per cent. to £8.8 million for the year ended 31 January 2017, being 42 per cent. of total Group sales for the period. The average basket size for online sales in the year ended 31 January 2017 was £93.15 (2016: £81.85 and 2015: £74.18).

Third party web sales

The Company sells fishing tackle on eBay under the shop name 'The Angling Warehouse'. The average basket size in the year ended 31 January 2017 was £45.02 (2016: £45.25 and 2015: £42.31). The Company sells both third party fishing tackle products and its own Advanta® brand product range on eBay. All products sold through eBay are sent out from the Company's central distribution centre in Angling Direct packaging. The Company may in the future sell fishing tackle via other third party retail websites, such as Amazon.

Turnover from third party web sales was £1.6 million for the year ended 31 January 2017, being 8 per cent. of total Group sales for the period. The Directors do not expect third party web sales growth to be a core strategy of the Group moving forward and expect this percentage of sales to decrease in the future. The Directors believe that third party online websites however provide an additional sales channel that complements the current activities of the Group and allows customers to be introduced to the Angling Direct brand.

Insurance Claim Handling

Angling Direct is a provider of fishing tackle to the UK insurance industry in the settlement of claims for stolen, damaged and lost tackle under household insurance policies.

Turnover from insurance claim handling was £1.2 million for the year ended 31 January 2017, being 6 per cent. of total Group sales for the period. The average transaction value in the year ended 31 January 2017 was £1,051.79 (2016: £1,051.74 and 2015: £887.53). Turnover from insurance claim handing has declined in recent years due to less claims being processed. The Directors do not expect insurance claim handling to be a key growth area for the Company moving forward, however they believe that the reporting procedures and controls which the Group applies as part of this sales channel adds value across the wider Group.

Advanta®

The Company owns its own fishing tackle brand, Advanta®. The brand was formally launched in March 2016 with the publication of the Advanta® catalogue and covers approximately 190 fishing-related products. The brand is primarily focused at the carp angler but the product range will be expanded to include more general coarse fishing products.

The Advanta® brand is sold within the Group's existing store network, on the Company website and on eBay. The Advanta® product is also supported by a catalogue which is circulated via the Company's database and the retail store network. All of the Advanta® products are manufactured in China, with the exception of bait.

The Directors believe the Advanta® product range matches the performance and quality of other fishing tackle products, whilst also offering value for money. The Company intends to continue to invest in the development and marketing of Advanta® with the aim of increasing the brand's share of Company revenue. For the year ended 31 January 2017, Advanta® products accounted for 3.3 per cent. of Company revenue.

Product Range, Supplier Network and Distribution Centre

Product Range

The Company currently stocks over 21,500 different product lines. The Company's top five product categories for the year ended 31 January 2017 were reels (16 per cent.), terminal tackle (15 per cent.), rods (12 per cent.), bait and additives (9 per cent.) and bivvies and shelters (6 per cent).

While the Directors continually review the number of product lines to ensure optimum stock holding and financial efficiency, the Company values customer satisfaction and believes that customers are quick to change loyalty to other retailers or websites if purchases cannot be completed. The Directors therefore believe the number and range of products offered by its retail stores and the Company website are a strength of the business and a competitive advantage.

Supplier Network

The Company has approximately 85 suppliers. As the largest fishing tackle retailer in the UK, the Directors believe the Company is able to benefit from favourable purchasing terms, marketing and promotional initiatives. The top eight suppliers for the Group account for approximately 48 per cent. of the Company's revenue for the year ended 31 January 2017.

Distribution Centre

The Company operates a purpose built 33,000 sq.ft distribution centre at Rackheath. The distribution centre opened in March 2015 and the Directors believe that it enables the Company to efficiently and cost-effectively process online sales. The centre incorporates a full bin location and picking system and as a result of this investment the warehouse wage cost as a percentage of turnover has fallen over 25 per cent.

The Directors believe the central distribution centre will be able to support the Group's online sales growth over the short to medium term. Further, with selected additional capital investment, the Directors believe the central distribution centre can support online revenue in excess of £25.0 million.

Angling Direct typically offers free standard delivery on all UK orders over £25.00. Express delivery carries an additional charge in all territories. International deliveries incur additional cost for the customer.

Marketing

The Company has invested, and will continue to invest, in a range of offline and online marketing activities to increase brand awareness, customer loyalty and spend. The Directors believe the growth of the business will be driven by focusing on new customers, retaining existing customers, reactivating lapsed customers and driving order frequency both at its retail store network and via the Company's website.

The Company operates a multi-channel marketing strategy and utilises both traditional press-related media and sponsorship, as well as digital and social media to increase the awareness of the Angling Direct brand and product offering. The Company makes use of social media sites, including Facebook, Twitter and Instagram for advertising and engagement with consumers.

The Company operates a customer service team to support marketing undertaken by the Company. The marketing team deals with active orders, customer queries and also provides advice on products.

Strategy and Growth Opportunities

The Directors intend to pursue a strategy of growth via both the acquisition of existing independent fishing tackle retailers and organic growth.

Acquisitions

The fishing tackle retail store market is highly fragmented and offers the opportunity for the Company to act as one of the primary consolidators in this market. The acquisition of existing businesses will enable the Company to gain market share more quickly than by organically opening new sites.

The Directors believe the specialist fishing tackle retailer tends to be a single unit owner-managed retail operation which is often run as a life-style business. The Directors believe the profitability from these business operations has reduced significantly in recent years due to the increase in online sales, stock investment and general operating and direct costs. The Company has received a number of approaches from potential vendors, which range from small single unit retailers to larger multi-store retailers with an online presence, to acquire their businesses.

The Company expects to re-brand any existing fishing tackle store to Angling Direct upon acquisition.

Organic Growth

The Directors intend to pursue the Group's organic growth strategy via the following routes:

– *New store openings*

  The Company intends to open three new Angling Direct stores in the current financial year ending 31 January 2018. The Directors intend to increase the rate of new store openings significantly, post Admission, in order to expand the retail store network of the Group. The Company is targeting at least 5 new openings per annum, including existing sites acquired, for the first full financial year following Admission onwards.

  The Company has strict criteria for both new store openings and acquisitions of existing stores, which is linked to local competition, analysis of local fishing activity, minimum forecasted revenue and overall return on investment. The Company expects any new store to take up to three years to achieve revenue maturity. The Directors believe the physical presence of an Angling Direct retail store also increases activity on the Company's website and also increases brand awareness.

– *Online sales growth and digital innovation*

  The Company believes sales growth from the Company's own website www.anglingdirect.co.uk will grow significantly moving forward. The Company has achieved online sales growth of 188 per cent. for the three years ending 31 January 2017. The Directors believe online sales growth will be achieved from continual improvements in the Group's digital offering by, *inter alia*, developing and continually enhancing the website of the Company.

– *Implement initiative to increase member activation, repeat purchase, average basket and retention*

The Company's www.anglingdirect.co.uk website currently has a database of approximately 235,000 customers. The Directors believe this database can be significantly increased. Furthermore, the Company intends to continue to invest in its data analytical and search engine optimisation resources in order to maximise its online sales and profit margin. The Company also intends to launch a membership and loyalty scheme shortly to support the retail stores and online sales of the Company.

– *Increase the distribution centre capability at the Group's facility in Norwich*

The Company operates a 33,000 sq.ft distribution centre at Rackheath near Norwich, in Norfolk. The Directors believe that further capital investment will increase the capacity of the centre and unlock economies of scale to improve net margins.

– *International growth*

The Company generated revenue of approximately £0.9 million for the year ended 31 January 2017 from non-UK sales. All international sales are currently generated from the Company's UK website. The Directors believe that the Group in the mid-long term may target international growth in new geographies where fishing is a popular sport and where anglers would be attracted to the Angling Direct store and online retail offering.

Market

In recent years angling has been ranked as the UK's sixth most popular sport. The value of tackle sales supporting angling, in 2015, was estimated to be over £570 million per annum, an increase of 5.4 per cent. compared to previous analysis undertaken in 2011. The number of smaller specialist retailers has fallen over recent years, however this fall in number has been offset by revenue growth within non-traditional outlets like retail park stores and online sales.

Carp fishing is the largest sector of the fishing tackle market (39 per cent.), followed by general coarse fishing (35 per cent.), game fishing (16 per cent.) and sea fishing (10 per cent.).

Competition

There is a wide cross section of fishing tackle retailers in the UK, which numbered approximately 2,300 in 2015. These retailers range from major sports and outdoor equipment retailers, large out of town specialist fishing tackle retailers through to smaller high street stores who sell a limited range of angling equipment and other related consumables.

The Company monitors its core competitors closely, in order to both assess the Group's competitiveness but also as part of the Board's acquisition strategy. The Company currently operates a 'price match offer' in order to communicate a value for money offering to customers.

Key Strengths

The Directors believe that the Group has the following key strengths:

A strong and distinctive retail brand within the UK angling community

Angling Direct is the largest specialist fishing tackle retailer in the UK. The Company has a well-known brand amongst anglers, which the Directors believe has a respected and trusted reputation. The Directors believe the strength of the brand, supported by the retail store network and the Company's online presence, will assist the Group in expanding across the UK.

Proven track record

The Company has a proven track record of organic sales growth from new store openings and online revenue. The Company has also successfully acquired and integrated existing fishing tackle stores into the Group's retail store network under the Angling Direct brand.

Omni channel retail distribution

The Group sells fishing tackle via physical retail, with 15 existing Angling Direct stores, and an established online presence. The Directors believe that by investing in both physical and online retail distribution they have been able to build a strong relationship with Angling Direct customers, thereby leading to enhanced loyalty and returns.

Digital offering

Angling Direct has approximately 235,000 customers on its database and believes that there is the opportunity to significantly increase this active online customer base through loyalty and membership schemes, data analytics and marketing investment.

An experienced management team and board with a strong angling background

The Company has an experienced and stable management team, led by Darren Bailey and Martyn Page. They are well supported by a wider senior management team. Darren Bailey and Martyn Page have been working with the Company for over 20 years. Both Darren Bailey and Martyn Page are keen anglers, as are a large number of employees at the Company.

Historical Financial Information

The table below sets out a summary of the Consolidated Historical Financial Information of the Group for the three years ended 31 January 2017. This information has been extracted without material adjustment from the Financial Information contained in Part III of this document.

	Year ended 31 January 2017 £	Year ended 31 January 2016 £	Year ended 31 January 2015 £
Revenue	21,031,944	16,352,100	11,130,859
Cost of sales	(13,859,341)	(10,581,887)	(6,992,622)
Gross profit	7,172,603	5,770,213	4,138,237
Distribution costs	(1,206,317)	(878,008)	(524,237)
Administrative expenses	(5,228,650)	(4,413,203)	(3,064,037)
Operating profit	737,636	479,002	549,963
Depreciation and Amortisation	148,995	131,045	96,395
EBITDA	886,631	610,047	646,358
Finance costs	(75,155)	(46,713)	(23,045)
Profit before Income Tax	662,481	432,289	526,918
Profit attributable to owners of the parent	560,351	365,546	426,435

The trading results set out above demonstrate the progress that the Company has made in the past three years.

The increase in revenue has been driven by the performance of the Company's retail stores and website. Revenue generated from retail stores has grown from £6.3 million for the year ended 31 January 2015 to £9.4 million for the year ended 31 January 2017 and from the Company's website revenue has grown from £3.1 million to £8.8 million over the same period.

Gross margin has declined from 37 per cent. to 34 per cent. over the period which is largely a result of pricing pressure experienced with online sales. Margins in the retail stores have been relatively constant over the period.

Operating margins fell significantly for the year ended 31 January 2016 from 4.9 per cent. to 2.9 per cent. which reflects not only the decrease in gross margins detailed above but also the investment in infrastructure (such as the central distribution centre in Rackheath) to support future growth. This operating margin improved to 3.5 per cent. for the year ended 31 January 2017, despite a fall in gross margin, as operating efficiency improves.

Current Trading and Prospects

The Company's business is seasonal reflecting the fact that more anglers go fishing during the warmer months of the year. Therefore, the Company's most profitable months are generally May through to September.

Current trading for the year ending 31 January 2018 is in line with the Directors' expectations with both retail stores and online sales growing strongly. Revenue generated from these two areas of the Group has increased by 46 per cent. and 71 per cent. respectively over the corresponding three months of 2016.

Accordingly, the Directors view the prospects of the Company with confidence.

Reasons for the Placing and Use of Proceeds

The Company is raising approximately £7.4 million gross in the Placing. The Directors believe that the Placing and Admission will assist the Company in achieving its growth aspirations. The gross proceeds receivable by the Company will be used to principally expand the number of Angling Direct stores within the UK. The remaining funds raised under the Placing will be used to redeem £1.4 million of Preference Shares, repay bank debt, settle fees associated with Admission and provide general working capital. In addition, the Selling Shareholders are raising approximately £1.6 million gross in the Placing.

The Directors believe that Admission will also:

– strengthen the Company's balance sheet;
– raise the profile of the Group;
– enable the Group to recruit, retain and incentivise staff; and
– better position the Company to move into new markets and to take advantage of acquisition opportunities for growth as they arise.

Directors, Senior Management and Employees

At Admission, the Board will comprise three executive directors and two non-executive directors. The biographical details of the Board are set below:

Executive Directors

Darren Bailey, Chief Executive Officer, age 45

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

Martyn Page CTA, TEP, Executive Chairman, age 62

Martyn is a co-founder and major shareholder of the Company and the visionary behind Angling Direct. Martyn founded the Angling Direct Brand in 1997 following the acquisition of Norwich Angling Centre. Martyn was appointed as a director of the Company on 11 June 2004. Alongside his executive role at the Company, Martyn has worked as a corporate accountant for over 40 years' advising and guiding companies from start-ups to UK and international operations with revenue in excess of several hundred million. Martyn is a well-known angler, within the UK and internationally, and is an angling author, who is also involved in national committees and clubs working for the improvement of fisheries and education and promotion of angling.

John (Ian) Hunter, FCMA, Finance Director, age 61

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

Non-Executive Directors

Stephen Moon, Non-Executive Director, age 60

Stephen has over 30 years' senior cross-functional experience in the grocery brands industry. Stephen was formerly the Strategy Planning and Worldwide Business Development Director for

GlaxoSmithKline's Nutritional Healthcare business and is currently the Chief Executive Officer of Science in Sport plc, an AIM-listed company.

David (Paul) Davies, ACA, Non-Executive Director, age 48

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

Senior Management

The Board is supported on operational matters by a number of senior managers. Details of whom are set out below:

Keith Easton, Financial Controller, age 49

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

Wouter Putman, Operations Manager, age 35

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

Stewart Downing, Commercial Manager, age 55

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

Employees

As at the date of this Document the Company has 171 employees. The Company pays at least living wage to all employees over the age of 21 with over 6 months' service.

Remuneration and Share Option Schemes

The Group operates a discretionary bonus scheme for its managers. The scheme is reviewed on an annual basis and is subject to review by the Executive Directors and the Remuneration Committee as appropriate.

As at Admission there are EMI options over 1,645,311 Ordinary Shares, which represent 3.8 per cent. of the issued share capital at Admission. The Directors recognise the importance of ensuring that employees of the Group are well motivated and identify closely with the future success of the Group. The Directors also believe that share-based incentives provide an ideal way to align the interests of employees with those of Shareholders. While the Directors intend to grant further options to employees in the future, the Company will limit the grant of any further options to no more than 10 per cent. of the current issued Ordinary Share capital at any time. Details of the Company's EMI share option scheme is set out in paragraph 6 of Part IV.

Employee Subscription

The Company has adopted an unapproved employee share option scheme solely for the purpose of enabling certain employees, who have expressed an interest in subscribing for Ordinary Shares, as part of the Placing to become shareholders in the Company. The options have been granted under this scheme to 32 employees in respect of an aggregate of 271,085 Ordinary Shares and are in addition to the Placing Shares. The options are exercisable during the period of 14 days following the date of Admission and thereafter if not exercised the options will lapse. The options are exercisable at the Placing Price.

Corporate Governance

On Admission, the Company will not comply with any corporate governance code.

The UK Corporate Governance Code published by the Financial Reporting Council does not apply to AIM companies. However, the Directors recognise the importance of good corporate governance and will comply with the provisions of the Corporate Governance Guidelines for Smaller Quoted Companies, published from time to time by the Quoted Companies Alliance, to the extent that they believe it is appropriate in light of the size, stage of development and resources of the Company.

The Company has adopted, and will operate a share dealing code for Directors and other applicable employees under the equivalent terms to those provided by Rule 21 of the AIM Rules for Companies. The Board has established an Audit Committee and a Remuneration Committee, with formally delegated duties and responsibilities as described below.

(a) Audit Committee

The Audit Committee will have the primary responsibility of monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. It will receive and review reports from the Group's management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group. The Audit Committee will meet not less than twice in each financial year and will have unrestricted access to the Group's external auditors. At Admission, the Audit Committee will be chaired by David Davies and also include Stephen Moon.

(b) Remuneration Committee

The Remuneration Committee will consist of a committee chaired by David Davies and will also include Stephen Moon. The Remuneration Committee will review the performance of the executive directors and make recommendations to the Board on matters relating to their remuneration and terms of service. The Remuneration Committee will also make recommendations to the Board on proposals for the granting of share options and other equity incentives pursuant to any employee share option scheme or equity incentive plans in operation from time to time. The Remuneration Committee will meet as and when necessary. In exercising this role, the Directors shall have regard to the recommendations put forward in the UK Corporate Governance Code and the QCA Corporate Governance Code for Small and Mid-size Quoted Companies 2013.

(c) Share Dealing Code

The Company has adopted, with effect from Admission, 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 company 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 Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing code.

Dividend Policy

The Directors intend to retain future earnings from operations to finance the future expansion of the Group. As a result, the Directors do not anticipate declaring cash dividends or any other form of dividend in the short to medium term.

The Placing and Admission

On Admission the Company will have 42,812,500 Ordinary Shares in issue and a market capitalisation of approximately £27.4 million. Cenkos has agreed, pursuant to the Placing Agreement and conditional, *inter alia*, on Admission, to use its reasonable endeavours to place 11,562,500 new Ordinary Shares and 2,500,000 Existing Ordinary Shares with institutional and other investors. The Placing will raise in total £7.4 million gross for the Company and £1.6 million gross for the Selling Shareholders.

The Placing, which is not being underwritten, is conditional, *inter alia*, upon:

- the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms prior to Admission; and
- Admission becoming effective not later than 13 July 2017, or such later date as Cenkos and the Company may agree, being not later than 31 July 2017.

The Placing Shares will rank *pari passu* in all respects with the Ordinary Shares including the right to receive all dividends and other distributions declared, paid or made after the date of issue or transfer (as applicable).

None of the Placing Shares have been marketed to or will be made available in whole or in part to the public in conjunction with the application for Admission. Application has been made to the London Stock Exchange for the Ordinary Shares to be admitted to trading on AIM. Admission is expected to become effective and dealings in the Ordinary Shares issued and to be issued are expected to commence on 13 July 2017.

The New Ordinary Shares shall, when issued, represent 37.0 per cent. of the Existing Ordinary Shares and 27.0 per cent. of the Ordinary Shares in issue at Admission.

Further details of the Placing Agreement are set out in paragraph 12.2 of Part IV of this document.

Lock-In Agreements

Other than pursuant to the Placing, each of the Directors and certain Shareholders have undertaken not to sell, transfer or dispose of any Ordinary Shares held by them at Admission for a period of 12 months following Admission. These restrictions are subject to certain exceptions including any sale or disposal with the prior consent of Cenkos. In addition, each of the Directors and certain Shareholders have agreed, for a further period of 12 months thereafter, to deal in their Ordinary Shares only through Cenkos with regard to maintaining an orderly market, except in certain limited circumstances.

At Admission, these restrictions will apply in respect of 28,750,000 Ordinary Shares representing 67.2 per cent. of the Ordinary Shares in issue at Admission. Further details of the lock-in arrangements are set out in paragraph 12.5 of Part IV.

Relationship Agreement

On Admission the Founders will together hold 22,770,000 Ordinary Shares, representing 53.2 per cent. of the issued Ordinary Share capital.

Due to the number of Ordinary Shares held by the Founders at Admission, both parties have agreed to enter into a Relationship Agreement with the Company pursuant to which they agree that, so long as they remain controlling shareholders, the Company will be capable of carrying on its business independently of the Founders and that all future transactions between the Company and the Founders will be at arms' length and on a normal commercial basis.

The Takeover Code

The Takeover Code applies to the Company upon Admission.

The Panel is an independent body whose main functions are to issue and administer the Takeover Code and to supervise and regulate takeovers and other matters to which the Takeover Code applies in accordance with the rules set out in the Takeover Code. The Takeover Code is designed to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment by an offeror. The Takeover Code also provides an orderly framework within which takeovers are conducted. In addition it is designed to promote, in conjunction with other regulatory regimes, the integrity of the financial markets.

Under Rule 9 of the Takeover Code, any person who acquires an interest (as defined in the Takeover Code) in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares.

Similarly, when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person.

Unless the Takeover Panel otherwise consents, an offer under Rule 9 must be made to all other shareholders, be in cash (or have a cash alternative) at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interests in shares of the company during the 12 months prior to the announcement of the offer and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50 per cent. of the voting rights.

For the purposes of the Takeover Code, a concert party arises where persons acting in concert pursuant to an agreement or understanding (whether formal or informal) co-operate to obtain or consolidate control of that company or to frustrate the successful outcome of an offer for the company. Control means a single holding, or aggregate holdings, of interests in shares carrying 30 per cent. or more of the voting rights of the company, irrespective of whether the holding or holdings give de facto control.

Immediately following Admission, each Founder will hold 11,385,000 Ordinary Shares representing 26.6 per cent. of the issued Ordinary Share capital of the Company, and the Founders will accordingly hold in aggregate 53.2 per cent. of the issued Ordinary Share capital of the Company. For the purposes of the Takeover Code the Founders are deemed to be a concert party (the "Concert Party).

It should be noted that at Admission the Concert Party will hold more than 50 per cent. of the voting rights of the Company. As such, the Concert Party would be permitted (for so long as it continues to be treated as acting in concert) to make purchases of Ordinary Shares without incurring an obligation under Rule 9 to make a general offer to all holders of Ordinary Shares. The members of the Concert Party would remain subject to Rule 9 in an individual capacity.

Settlement and CREST

Application has been made for all of the Ordinary Shares to be eligible for admission to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place in CREST if the relevant Shareholder so wishes. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a share certificate and transferred otherwise than by written instrument. The Articles permit the holding and transfer of Ordinary Shares under the CREST system. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so. Persons acquiring shares as a part of the Placing may elect to receive Ordinary Shares in uncertificated form if, but only if, that person is a "system-member" (as defined in the CREST Regulations) in relation to CREST.

It is expected that, subject to the satisfaction of the conditions of the Placing, the Placing Shares will be registered in the names of the placees subscribing for or purchasing (as applicable) them and issued either: in certificated form, where the placee so elects, with the relevant share certificate expected to be dispatched by post, at the placees risk, by/or in CREST, where the placee so elects and only if the placee is a "system member" (as defined in the CREST Regulations) in relation to CREST, with delivery (to the designated CREST account) of the Ordinary Shares subscribed for or purchased (as applicable) expected to take place on 13 July 2017. Notwithstanding the election by placees as to the form of delivery of the Placing Shares, no temporary documents of title will be issued. All documents or remittances sent by or to a placee, or as they may direct, will be sent through the post at their risk. Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the Company's register of members.

Taxation

Your attention is drawn to the taxation section contained in paragraph 15 of Part IV of this document. If you are in any doubt as to your tax position, you should consult your own independent financial adviser immediately

Further information

Your attention is drawn to the additional information set out in Part IV of this document.

PART II

RISK FACTORS

An investment in the Company involves significant risks and is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the entire amount invested) which may result from such an investment. Prospective investors should carefully review and evaluate the risks and the other information contained in this document before making a decision to invest in the Company. If in any doubt prospective investors should immediately seek their own personal financial advice from their independent professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities or other advisers such as legal advisers and accountants.

If any of the following risks actually occur, the Group's business, financial condition, capital resources, results and/or future operations could be materially and adversely affected. In such circumstances, the trading price of the Ordinary Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not currently known to the Board may also have an adverse effect on the Group's business and the information set out below does not purport to be an exhaustive summary of the risks affecting the Group.

Prospective investors should be aware that the value of the Ordinary Shares and the income from them may go down as well as up and that they may not be able to realise their initial investment. There can be no guarantee that the Group's business objectives will be achieved.

RISK RELATING TO THE GROUP

The popularity of fishing may decrease

The Group is a retailer that provides equipment to anglers and the broader angling community. There can be no assurance that fishing will retain its popularity as a sport, which would mean a drop in the numbers of anglers and therefore, the Directors would expect, a decrease in the overall spend on fishing related equipment. The Directors believe the overall fishing sports equipment market is worth approximately £570 million per annum within the UK. The Directors believe the size of the fishing equipment market is marginally decreasing, however, they do not expect this decrease to affect the overall prospects of the Group. If the popularity of fishing as a sport does decline, and there is a reduction in the purchase levels of anglers, the financial position of the Group may be adversely affected.

The Group may fail to compete effectively

In addition to shifts in the popularity of fishing as a sport, the Group is subject to risks inherent in the fact that the fishing equipment retail sector is competitive. The Group competes on the basis of product variety, price, availability of products, delivery methods, promotional activities, brand recognition, convenience of store location, customer insight, community events and customer support and service. The Group competes with sellers of new and used fishing equipment. The Group competes with well-established local, regional, national and international companies that target the same customer base. More importantly, the Group competes with internet and catalogue businesses, consumer-to-consumer businesses and with its suppliers' own direct distribution channels. In respect of any of the foregoing, the Group could in the future compete with new entrants to a market or new types of competitors.

The Group may also in the future compete with new market entrants that adopt aggressive pricing strategies. As a result, the Group may be subject to pricing pressures that may force it to reduce prices or increase spending on promotional activities, which could decrease its profitability. If the Group prices products out of line with the market, or otherwise adopts an ineffective pricing strategy, particularly on best-selling items, it may lose market share and revenue. In addition, the Group may fail to provide sufficient value to customers in comparison to discounts and loyalty programmes operated by its competitors, which may result in a loss of market share and revenue.

If the Group is not able to compete effectively, it may be unable to enhance or even maintain its overall market share, which could have a material adverse effect on its results of operations and financial condition.

Failure to maintain and enhance the Angling Direct brand could have a material adverse effect on its business, financial condition and results of operations of the Group.

The success of the Group is dependent in part on the strength of the 'Angling Direct' brand. The Directors believe Angling Direct has an established, trusted and widely recognised brand and reputation with anglers and that this represents a competitive advantage in the development of the Group's business activities. The success of the Group may be dependent on maintaining and enhancing its brand strength. If the Group is unable to maintain and enhance the strength of the 'Angling Direct' brand, then its ability to retain and expand its customer base may be impaired, and its business, financial condition and results of operations will be adversely affected. Maintaining and enhancing the 'Angling Direct' brand may require the Group to make investment, which may not be successful. If the Group fails to maintain and enhance the 'Angling Direct' brand successfully, or if the Group incurs excessive expenses or makes unsuccessful investments in their efforts, its business, financial condition and results of operations may be adversely affected.

Impact of adverse weather

Fishing is an outdoors sport. The use of fishing equipment and demand for new fishing equipment is influenced by weather conditions. Prolonged periods of adverse weather do affect the Group's business, financial condition and results of operations. Further, the Directors believe fishing for many anglers is far more enjoyable during the warmer weather.

The geographical diverse location of the Group's retail stores and its online business reduces the risk to the Group of adverse weather that impacts a specific geographical region; however the Group does have a high concentration of stores in the South East of England. As the Group grows its store network nationally, the Directors expect the impact of adverse weather to reduce.

Impact of disease on fish stocks, any change in the perception of fishing as a sport and a decrease in the number of anglers who participate in the sport

Sales of fishing equipment are heavily reliant on the perception of fishing as a sport and the number of anglers who participate in the sport. Any event which may negatively impact fishing as a sport, either in the way it is viewed or the numbers who partake in the sport, is likely to impact the Group's business, financial condition and results of operations. Such events which may negatively impact the perception of fishing include any disease outbreak in fish stocks (both in natural or man-made habitats) and/or a decline in the quality of the ecosystems of waters where fish inhabit perhaps caused by a natural disaster. Such negative events are outside the control of Directors, and may impact the number of anglers who participate in the sport and its perception both in the short and long term.

Further to the above, there are certain environmental groups who are anti-angling and who wish to see fishing as a sport further regulated or even banned as a sport. Such groups can negatively affect the perception of fishing as a sport which may reduce the number of anglers and therefore the Group's business, financial condition and results of operations. Such environmental groups could also specifically target stores owned by the Group which may impact the brand of the Group and the sales and financial performance of the specific stores.

The Group may lose key suppliers or may not be able to obtain fishing equipment or products in sufficient quantities or on favourable terms from existing or future suppliers

The Group purchases substantially all of the new products it sells from a relatively small number of key suppliers, including manufacturers and distributors. The Company currently has approximately 85 active suppliers, with the top eight supplying approximately 48 per cent. of the Company's revenue for the year ended 31 January 2017.

The Group's profitability is heavily dependent on the business terms it can obtain from its key suppliers, competitive prices, unsold product return policies and funded markdowns, advertising and market development allowances and payment terms. Relationships with key suppliers providing both appropriate allocations and exclusivity are based on various factors, including the Group's reputation, scale and track record and its insight into customer attitudes and behaviours.

The loss of any of the Group's key supplier relationships, or the inability on the part of the Group to negotiate favourable terms with one or more key suppliers, could result in a significant decrease in the volume of stock made available to the Group which could remove one of its competitive advantages and otherwise have a material adverse effect on the Group's results of operations. The loss of a key supplier could also affect the Group's reputation with other existing suppliers and harm its ability to establish relationships with new suppliers.

Moreover, as the fishing industry evolves, new suppliers can be expected to enter the market. In order for the Group to procure products from new suppliers it must be able to identify those new suppliers and effectively establish good relationships with them. If the Group is unable to negotiate favourable terms with new suppliers, this could have a material adverse effect on its results of operations.

The Group depends on third parties to develop products

The Group's business depends heavily on the continued development of fishing equipment. If fishing equipment manufacturers delay the introduction of, or fail to develop, new equipment, the Group's business, results of operations and financial condition could be materially adversely affected.

If the Group's suppliers fail to provide ongoing marketing and merchandising support on favourable terms, the Group's results of operations could be adversely affected.

Manufacturers of fishing equipment and supplies typically provide retailers, such as the Group, with marketing and merchandising support for their products. Suppliers have provided the Group with marketing support for online and in-store displays, events, promotions, advertising and staff product training and education. Suppliers have also provided funding for the Group's stores so as to promote the full range of products and services. The Group also benefits from trade discounts and rebates provided by suppliers.

Marketing and merchandising support from suppliers is often tied to the Group's ability to meet certain conditions, which can include dedicated store space and minimum purchasing and marketing requirements, among others. If the Group is unable to meet these conditions, suppliers could, in some cases, cease to provide marketing and merchandising support or reclaim discounts provided to the Group. If the Group is unable to secure ongoing marketing and merchandising support from its suppliers, on favourable terms or at all, it could have a material adverse effect on its profitability.

The Group's business depends on the timely delivery by its suppliers of products in anticipated quantities.

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

The Group's market share and business position may be adversely affected by economic, political and market factors beyond the Group's control

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

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

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

The Group's sales are subject to seasonality

The Group's store and online sales volume experiences seasonal fluctuations with the most profitable months generally being May to September. Accordingly, a decrease in the level of sales during key sales periods would likely have a material adverse effect on the Group's prospects, results of operations and financial condition. Such adverse effects would likely be amplified if marketing efforts such as packaging and promotions during major sales period were not well received by customers.

A failure to implement the Group's strategy of growing its estate of stores may have an adverse impact on its business, financial and other conditions, profitability and results of operations

The Group intends to pursue further store rollouts in the UK on a selective basis in areas which offer the Group growth opportunities. However, there is no guarantee that the Group will be able to locate or secure a sufficient number of appropriate sites to meet its growth and financial targets. It is possible each new site may take some time from its opening date to reach profitable operating levels due to inefficiencies typically associated with new sites, including lack of customer awareness, competition, the need to hire and train sufficient staff and other factors. The Company cannot guarantee that the Group will be able to achieve its expansion goals or that the new sites it opens will be operated profitably. This may adversely impact on the Group's ability to increase turnover and operating profits and may also damage the Group's brand. The success of the planned Group's expansion will depend on numerous factors, many of which are beyond the Company's control, including the following:

- the ability to identify and secure available and suitable sites on an economic basis;
- the ability to secure all necessary operating approvals and licences in a timely manner and in a satisfactory form;
- the extent of the competition for sites and in markets in new locations generally;
- the ability to conclude a lease on acceptable terms and costs associated with this;
- the ability to fit out new sites at an economic cost;
- delays in the timely development of all sites; and
- general economic conditions.

Changes in the cost of labour could adversely affect the Group's profitability

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

Dependence on key individuals / management

Given the relatively small size of the Group, Angling Direct's future success is substantially dependent on a relatively small number of people and the Directors, therefore, view the continued service of certain of its Directors, senior management and other key personnel as important. The Directors believe that the ongoing service of Martyn Page and Darren Bailey is critical to the future prospects of the Company. While the Directors are taking steps to ensure that knowledge, skills and expertise are shared so as to avoid the Group being unduly dependent on individuals, they acknowledge that such measures may prove not to be effective if there were adverse circumstances beyond the Group's control affecting one or more key personnel.

In order to be able to develop, support and maintain its business, the Group must also recruit and retain suitably qualified personnel. There is no assurance that it will always be able to do so on a timely basis.

The Group's stores are leased. Increases in rental payments or the early termination of any of the Group's leases, or the failure to renew or extend the terms of any of the Group's leases or the default by licensees or assignees, could adversely affect the Group's profitability

The Group's operating performance depends in part on its ability to secure leases in desired locations at rents it believes to be reasonable. The Group currently leases all of its stores for a typical term of 10 years. The Directors seek to negotiate commercially acceptable terms and a tenant-only break clause is typically sought. Any substantial increase in the rent paid by the Group on its stores could adversely affect the Group's business, financial and other conditions, profitability and results of operations. Termination of any of the Group's leases could harm the results of the Group's operations. Although the Group believes that it will be able to renew its existing leases, it can offer no assurances that it will succeed in obtaining extensions in the future, or that any such extensions will be at rental rates that the Group believes to be reasonable. The Group currently has 4 leases, with a total annual rent of approximately £142,900, where there is as at the date of this Document an outstanding rent review.

The Group's operating results may be adversely affected by disruption to its distribution operations

The Group leases a distribution warehouse that is used as a central distribution centre for the Group's UK stores and for online sales. Although the Group has not experienced a material disruption at its distribution warehouse in the past, any interruption or closure of operations would likely have a material adverse effect on the Group's performance.

The Group's business may be adversely affected by a breakdown of its information technology systems or a failure to develop those systems

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

The Group's business could be negatively affected by changes in search engine algorithms and search engine relationships

The Group utilises to a significant extent internet search engines, principally through the purchase of fishing related keywords, in particular on Google, to generate traffic to its websites. The purchase of fishing related keywords consists of anticipating what words and terms consumers will use to search for fishing related products on internet search engines and then bidding on those words and terms in the applicable search engine's auction system.

The Group also generates a significant proportion of its sales on its website from traffic resulting from customers clicking a non-paid results link in a Google or other search engine. The Group's positioning on such search engines' search results depends on algorithms designed by the various search engine providers, such as Google, and is based on various criteria including, in particular, the historical level of traffic on its websites. As a result, if search engine providers, such as Google, change their search algorithms this can be competitively disadvantageous to the Group as it would impact the Group's ability to generate traffic to its websites which could adversely affect the Group's business, market share and financial performance. In addition, if the Group were to fail to maintain its current strong levels of traffic and its search rankings fall as a consequence thereof, its free traffic would fall and its revenue, business and financial performance could be adversely affected.

Furthermore, a significant amount of traffic is directed to the Group's websites through its participation in pay per click and display advertising on internet media properties and search engines whose pricing and operating dynamics can experience rapid change, both technically and competitively. If one of more of such arrangements are terminated or if competitive dynamics further affect market pricing in a negative manner, the Group may experience a decline in traffic on its websites which in turn could adversely affect its revenue, business, financial condition and results of operations

The Group is exposed to risks of security breaches associated with online commerce security

In the processing of the Group's customer transactions and as the Group seeks to develop a data base of customers and members, the Group receives and stores a large volume of personally identifiable information and it relies on information collected online for the purposes of advertising to visitors to its websites. Security breaches, whether instigated internally or externally on the Group's systems or other internet based systems, could significantly harm the Group's business.

Security breaches could also damage the Group's reputation and cause existing and potential customers to lose confidence in its security, which would have a negative effect on the value of the Angling Direct brand. Moreover, public perception concerning general security and privacy on the internet could adversely affect customers' willingness to use the Group's website. A publicised breach of security, even if it were only to affect other companies conducting business over the internet, could inhibit the growth of consumer willingness to provide private information or effect commercial transactions on the internet and, therefore, demand for the Group's website as a means of conducting commercial transactions.

Expansion into overseas and new markets

The Group plans to explore opportunities to develop its business in international markets, predominantly within Europe. Although the potential of these markets appears to be great, there is the risk that the Group will be unable to obtain significant sales or profitability. There is an additional risk that the legal and/or regulatory regimes of the countries prove to be costly. Additionally, the time and money spent in penetrating these markets may cause disruption and harm to the Group's existing business.

The Group's expenses include fixed costs, principally related to operating a retail store network

Certain of the Group's costs are fixed and may not be easily reduced in the short term, including property leases related to the Group's retail store network. Therefore, the Group may not be able to reduce certain expenses promptly in response to any reduction in revenue. Should such a reduction occur and the Group be unable to reduce its fixed expenses accordingly, the Group's business, financial condition and results of operations would be materially adversely affected.

Change of control

Some of the contracts entered into by the Company as part of its insurance claim handling business require customer's consent upon the change of ownership or management of the Company. The Company has not sought customer consent as part of the Admission process, as described in this document, but will seek to obtain approval from insurance company customers as part of its ordinary course contract renewal process. If such customers are entitled to terminate their contracts with the Company and do so, this may materially adversely affect the Group's revenue and overall financial performance.

Certain Shareholders own a significant percentage of the Ordinary Shares. Following Admission, they will be in a position to exert influence on the Group and their interests may differ from other Shareholders.

Following Admission, the Founders will, together, hold 22,770,000 Ordinary Shares, representing 53.2 per cent. of the issued Ordinary Share capital. This significant concentration of share ownership may adversely affect the market value of the Ordinary Shares because investors may believe that there are disadvantages in owning shares in companies with controlling shareholders. The Founders may have the ability to determine the outcome of matters requiring shareholder approval, including any appointments to the Board and significant corporate transactions. In addition, the interests of the Founders may be different from the interests of the Group or other shareholders as a whole. This control could also have the effect of delaying or preventing an acquisition or other change of control of the Group.

RISKS RELATING TO THE ORDINARY SHARES

Suitability

Investment in the Ordinary Shares may not be suitable for all prospective investors. Prospective investors are, accordingly, advised to consult a person authorised under FSMA who specialises in investments of this nature before making any investment decisions.

Investment in AIM-traded securities

Investment in shares traded on AIM involves a higher degree of risk, and such shares may be less liquid, than shares in companies which are listed on the Official List. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for the admission of the Company's securities to the Official List. An investment in the Ordinary Shares may be difficult to realise. Prospective investors should be aware that the value of an investment in the Company may go down as well as up and that the market price of the Ordinary Shares may not reflect the underlying value of the Group. Investors may, therefore, realise less than, or lose all of, their investment.

Conditionality of the Placing

The Placing is conditional upon, among other things, Admission. In the event that any condition to which Admission is subject is not satisfied or, if capable of waiver, waived, Admission (and therefore the Placing) will not occur.

Share price volatility and liquidity

The share price of quoted companies can be highly volatile and shareholdings can be illiquid. The price at which the Ordinary Shares are quoted and the price which investors may realise their Ordinary Shares will be influenced by a large number of factors, some specific to the Group and its operations and others which may affect quoted companies generally. These factors could include the performance of the Group, large purchases or sales of the Ordinary Shares, legislative changes and general economic, political, regulatory or social conditions.

The Company may not be able to pay dividends

The Company does not intend to pay a dividend in the short to medium term. Any future dividend payments will be dependent upon the Group's financial condition, cash requirements, future prospects, profits available for distribution and other factors deemed to be relevant at the time and on the continued health of the markets in which it operates. There can be no guarantee that the Company will pay dividends in the foreseeable future.

Access to further capital

The Group may require additional funds to respond to business challenges, to further expand the Group or to enhance existing products and services. Accordingly, the Group may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issues of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Group in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which may make it more difficult for the Group to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, the Company may not be able to obtain additional financing on terms favourable to it, if at all. If the Group is unable to obtain adequate financing or financing on terms satisfactory to it, when the Group requires it, the Group's ability to continue to support its business growth and to respond to business challenges could be significantly limited or could affect its financial viability.

Future sale of Ordinary Shares

The Company is unable to predict when and if substantial numbers of Ordinary Shares will be sold in the open market following Admission. Any such sales, or the perception that such sales might occur, could result in a material adverse effect on the market price of the Ordinary Shares. The Group may require additional capital in the future which may not be available to it. The Company may raise capital in the future through public or private equity financings or by raising debt securities convertible into Ordinary Shares, or rights to acquire these securities. Any such issues may exclude the pre-emption rights pertaining to the then outstanding shares. If the Company raises significant amounts of capital by these or other means, it could cause dilution for the Company's existing shareholders. Moreover, the further issue of Ordinary Shares could have a negative impact on the trading price and increase the volatility of the market price of the Ordinary Shares. The Company may also issue further Ordinary Shares, or create further options over Ordinary Shares, as part of its employee remuneration policy, which could in aggregate create a substantial dilution in the value of the Ordinary Shares and the proportion of the Company's share capital in which investors are interested.

There is no guarantee that the Company will maintain its quotation on AIM

The Company cannot assure investors that the Company will always retain a quotation on AIM. Additionally, if in the future the Company decides to obtain a listing or quotation on another exchange in addition to AIM, the level of liquidity of the Ordinary Shares trade on AIM could decline.

No prior trading market for Ordinary Shares

Prior to the admission to trading on AIM, there was no public market for the Ordinary Shares. There can be no assurance that an active market for (and hence strong liquidity in the trading of) the Ordinary Shares will develop upon the Company's admission to trading on AIM, or if developed, that such market will be sustained.

Legislation and tax status

This document has been prepared on the basis of current legislation, regulation, rules and practices and the Directors' interpretation thereof. Such interpretation may not be correct and it is always possible that legislation, rules and practice may change. Any change in legislation and in particular in tax status and tax residence of the Group or in tax legislation or practise may have an adverse effect on the returns available on an investment in the Company.

Taxation

The attention of potential investors is drawn to paragraph 15 of Part IV of this document headed "Taxation". The tax rules and their interpretation relating to an investment in the Company may change during its life. Any change in the Company's tax status or in taxation legislation or its interpretation could affect the value of the investments held in the Company or the Company's ability to provide returns to Shareholders or alter the post-tax returns to Shareholders. Representations in this document concerning the taxation of the Company and its investors are based upon current tax law and practice which is, in principle, subject to change. Current and potential investors are strongly recommended to consult an independent financial adviser authorised under FSMA who specialises in investments of this nature before making any investment decision in respect of Ordinary Shares.

Forward-looking statements

Some of the statements in this document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views with respect to financial performance, business strategy, plans and objectives of management for future operations (including development plans relating to the Group's business). These statements include forward-looking statements both with respect to the Group and the sectors and industry in which the Group operates. All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Group's actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in this Part II of this document which should be read in conjunction with the other cautionary statements that are included in this document. Any forward-looking statements in this document reflect the Company's or, as appropriate, the Directors' current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity.

These forward-looking statements speak only as at the date of this document. Subject to any applicable obligations, the Company undertakes no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise, unless required by the Prospectus Rules, AIM Rules and Disclosure Guidance and Transparency Rules, as appropriate. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

PART III

FINANCIAL INFORMATION

Section A – Accountants Report on the Historical Consolidated Financial Information

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Price Bailey
CHARTERED ACCOUNTANTS

29 June 2017

The Directors
Angling Direct plc
2D Wendover Road
Rackheath Industrial Estate
Norwich
Norfolk
NR3 1HG

and

The Directors
Cenkos Securities plc
6 7 8 Tokenhouse Yard
London
EC2R 7AS

Dear Sirs

ANGLING DIRECT LIMITED (ANGLING DIRECT PLC FROM 21 June 2017)

We report on the financial information set out in Section B of Part III relating to Angling Direct Limited ("the Company" and with its subsidiaries HL & S Limited, Climax Fishing Tackle Limited and J Simpson (Angling) Limited, "the Group"). This financial information has been prepared for inclusion in the AIM Admission Document to be dated 29 June 2017 ("the **Admission Document**") on the basis of the accounting policies set out in the notes to the financial information.

The report is required by Paragraph (a) of Schedule Two of the AIM Rules for Companies and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the financial information on the basis of preparation set out in note 2 to the financial information and in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

It is our responsibility to form an opinion as to whether the financial information gives a true and fair view for the purposes of the Admission Document and to report our opinion to you.

Save for any responsibility arising under Paragraph (a) of Schedule Two of the AIM Rules for Companies to any person as and to the extent provided, and save for any responsibility that we have expressly agreed in writing to assume, to the fullest extent permitted by law we do not assume responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Paragraph (a) of Schedule Two of the AIM Rules for Companies, consenting to its inclusion in the Admission Document.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Basis for qualified opinion on the Consolidated statement of profit or loss, Consolidated statement of total comprehensive income, Consolidated statement of cashflows, and Consolidated statement of changes of equity for the year ended 31 January 2015

Under the Companies Act 2006, the Company was exempt from audit for the year ended 31 January 2014. As a consequence, the financial statements of the Company for the year ended 31 January 2014 were unaudited. We were unable to obtain sufficient, appropriate evidence with respect to the opening balance at 1 February 2014 of inventories of £1,433,870. Since inventories enters into the determination of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the Consolidated statement of profit or loss, Consolidated statement of total comprehensive income, Consolidated statement of cashflows, and Consolidated statement of changes of equity.

Qualified opinion on the Consolidated statement of profit or loss, Consolidated statement of total comprehensive income, Consolidated statement of cashflows, and Consolidated statement of changes of equity for the year ended 31 January 2015

In our opinion, except for the possible effects of the matter described above in the "Basis for qualified opinion on the Consolidated statement of profit or loss, Consolidated statement of total comprehensive income, Consolidated statement of cashflows, and Consolidated statement of changes of equity for the year ended 31 January 2015" paragraph, the Consolidated statement of profit or loss, Consolidated statement of total comprehensive income, Consolidated statement of cashflows, and Consolidated statement of changes of equity give a true and fair view of the Group's profit, cash flows and changes in equity for the year ended 31 January 2015, and have been properly prepared in accordance with International Financial Reporting Standards adopted by the European Union.

Unqualified opinion on the Consolidated statement of profit or loss, Consolidated statement of total comprehensive income, Consolidated statement of cashflows, and Consolidated statement of changes of equity for the years ended 31 January 2016 and 31 January 2017

In our opinion the Consolidated statement of profit or loss, Consolidated statement of total comprehensive income, Consolidated statement of cashflows, and Consolidated statement of changes of equity give a true and fair view of the Group's profit, cash flows and changes in equity for the years ended 31 January 2016 and 31 January 2017, and have been properly prepared in accordance with International Financial Reporting Standards adopted by the European Union.

Unqualified opinion on the Consolidated statement of financial position as at 31 January 2015, 31 January 2016 and 31 January 2017

In our opinion, the Consolidated statement of financial position gives a true and fair view of the state of the Group's affairs as at 31 January 2015, 31 January 2016 and 31 January 2017 and has been properly in accordance with International Financial Reporting Standards adopted by the European Union.

Declaration

For the purposes of Paragraph (a) of Schedule Two of the AIM Rules for Companies we are responsible for this report, as part of the Admission Document and declare that we have taken all reasonable care to ensure the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Schedule Two of the AIM Rules for Companies.

Yours faithfully

PRICE BAILEY LLP

PART III

FINANCIAL INFORMATION

Section B – Historical Consolidated Financial Information

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 JANUARY 2017

	NOTES	2017 £	2016 £	2015 £
CONTINUING OPERATIONS				
Revenue		21,031,944	16,352,100	11,130,859
Cost of sales		(13,859,341)	(10,581,887)	(6,992,622)
GROSS PROFIT		7,172,603	5,770,213	4,138,237
Distributions costs		(1,206,317)	(878,008)	(524,237)
Administrative expenses		(5,228,650)	(4,413,203)	(3,064,037)
OPERATING PROFIT		737,636	479,002	549,963
Finance Costs	4	(75,155)	(46,713)	(23,045)
PROFIT BEFORE INCOME TAX	5	662,481	432,289	526,918
Income tax	6	(102,130)	(66,743)	(100,483)
PROFIT FOR THE YEAR		560,351	365,546	426,435
Profit attributable to:				
Owners of the parent		560,351	365,546	426,435
Earnings per share expressed in pence per share:	8			
Basic		54,721.78	36,554.60	42,643.50
Diluted		54,721.78	36,554.60	42,643.50

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2017

	2017 £	2016 £	2015 £
PROFIT FOR THE YEAR	560,351	365,546	426,435
OTHER COMPREHENSIVE INCOME			
Item that may be reclassified subsequently to profit or loss:			
Bonus share issue	(9,000)	—	—
Income tax relating to item of other comprehensive income	—	—	—
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	(9,000)	—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	551,351	365,546	426,435
Total comprehensive income attributable to:			
Owners of the parent	551,351	365,546	426,435

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 JANUARY 2017

ASSETS		**2017**	**2016**	**2015**
NON-CURRENT ASSETS	**NOTES**	**£**	**£**	**£**
Goodwill	9	1,815,792	316,627	340,318
Property, plant and equipment	10	1,120,523	983,893	623,983
		2,936,315	1,300,520	964,301
CURRENT ASSETS				
Inventories	11	4,378,235	3,411,510	2,881,738
Trade and other receivables	12	496,287	652,717	274,900
Cash and cash equivalents	13	283,273	5,955	72,800
		5,157,795	4,070,182	3,229,438
TOTAL ASSETS		8,094,110	5,370,702	4,193,739
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital	14	1,410,000	1,000	1,000
Retained earnings	15	990,015	463,664	123,118
TOTAL EQUITY		2,400,015	464,664	124,118
LIABILITIES				
NON-CURRENT LIABILITIES				
Trade and other payables	16	200,000	1,331,533	1,381,533
Financial liabilities – borrowings				
Interest bearing loans and borrowings	17	1,119,674	447,738	365,799
Deferred tax	20	160,294	141,391	77,894
		1,479,968	1,920,662	1,825,226
CURRENT LIABILITIES				
Trade and other payables	16	3,362,345	2,402,613	1,841,221
Financial liabilities – borrowings				
Bank overdrafts	17	186,885	362,956	299,728
Interest bearing loans and borrowings	17	501,195	152,415	39,300
Tax payable		163,702	67,392	64,146
		4,214,127	2,985,376	2,244,395
TOTAL LIABILITIES		5,694,095	4,906,038	4,069,621
TOTAL EQUITY AND LIABILITIES		8,094,110	5,370,702	4,193,739

CONSOLIDATED STATEMENT OF CHANGES OF EQUITY
FOR THE YEAR ENDED 31 JANUARY 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 February 2014	1,000	(278,317)	(277,317)
Changes in equity			
Dividends	—	(25,000)	(25,000)
Total comprehensive income	—	426,435	426,435
Balance at 31 January 2015	1,000	123,118	124,118
Balance at 1 February 2015	1,000	123,118	124,118
Changes in equity			
Dividends	—	(25,000)	(25,000)
Total comprehensive income	—	365,546	365,546
Balance at 31 January 2016	1,000	463,664	464,664
Balance at 1 February 2016	1,000	463,664	464,664
Changes in equity			
Issue of share capital	1,409,000	—	1,409,000
Dividends	—	(25,000)	(25,000)
Total comprehensive income	—	551,351	551,351
Balance at 31 January 2017	1,410,000	990,015	2,400,015

CONSOLIDATED STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 JANUARY 2017

	Notes	2017 £	2016 £	2015 £
Cash flows from operating activities				
Cash generated from operations	1	(98,750)	213,850	(64,690)
Interest paid		(68,691)	(44,060)	(22,979)
Interest element of finance lease payments paid		(6,464)	(2,653)	(66)
Taxation refund		13,083	—	—
Net cash from operating activities		(160,822)	167,137	(87,735)
Cash flows from investing activities				
Purchase of goodwill		(1,523,469)	—	(29,000)
Purchase of tangible fixed assets		(216,197)	(389,637)	(159,895)
Sale of tangible fixed assets		18,000	2,790	—
Net cash from investing activities		(1,721,666)	(386,847)	(188,895)
Cash flows from financing activities				
New loans in year		1,250,000	250,000	250,000
Loan repayments in year		(266,844)	(123,270)	(61,221)
Capital repayments in year		(22,279)	(12,093)	(4,399)
Share issue		1,400,000	—	—
Equity dividends paid		(25,000)	(25,000)	(25,000)
Net cash from financing activities		2,335,877	89,637	159,380
Increase/(decrease) in cash and cash equivalents		453,389	(130,073)	(117,250)
Cash and cash equivalents at beginning of year	2	(357,001)	(226,928)	(109,678)
Cash and cash equivalents at end of year	2	96,388	(357,001)	(226,928)

NOTES TO THE STATEMENTS OF CASHFLOWS
FOR THE YEAR ENDED 31 JANUARY 2017

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

Group

	2017 £	2016 £	2015 £
Profit before income tax	662,481	432,289	526,918
Depreciation charges	148,995	131,045	96,395
Profit on disposal of fixed assets	(3,285)	—	—
Finance costs	75,155	46,713	23,045
	883,346	610,047	646,358
Increase in inventories	(966,725)	(529,772)	(1,231,260)
Decrease/(increase) in trade and other receivables	156,430	(377,817)	(893)
(Decrease)/increase in trade and other payables	(171,801)	511,392	521,105
Cash generated from operations	(98,750)	213,850	(64,690)

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 January 2017	31/1/17 £	1/2/16 £
Cash and cash equivalents	283,273	5,955
Bank overdrafts	(186,885)	(362,956)
	96,388	(357,001)

Year ended 31 January 2016	31/1/16 £	1/2/15 £
Cash and cash equivalents	5,955	72,800
Bank overdrafts	(362,956)	(299,728)
	(357,001)	(226,928)

Year ended 31 January 2015	31/1/15 £	1/2/14 £
Cash and cash equivalents	72,800	—
Bank overdrafts	(299,728)	(109,678)
	(226,928)	(109,678)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2017

1. STATUTORY INFORMATION

Angling Direct Limited Group is a group domiciled in United Kingdom. The parent is a private company, limited by shares and registered in England and Wales. The Company's registered number is 05151321 and registered office address is 2D Wendover Road, Rackheath Industrial Estate, Norwich, Norfolk, NR3 1HG.

The Group is primarily involved in the retail of sale of fishing tackle. The presentation currency of the financial statements is the Pound Sterling (£).

On 21 June 2017 Angling Direct Limited re-registered as a Public Limited Company and became Angling Direct plc.

2. ACCOUNTING POLICIES

Basis of preparation

This financial information has been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations as adopted by the EU and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial information has been prepared under the historical cost convention.

The financial information has been prepared in accordance with the requirements of the AIM Rules for Companies and represents financial information for the Group for each of the three years ended 31 January 2015, 31 January 2016 and 31 January 2017. The financial information has been prepared solely for the purposes of the Admission Document and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006.

The Group has adopted IFRS for the first time in this financial information. The Company's transition date to IFRS is 1 February 2015. The financial information has been prepared under the historical cost convention with the exception of certain items which are measured at fair value as disclosed in the accounting policies below. The principal accounting policies set out below have been consistently applied to all periods presented.

IFRS transition

IFRS 1 'First-time Adoption of International Financial Reporting Standards' permits companies adopting IFRS for the first time to take certain optional exemptions from the full retrospective application of IFRS. The Group adopted FRS 102 'The financial reporting standard applicable in the UK and Republic of Ireland' in its financial statements for the year ended 31 January 2016 with a restatement of its financial comparatives. FRS 102, also known as new UK Generally Accepted Accounting Practice ("new UK GAAP") is materially consistent to IFRS for the Group. No further transition disclosures are required from the conversion of the Group's new UK GAAP financial statements to this IFRS financial information.

Significant accounting judgements and estimates

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

Judgements

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

Estimates

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

Basis of consolidation

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

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

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

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue represents amounts received and receivable for goods provided to customers and work carried out in respect of services provided to customers.

Goodwill

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

Business combinations

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

Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	—	10 per cent. on reducing balance
Plant and machinery	—	10 per cent. on cost
Computer equipment	—	10 per cent. on cost

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

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

Investments

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

Financial instruments

Financial assets and financial liabilities are measured initially at fair value plus transactions costs. Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

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

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

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

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

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

Financial liabilities

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

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

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

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

Inventories

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

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

Taxation

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date.

Hire purchase and leasing commitments

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

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

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

Employee benefit costs

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

New IFRS standards and interpretations not yet adopted

At the date of approval of the financial information, a number of new IFRS standards, amendments and interpretations have been issued but are not yet effective and have not been applied in preparing the financial information.

The following new and revised Standards and Interpretations are relevant to the Group. The Directors do not anticipate that adoption of these will have a material impact on the financial information of the Group in future years.

Standard/ interpretation	Content	Applicable for financial periods beginning on or after
IFRS 9	Financial Instruments (amended July 2014)	1 January 2018
IFRS 12	Disclosure of interest in Other Entities (amended December 2016)	1 January 2017
IFRS 15	Revenue from Contracts with Customers (issued May 2014)	1 January 2018
IFRS 16	Leases (issued January 2016)	1 January 2019
IAS 7	Statement of Cash Flows (amended January 2016)	1 January 2017
IAS 12	Income Taxes (amended January 2016)	1 January 2017

3. EMPLOYEES AND DIRECTORS

	2017 £	2016 £	2015 £
Wages and salaries	2,600,495	2,198,787	1,604,451
Social security costs	182,952	147,715	117,527
Other pension costs	20,336	10,672	—
	2,803,783	2,357,174	1,721,978

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

	2017	2016	2015
Administration	22	22	15
Web development	4	4	4
Stores	76	67	57
Warehouse	27	29	18
Marketing	6	3	3
Management	8	8	8
Other	1	1	1
	144	134	106

	2017 £	2016 £	2015 £
Directors' remuneration	40,333	30,333	20,587
Directors' pension contributions to money purchase schemes	403	212	—

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	1	—

4. NET FINANCE COSTS

	2017 £	2016 £	2015 £
Finance costs:			
Bank interest	68,154	44,060	22,979
Loan	537	—	—
Leasing	6,464	2,653	66
	75,155	46,713	23,045

5. PROFIT BEFORE INCOME TAX

	2017 £	2016 £	2015 £
The profit before income tax is stated after charging/(crediting):			
Cost of inventories recognised as expense	13,859,341	10,581,887	7,883,592
Hire of plant and machinery	9,819	5,024	3,794
Other operating leases	454,576	394,807	—
Depreciation – owned assets	117,043	100,931	194,785
Depreciation – assets on finance leases	7,648	6,423	72,704
Profit on disposal of fixed assets	(3,285)	—	—
Auditors' remuneration	16,426	14,936	10,500

6. INCOME TAX

Analysis of tax expense

	2017 £	2016 £	2015 £
Current tax:			
Tax	92,167	3,246	64,146
Adjustment in respect of previous periods	—	—	2,422
Deferred tax	9,963	63,497	33,915
Total tax expense in consolidated statement of profit or loss	102,130	66,743	100,483

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £	2015 £
Profit before income tax	662,481	432,289	526,918
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 – 20%: 2015 – 21%)	132,496	86,458	110,652
Effects of:			
Expenses not deductible for tax purposes	4,407	7,607	2,937
Capital allowances for period in excess of depreciation	(23,380)	(63,497)	(24,464)
Utilisation of tax losses	(21,763)	(27,322)	(25,952)
Other tax adjustments	407	—	2,422
Deferred taxation	9,963	63,497	33,915
Effect of change in tax rate	—	—	973
Tax expense	102,130	66,743	100,483

7. DIVIDENDS

	2017 £	2016 £	2015 £
Ordinary shares of £1 each			
Interim	25,000	25,000	25,000

8. EARNINGS PER SHARE

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

Diluted earnings per share is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

Reconciliations are set out below.

	Earnings £	2017 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	560,351	1,024	54,721.78
Effect of dilutive securities	—	—	—
Diluted EPS – Adjusted earnings	560,351	1,024	54,721.78

	Earnings £	2016 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	365,546	1,000	36,554.60
Effect of dilutive securities	—	—	—
Diluted EPS – Adjusted earnings	365,546	1,000	36,554.60

	Earnings £	2015 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	426,435	1,000	46,543.50
Effect of dilutive securities	—	—	—
Diluted EPS – Adjusted earnings	426,435	1,000	46,543.50

9. GOODWILL

	£
COST	
At 1 February 2016	473,833
Additions	1,523,469
At 31 January 2017	1,997,302
IMPAIRMENT	
At 1 February 2016	157,206
Charge for year	24,304
At 31 January 2017	181,510
NET BOOK VALUE	
At 31 January 2017	1,815,792

Additions to Group plant and machinery in the year include assets with a fair value of £19,034 acquired on acquisition of the subsidiary Climax Fishing Tackle Limited.

COST	
At 1 February 2015 and 31 January 2016	473,833
IMPAIRMENT	
At 1 February 2015	133,515
Charge for year	23,691
At 31 January 2016	157,206
NET BOOK VALUE	
At 31 January 2016	316,627
COST	
At 1 February 2014 and 31 January 2015	473,833
IMPAIRMENT	
At 1 February 2014	109,824
Charge for year	23,691
At 31 January 2015	133,515
NET BOOK VALUE	
At 31 January 2015	340,318

10. PROPERTY, PLANT AND EQUIPMENT

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 February 2016	403,271	637,452	537,328	1,578,051
Additions	52,187	184,467	39,382	276,036
Disposals	—	(18,000)	—	(18,000)
At 31 January 2017	455,458	803,919	576,710	1,836,087
DEPRECIATION				
At 1 February 2016	165,317	264,365	164,476	594,158
Charge for year	25,662	47,800	51,229	124,691
Eliminated on disposal	—	(3,285)	—	(3,285)
At 31 January 2017	190,979	308,880	215,705	715,564
NET BOOK VALUE				
At 31 January 2017	264,479	495,039	361,005	1,120,523

Additions to Group plant and machinery in the year include assets with a fair value of £19,034 acquired on acquisition of the subsidiary Climax Fishing Tackle Limited.

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 February 2015	271,919	472,550	367,973	1,112,442
Additions	131,352	169,347	169,355	470,054
Disposals	—	(4,445)	—	(4,445)
At 31 January 2016	403,271	637,452	537,328	1,578,051
DEPRECIATION				
At 1 February 2015	142,451	225,028	120,980	488,459
Charge for year	22,866	40,992	43,496	107,354
Eliminated on disposal	—	(1,655)	—	(1,655)
At 31 January 2016	165,317	264,365	164,476	594,158
NET BOOK VALUE				
At 31 January 2016	237,954	373,087	372,852	983,893

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 February 2014	271,919	365,223	315,405	952,547
Additions	—	107,327	52,568	159,895
Surplus on revaluation	—	—	—	—
Disposals	—	—	—	—
At 31 January 2015	271,919	472,550	367,973	1,112,442
DEPRECIATION				
At 1 February 2014	128,058	196,975	90,722	415,755
Charge for year	14,393	28,053	30,258	72,704
Surplus on revaluation	—	—	—	—
Eliminated on disposal	—	—	—	—
At 31 January 2015	142,451	225,028	120,980	488,459
NET BOOK VALUE				
At 31 January 2015	129,468	247,522	246,993	623,983

Property, plant and equipment with a carrying value of £120,204 (2016: £73,994, 2015: £Nil) is held under finance lease contracts.

11. INVENTORIES

	2017 £	2016 £	2015 £
Finished goods	4,378,235	3,411,510	2,881,738

12. TRADE AND OTHER RECEIVABLES

	2017 £	2016 £	2015 £
Current:			
Trade debtors	141,190	338,677	37,839
Amounts owed by group undertakings	—	—	—
Other debtors	108,637	127,362	121,243
Prepayments and accrued income	246,460	186,678	115,818
	496,287	652,717	274,900

13. CASH AND CASH EQUIVALENTS

	2017 £	2016 £	2015 £
Bank deposit account	283,273	5,955	72,800

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	**Class:**	**Nominal value:**	**2017 £**	**2016 £**	**2015 £**
10,000	Ordinary	£1	10,000	1,000	1,000
1,400,000	Preference	£1	1,400,000	—	—
			1,410,000	1,000	1,000

The numbers of Ordinary shares in issue are as follows:

	2017 No.	**2016 No.**	**2015 No.**
At 1 February 2016	1,000	1,000	1,000
Bonus issue	9,000	—	—
At 31 January 2017	10,000	1,000	1,000

The 9,000 Ordinary shares were issued on 30 January 2017 on a *pro rata basis* to the existing Ordinary share holders.

The numbers of Ordinary shares are sub-divided into four classes as follows:

	2017 No.	**2016 No.**	**2015 No.**
Ordinary 'A'	3,960	396	396
Ordinary 'B'	3,960	396	396
Ordinary 'C'	880	88	88
Ordinary 'D'	1,200	120	120
At 31 January 2017	10,000	1,000	1,000

The numbers of Preference shares in issue are as follows:

	2017 No.	**2016 No.**	**2015 No.**
At 1 February 2016	—	—	—
Issued during the year	1,400,000	—	—
At 31 January 2017	1,400,000	—	—

The 1,400,000 Preference shares were issued on 30 June 2016. They have no voting rights and the holders are entitled to receive annual dividends at the discretion of the directors of between 0.5 per cent. and 4 per cent. of the issue price. The shares are redeemable at par at any time at the sole option of the company and by giving 14 days' notice to the holders.

15. RESERVES

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

Called up share capital	The called up share capital comprises the issued Ordinary and Preference shares of the Company issued at par.
Retained earnings	Retained earnings comprise the Group's cumulative accounting profits and losses since inception.

16. TRADE AND OTHER PAYABLES

	2017 £	2016 £	2015 £
Current:			
Trade creditors	2,461,887	1,629,379	1,502,730
Amounts owed to group undertakings	—	—	—
Social security and other taxes	330,525	283,128	96,692
Other creditors	387,508	343,366	45,218
Accruals and deferred income	182,425	146,740	196,581
	3,362,345	2,402,613	1,841,221
Non-current:			
Other creditors	200,000	1,331,533	1,381,533
	200,000	1,331,533	1,381,533
Aggregate amounts	3,562,345	3,734,146	3,222,754

17. FINANCIAL LIABILITIES – BORROWINGS

	2017 £	2016 £	2015 £
Current:			
Bank overdrafts	186,885	362,956	299,728
Bank loans	473,681	139,655	39,300
Finance leases (see note 18)	27,514	12,760	—
	688,080	515,371	339,028
Non-current:			
Bank loans – 1-2 years	1,041,304	392,174	365,799
Finance leases (see note 18)	78,370	55,564	—
	1,119,674	447,738	365,799

Terms and debt repayment schedules

2017	1 year or less £	1 – 2 years £	2 – 5 years £	Totals £
Bank overdrafts	186,885	—	—	186,885
Bank loans	473,681	364,779	676,525	1,514,985
Finance leases	27,514	29,397	48,973	105,884
	688,080	394,176	725,498	1,807,754

2016	1 year or less £	1 – 2 years £	2 – 5 years £	Totals £
Bank overdrafts	362,956	—	—	362,956
Bank loans	139,655	392,174	—	531,829
Finance leases	12,760	55,564	—	68,324
	515,371	447,738	—	963,109

2015	1 year or less £	1 – 2 years £	2 – 5 years £	Totals £
Bank overdrafts	299,728	—	—	299,728
Bank loans	39,300	365,799	—	405,099
Finance leases	—	—	—	—
	339,028	365,799	—	704,827

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases		
	2017 £	2016 £	2015 £
Net obligations repayable:			
Within one year	27,514	12,760	—
Between one and five years	78,370	55,564	—
	105,884	68,324	—

	Non-cancellable operating leases		
	2017 £	2016 £	2015 £
Within one year	463,618	38,000	14,000
Between one and five years	1,113,428	26,500	40,500
In more than five years	422,455	306,000	300,400
	1,999,501	370,500	354,900

19. FINANCIAL INSTRUMENTS

Financial assets and liabilities

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

As 31 January 2017	Loans and other receivables £	Non financial assets £	Financial liabilities at amortised cost £	Financial liabilities measured at fair value through profit and loss £	Non financial liabilities £	Total balance sheet heading £
Cash and cash equivalents	283,273	—	—	—	—	283,273
Trade receivables	141,190	—	—	—	—	141,190
Other receivables	—	355,097	—	—	—	355,097
Taxation	—	—	—	—	(494,227)	(494,227)
Bank loans and overdrafts – current	—	—	(660,566)	—	—	(660,566)
Bank loans and overdrafts – non current	—	—	(1,041,304)	—	—	(1,041,304)
Trade payables	—	—	(2,461,887)	—	—	(2,461,887)
Finance leases – current	—	—	(27,514)	—	—	(27,514)
Finance leases – non current	—	—	(78,370)	—	—	(78,370)
Other payables – current	—	—	(569,933)	—	—	(569,933)
Other payables – non current	—	—	(200,000)	—	—	(200,000)
Total	424,463	355,097	(5,039,574)	—	(494,227)	(4,754,241)

As 31 January 2016	Loans and other receivables £	Non financial assets £	Financial liabilities at amortised cost £	Financial liabilities measured at fair value through profit and loss £	Non financial liabilities £	Total balance sheet heading £
Cash and cash equivalents	5,955	—	—	—	—	5,955
Trade receivables	338,677	—	—	—	—	338,677
Other receivables	—	314,040	—	—	—	314,040
Taxation	—	—	—	—	(350,520)	(350,520)
Bank loans and overdrafts – current	—	—	(502,611)	—	—	(502,611)
Bank loans and overdrafts – non current	—	—	(392,174)	—	—	(392,174)
Trade payables	—	—	(1,629,379)	—	—	(1,629,379)
Finance leases – current	—	—	(12,760)	—	—	(12,760)
Finance leases – non current	—	—	(55,564)	—	—	(55,564)
Other payables – current	—	—	(490,106)	—	—	(490,106)
Other payables – non current	—	—	(1,331,533)	—	—	(1,331,533)
Total	344,632	314,040	(4,414,127)	—	(350,520)	(4,105,975)

As 31 January 2015	Loans and other receivables £	Non financial assets £	Financial liabilities at amortised cost £	Financial liabilities measured at fair value through profit and loss £	Non financial liabilities £	Total balance sheet heading £
Cash and cash equivalents	72,800	—	—	—	—	72,800
Trade receivables	37,839	—	—	—	—	37,839
Other receivables	—	237,061	—	—	(160,838)	76,223
Taxation	—	—	—	—	—	—
Bank loans and overdrafts – current	—	—	(339,028)	—	—	(339,028)
Bank loans and overdrafts – non current	—	—	(365,799)	—	—	(365,799)
Trade payables	—	—	(1,502,730)	—	—	(1,502,730)
Finance leases – current	—	—	—	—	—	—
Finance leases – non current	—	—	—	—	—	—
Other payables – current	—	—	(241,799)	—	—	(241,799)
Other payables – non current	—	—	(1,381,533)	—	—	(1,381,533)
Total	110,639	237,061	(3,830,889)	—	(160,838)	(3,644,027)

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

Financial risk management objectives and policies

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

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

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

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, currency risk, liquidity risk, and market price risk. This note presents information about the Group's exposure to each of these risks. The Board reviews and agrees policies for managing each of these risks as and when they arise. Further quantitative disclosures are included throughout the financial information.

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

Credit risk

The Group's exposure to credit risk in limited to the carrying amount of cash deposits and trade and other receivables recognised at the balance sheet date of £779,560 (2016: £658,672, 2015 £186,862). The risks associated with cash deposits are limited as the banks used are reputable. The principal credit risk therefore lies with trade receivables and in order to manage credit risk, limits are set for customers based upon a combination of payment history and third party credit references.

Interest rate risk

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

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

Sensitivity analysis

At the balance sheet date the Group had bank loans and overdrafts amounting to £1,701,870 (2016: £894,785, 2015: £704,827). An increase of 100 basis points in the interest rate at the reporting date could increase interest charges by £17,019 and reduce equity and profit and loss by a similar amount.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.

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

2017	Less than One year £	More than one year £	Total £
Trade and other payable	3,362,345	200,000	3,562,345
Borrowings	688,080	1,119,674	1,807,754
Other liabilities	163,702	—	163,702
	4,214,127	1,319,674	5,533,801

2016	Less than One year £	More than one year £	Total £
Trade and other payable	2,402,613	1,331,533	3,734,146
Borrowings	515,371	447,738	963,109
Other liabilities	67,392	—	67,392
	2,985,376	1,779,271	4,764,647

2015	Less than One year £	More than one year £	Total £
Trade and other payable	1,841,221	1,381,533	3,222,754
Borrowings	339,028	365,799	704,827
Other liabilities	64,146	—	64,164
	2,244,395	1,747,332	3,991,745

Fair values

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

Capital management

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

20. DEFERRED TAX

	2017 £	2016 £	2015 £
Balance at 1 February	141,391	77,894	43,979
Accelerated capital allowances	9,963	63,497	33,915
Acquisition of subsidiary	8,940	—	—
Balance at 31 January	160,294	141,391	77,894

21. PENSION COMMITMENTS

The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to the Income Statement in the year to which they relate. The charge for the year was £20,336 (2016: £10,672, 2015: £Nil).

22. RELATED PARTY DISCLOSURES

Hillages Limited

D I Bailey, W P F Hill and M G Page are directors of Hillages Limited, a company with which the Group traded on a commercial basis throughout the year. During the year the company charged Angling Direct Limited £65,000 rent and recharged £16,203 costs. At the balance sheet date the Group owed £138,795 (2016: £961,600 – 2015: £840,371) to the company.

Sportquest Holidays Limited

A company in which Hillages Limited is a shareholder. During the year the company supplied Angling Direct Limited with holidays as prizes for its 'King of the Catch' promotion. At the balance sheet date £7,613 was owed to Sportquest Holidays Limited (2016: £80, 2015: £Nil)).

J Simpson (Angling) Limited

At the balance sheet date Angling Direct Limited owed £5,000 (2016: £5,000, 2015: £5,000) to its wholly owned dormant subsidiary.

HL & S Limited

Angling Direct Limited traded on a commercial basis with its wholly owned subsidiary. During the year the Group supplied stock to, and collected sales income on behalf of the company, with net income amount to £80,943. At the balance sheet date was owed £339,301 (2016: £34,154, 2015: £160,274) by its subsidiary.

Climax Fishing Tackle Limited

D I Bailey and M G Page are directors of Climax Fishing Tackle Limited following its acquisition on 21 July 2016. The Group traded on a commercial basis with the company and during the year Angling Direct Limited supplied stock of £799,097 to the company and received dividends of £4,487,307. At the balance sheet date the Group was owed £543,016 (2016: £Nil, 2015: £Nil) by the subsidiary.

Contex Builders Limited

D I Bailey is a director of Contex Builders Limited, a company with which the Group traded on a commercial basis. During the year the company supplied building materials to Angling Direct Limited for £6,954 and Angling Direct Limited recharged £1,200 in respect of electricity supplies. At the balance sheet date £2,203 (2016: £101,340, 2015: £Nil) was owed to the company.

Wroxham Angling Limited

W P F Hill is a director of Wroxham Angling Limited, a company with which the Group traded on a commercial basis. During the year Angling Direct Limited recharged costs of £2,282 to the company and purchased its tackle shop business as a going concern for £224,436. At the balance sheet date was owed £11,277 (2016: £215,765, 2015: £Nil) by the company.

Key management personnel compensation

The directors' and key management personnel of the Group during the year were as follows:

Mr D I Bailey (Managing director)
Mr K Easton (Finance manager)
Mr W Putman (Operations manager)
Mr S Downing (Commercial manager)

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

	2017 £	2016 £	2015 £
Short-term employee benefits	195,003	196,247	—
Post-employment benefits	1,753	1,063	—
Termination benefits	—	—	—
Share-based benefits	—	—	—
	196,756	197,310	—

The directors during the year under review were:

Mr D I Bailey
Ms J Higdon (Left the Board on 6.04.2017)
Mr W P F Hill (Left the board on 7.04.2017)
Mr M G Page

The beneficial interests of the directors holding office on 31 January 2017 in the issued share capital of the company were as follows:

Ordinary £1 shares	2017 £	2016 £	2015 £
Mr D I Bailey	880	88	88
Ms J Higdon	—	—	—
Mr W P F Hill	3,960	396	396
Mr M G Page	3,960	396	396
Preference £1 shares			
Mr D I Bailey	86,240*	—	—
Ms J Higdon	—	—	—
Mr W P F Hill	572,880*	—	—
Mr M G Page	572,880*	—	—

* held indirectly via interest in Hillages Limited.

Aggregate Directors' Remuneration

The remuneration paid to the directors, inclusive of Employer National Insurance contributions, in accordance with service contracts during the year ended 31 January 2017 was as follows:

	Salary & fees £	Pensions £	2017 Total £	2016 Total £	2015 Total £
Mr D I Bailey (Managing director)	44,780	403	45,183	33,612	19,917

23. EVENTS AFTER THE REPORTING PERIOD

There has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material nature, likely, in the opinion of the Directors of the Group to affect:

i) The Group's operations in future financial periods; or

ii) The results of those operations in future periods; or

iii) The Group's state of affairs in future financial periods.

The Company intends to redeem the 1,400,000 Preference shares at par upon Admission.

On 19 June 2017 the Company undertook a subdivision of its Ordinary shares. Each £1 Ordinary share was subdivided into 100 Ordinary Shares of £0.01 each. In addition the Company made a bonus issue of 30.25 Ordinary Shares of £0.01 for each Ordinary Share held.

24. BUSINESS COMBINATIONS

On 21 July 2016 the Company acquired the entire share capital of Climax Fishing Tackle Limited, a company incorporated in England and Wales, for consideration payable in cash.

The assets and liabilities acquired were as follows:

	Book value
	£
ASSETS	
Non-Current Assets	
Fixed assets	19,034
	19,034
Current Assets	
Inventories	300,000
Trade and other receivables	3,052,668
Cash and cash equivalents	1,573,692
	4,926,360
Total Assets	4,945,394
LIABILITIES	
Trade and other payables	(244,270)
Tax payable	(204,677)
Deferred tax liability	(8,940)
Total liabilities	(457,887)
Net Assets	4,487,507
Net Assets Acquired	4,487,507
Goodwill	1,508,316
Consideration and Cost of Investment	5,995,823
Cash paid in year	(5,595,823)
Deferred consideration	400,000

The directors consider that the book value of the assets acquired do not differ significantly from the fair value and no adjustment is required.

PART IV

ADDITIONAL INFORMATION

The Company and the Directors, whose names appear on page 7 of this Document, accept responsibility, collectively and individually, for the information contained in this Document, including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge of the Company and the Directors (having taken all reasonable care to ensure such is the case) the information contained in this Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

1. The Company

1.1 The Company was originally incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05151321 on 11 June 2004 as a private company limited by shares with the name Angling Direct (Essex) Ltd. The Company changed its name on 18 December 2007 to Angling Direct Limited.

1.2 The Company was re-registered under the Act as a public company limited by shares on 21 June 2017 with the name Angling Direct plc.

1.3 The principal legislation under which the Company operates is the Act and the regulations made thereunder.

1.4 The liability of the members of the Company is limited.

1.5 The registered office of the Company is 2d Wendover Road, Rackheath Industrial Estate, Rackheath, Norwich, Norfolk NR13 6LH and its telephone number is +44 (0) 1603 400870.

1.6 The Company is the ultimate holding company of the Group. The Company has three subsidiaries, further details of which are set out in paragraph 2 of this Part IV below.

1.7 The principal activity of the Company is to act as the ultimate holding company of the Group and to undertake, with its subsidiary HL&S Limited, the principal activities which are described in more detail in Part I of this Document.

1.8 The accounting reference date of the Company is 31 January.

1.9 The website address of the Company is www.anglingdirect.co.uk and the information required to be disclosed by the Company in accordance with rule 26 of the AIM Rules may be found there.

2. The Subsidiaries

2.1 J. Simpson (Angling) Limited (dormant)

J. Simpson (Angling) Limited ("**JSA**") was incorporated and registered in England and Wales under the Companies Acts 1948 to 1967 with registered number 01051615 on 26 April 1972 as a private company limited by shares, having its registered office at 2d Wendover Road, Rackheath Industrial Estate, Rackheath, Norwich, Norfolk NR13 6LH. Martyn Page and Darren Bailey are the directors of JSA. Immediately prior to the acquisition of JSA by the Company, John Simpson and Mavis Simpson were the shareholders of JSA. The Company entered into a share purchase and option agreement dated 4 November 2008, giving it the right to acquire the entire issued share capital of JSA from John Simpson and Mavis Simpson. The business and assets of JSA were hived up into the Company with effect from 1 February 2013 and JSA is now dormant, although the assignment of the lease to the Company is awaiting landlord's consent.

2.2 HL&S Limited (operates tackle store from Chelmsford premises)

HL&S Limited ("**HL&S**") was incorporated and registered in England and Wales under the Companies Act 1985 with registered number 04029735 on 10 July 2000 as a private company limited by shares, having its registered office at 2d Wendover Road, Rackheath Industrial Estate, Rackheath, Norwich, Norfolk NR13 6LH. Darren Bailey and William Hill are the directors of HL&S. On 23 May 2012 the Company entered into an agreement with Richard Beaumont for the acquisition of the entire issued share capital of HL&S.

2.3 **Climax Fishing Tackle Limited (dormant)**

Climax Fishing Tackle Limited ("**Climax**") was incorporated and registered in England and Wales under the Companies Act 1985 with registered number 04634358 on 13 January 2003 as a private company limited by shares, having its registered office at 2d Wendover Road, Rackheath Industrial Estate, Rackheath, Norwich, Norfolk NR13 6LH. Martyn Page and Darren Bailey are the directors of the company. Climax was acquired by the Company pursuant to a share purchase agreement dated 21 July 2016. The business of Climax has been hived up to the Company with effect from 1 February 2017.

2.4 Each of the Subsidiaries is wholly-owned by the Company.

2.5 None of the Company's subsidiaries has issued or has agreed to issue any convertible or redeemable securities or any option to subscribe for securities of any nature.

3. Share capital of the Company

3.1 The Register of Allotments and Register of Members of the Company record the following transactions in shares in respect of the period to 22 March 2017:-

Date	**Event**
11.06.2004	Company incorporated by London Law Agency with 1 A Share of £1.00 each issued to Temple Secretaries Limited, forfeited and re-allotted and issued to Martyn Page.
31.07.2004	44 A Shares allotted and issued to Martyn Page 45 B Shares allotted and issued to William Hill 10 C Shares allotted and issued to Darren Bailey
27.10.2011	A bonus issue on the basis of 7.8 shares per 1 share held resulted in the following further allotments and issues:- Martyn Page – 351 A Ordinary William Hill – 351 B Ordinary Darren Bailey – 78 C Ordinary
23.05.2012	Allotment and issue to Richard Alan Beaumont - 120 D Ordinary Shares
30.06.2016	Loans totalling £1,400,000 owing to Richard Beaumont and Hillages Limited were capitalised and the following preference shares were allotted and issued: Hillages Limited – 1,232,000 Preference Shares of £1.00 each Richard Beaumont – 168,000 Preference Shares of £1.00 each
31.01.2017	9 for 1 bonus issue resulted in the allotment and issue of the following further shares: Martyn Page – 3,564 A Ordinary William Hill – 3,564 B Ordinary Darren Bailey – 792 C Ordinary Richard Beaumont – 1,080 D Ordinary
22.03.2017	The A, B, C and D Ordinary Shares were all reclassified as one class of Ordinary Share of £1 each and new articles of association were adopted. An EMI Share Option Scheme was approved by the Company and share options were granted to the following employees: Darren Bailey – 212 Ordinary Shares Keith Easton – 106 Ordinary Shares Wouter Putman – 106 Ordinary Shares Stuart Downing – 106 Ordinary Shares

3.2 On 22 March 2017, the Company passed via special resolution the re-designation of its ordinary A shares, ordinary B shares, ordinary C shares and ordinary D shares each to an equal number of ordinary shares of £1.00 each.

3.3 On 22 March 2017, the Company adopted new articles of association in substitution for, the existing articles of association of the Company which were deleted in their entirety. These articles contained authority for the Directors to offer or allot, grant rights to subscribe for or to convert any security into, and otherwise deal in or dispose of shares in the Company up to an aggregate nominal amount of £1,411,111.

3.4 On 22 March 2017 the Company, by way of special resolution, confirmed the disapplication of pre-emption rights in respect of the allotment or offer of equity securities in the Company up to an aggregate nominal amount of £1,111, being the number of shares proposed to be made available under the terms of the EMI Share Option Scheme of the Company, the terms of which are summarised in paragraph 6 below of this Part IV.

3.5 The text of the special resolution passed on 22 March 2017 is as follows:

3.5.1 THAT the pre-emption rights under article 34.3 of the Company's articles of association shall be and are hereby disapplied and the directors be and are generally empowered to allot equity securities (as defined in section 560 of the Companies Act 2006) in respect of the allotment or offer of shares in the Company or any rights to subscribe for or to convert security into shares in the Company granted or to be granted pursuant to the Angling Direct Limited Enterprise Management Incentives (EMI) Share Option Scheme, up to an aggregate nominal amount of £1,111.

3.6 On 19 June 2017 the Company resolved by way of special resolution, to sub-divide the existing 10,000 ordinary shares of £1 each in the capital of the Company into 1,000,000 ordinary shares of £0.01 and further resolved by way of ordinary resolution to capitalise the sum of £302,500, being part of the amount standing to the credit of the profit and loss account of the Company, and appropriate the sum so capitalised to the members who would have been entitled to it if it were distributed by way of dividend and apply such sum on their behalf by paying up in full unissued shares of the Company of a nominal amount equal to that sum and allot the shares credited as fully paid to those members. Further, by way of special resolution at that date, the Company adopted the Articles, which are the current articles of association of the Company and which are summarised in paragraph 4 below. On 23 June 2017 the Company passed an ordinary resolution and a special resolution to authorise the Directors to allot and issue the Placing Shares and further shares (and rights to subscribe to shares) up to £64,375 in nominal value, and on a non pre-emptive basis, for cash.

3.7 Save as detailed in paragraphs 3.1 to 3.6 above the Company has not allotted, issued, consolidated, divided or otherwise altered its issued share capital, nor has any part of the issued share capital been transferred. The Ordinary Shares are ordinary shares of £0.01 each in the Company. The ISIN of the Ordinary Shares is GB00BF1XGQ00.

3.8 The issued Ordinary Share capital of the Company as at the date of this Document and as it shall be at Admission is set out below:

	Number of Ordinary Shares	**Number of Preference Shares**	**Aggregate Nominal Value**
At the Date of this Document:	31,250,000	1,400,000	£1,712,500
At Admission:	42,812,500	0	£428,125

3.9 On Admission, in addition to the authorities in respect of the Placing Shares, the Company will be authorised to issue a further 6,437,500 Ordinary Shares for cash and on a non pre-emptive basis. Of these Ordinary Shares, an aggregate of 2,150,771 may fall to be allotted and issued pursuant to the option deed in favour of Cenkos summarised in paragraph 12.4 (as to 234,375 Ordinary Shares), pursuant to the EMI options summarised in paragraph 6.1.2 (as to 1,645,311 Ordinary Shares) and pursuant to the potential subscriptions by employees summarised in paragraph 6.2 (as to 271,085 Ordinary Shares). The remaining 4,286,729 Ordinary Shares that the Company is authorised to issue and allot for cash represent approximately 10 per cent. of the Company's issued share capital at Admission.

3.10 Following Admission, the Ordinary Shares may be held in either certificated form or in uncertificated form.

3.11 The shares to be issued upon Admission will rank *pari passu* in all respects with the existing Ordinary Shares and shall rank *pari passu* for all dividends or other distributions hereafter declared, paid or made on existing Ordinary Shares.

3.12 Save as disclosed in paragraph 6 and paragraph 12.4 of this Part IV of this Document:

3.13.1 the Company does not have in issue any securities not representing share capital and there are no outstanding convertible or redeemable securities issued by the Company;

3.13.2 no loan capital of the Company has been issued or is proposed to be issued;

3.13.3 no commissions, discounts, brokerage or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company;

3.13.4 the Company does not hold any of its own Ordinary Shares and none of the Subsidiaries hold any of the Ordinary Shares; and

3.13.5 no person or entity has any preferential subscription rights for any share capital of the Company or any other member of the Group.

3.13 The Ordinary Shares have not been admitted to dealing on any recognised investment exchange or other trading facility nor has any application for such admission been made, and it is not intended to make other arrangements for dealings in the Ordinary Shares on any such exchange other than the application to be made in connection with the Admission.

3.14 The Company has unrestricted corporate capacity and can borrow, guarantee and give security.

3.15 There are no redemption provisions associated with any of the Ordinary Shares. Upon Admission, the 1,400,000 Preference Shares of £1 each will be redeemed at par, plus any dividend accrued on the nominal value of the Preference Shares at the rate of 0.5 per cent. per annum. Of the 1,400,000 Preference Shares, 1,232,000 Preference Shares are held by Hillages Limited and 168,000 Preference Shares are held by Richard Beaumont. Hillages Limited is a related party to the Company, as set out in paragraph 14.1 of this Part IV.

3.16 The Ordinary Shares are freely transferrable. Upon Admission, and following redemption of the Preference Shares, which will occur on the date of Admission, the Ordinary Shares will be the only class of shares in issue.

3.17 No person has any voting rights in respect of the share capital of the Company which differ from those of any other shareholder.

4. Memorandum and Articles of Association

Below is a summary of the Articles which is qualified in its entirety by the contents of the Articles which are available for inspection by following the link in the Investor section of the website of the Company at www.anglingdirect.co.uk in accordance with Rule 26 of the AIM Rules:

4.1 **Objects**

The Articles contain no specific restrictions on the company's objects and therefore, by virtue of section 31(1) of the Act, the Company's objects are unrestricted. The Company may change its name by resolution of the Board.

4.2 **Preference Shares**

The Articles set out the rights of the 1,400,000 Preference Shares of £1 each currently in issue and provide that upon the date of Admission, the Preference Shares will all be automatically redeemed at par plus any accrued dividend up to the date of redemption, without the need for notice to be given.

4.3 **Voting Rights**

Subject to paragraph 4.7 below, and to any special terms as to voting upon which any shares may for the time being, be held, on a show of hands every member who (being an individual) is present in person or by proxy (being a corporation) is present by a duly appointed representative shall have one vote and on a poll every member present in person or by a representative or proxy shall have one vote for every ordinary share in the capital of the Company held by him. A proxy need not be a member of the Company.

4.4 **Variation of class rights**

If at any time the capital of the Company is divided into different classes of shares the rights attached to any class may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated, whether or not the Company is being wound up, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the affected class, or with the sanction of a special resolution passed at a separate general meeting of the holders of shares of that class (but not otherwise). At every such separate general meeting the quorum shall be two persons holding or representing by proxy one-third in nominal value of the issued shares of that class.

4.5 **Alteration of capital**

The Company may by ordinary resolution increase its share capital, consolidate and divide all or any of its share capital into shares of a larger nominal value, sub-divide all or any of its shares into shares of a smaller nominal value and cancel any shares not taken, or agreed to be taken, by any person.

The Company may, subject to the Act, by special resolution reduce or cancel its share capital or any capital redemption reserve or share premium account.

Subject to and in accordance with the provisions of the Act, the Company may purchase its own shares (including any redeemable shares), provided that the Company shall not purchase any of its shares unless such purchase has been sanctioned by a special resolution passed at a separate meeting of the holders of any class of shares convertible into equity share capital of the Company.

4.6 **Transfer of shares**

A member may transfer all or any of his shares (1) in the case of certificated shares by instrument in writing in any usual or common form or in such other form as may be approved by the Directors and (2) in the case of uncertificated shares, through CREST in accordance with and subject to the CREST Regulations and the facilities and requirements of the relevant system concerned. The instrument of transfer of a certificated share shall be executed by or on behalf of the transferor and, in the case of a partly paid share, by or behalf of the transferee.

The Board may in its absolute discretion refuse to register any transfer of shares all or any of which are not fully paid, provided that dealings in the shares are not prevented from taking place on an open and proper basis. The Directors may also refuse to register a transfer of shares (whether fully paid or not) if the transfer is in favour of more than four persons jointly.

4.7 **Dividends**

The Company may by ordinary resolution in general meeting declare dividends provided that no dividend shall be paid otherwise than out of profits and no dividend shall exceed the amount recommended by the Directors. The Directors may from time to time pay such interim dividends as appear to the Directors to be justified.

Subject to the rights of persons, if any, holding shares with special dividend rights, and subject to paragraph 4.8 below, all dividends shall be apportioned and paid *pro rata* according to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid.

All dividends unclaimed for a period of twelve years after the payment date for such dividend shall be forfeited and shall revert to the Company.

4.8 **Suspension of rights**

If a member or any other person appearing to be interested in shares held by such shareholder has been duly served with notice under section 793 of the Act and is in default in supplying to the Company within the prescribed period in such notice the information thereby required, then such member shall not be entitled to vote or to exercise any right conferred by membership in relation to meetings of the Company in respect of the shares which are the subject of such notice. Where the holding represents not less than 0.25 per cent. of the issued shares of that class the payment of dividends shall be withheld, and such member shall not be entitled to transfer such shares otherwise than by an arm's length sale.

4.9 **Return of capital**

Subject to any preferred, deferred or other special rights, or subject to such conditions or restrictions to which any shares in the capital of the Company may be issued, on a winding-up or other return of capital, the holders of ordinary shares are entitled to share in any surplus assets *pro rata* to the amount paid up on their ordinary shares.

4.10 **Pre-emption rights**

There are no rights of pre-emption under the Articles in respect of transfers of issued Ordinary Shares.

In certain circumstances, the Company's shareholders may have statutory pre-emption rights under the Act in respect of the allotment of new shares in the Company. These statutory pre-emption rights would require the Company to offer new shares for allotment by existing shareholders on a *pro rata* basis before allotting them to other persons. In such circumstances, the procedure for the exercise of such statutory pre-emption rights would be set out in the documentation by which such shares would be offered to the Company's shareholders.

4.11 **Shareholder Meetings**

Annual general meetings should be held within the time periods specified by the Act. Other general meetings may be called whenever the directors think fit or when one has been requisitioned in accordance with the Act. Two members present in person or by proxy (or, being a corporation, present by a duly appointed representative) at the meeting and entitled to vote shall be a quorum for all purposes.

Annual general meetings are called on at least 21 days' notice in writing, exclusive of the day of which the notice is served or deemed to be served and of the day on which the meeting is to be held. Other general meetings are to be called on 14 days' notice in writing exclusive of the day on which the notice is served or deemed to be served and the day on which the meeting is to be held. The annual general meeting may be called on shorter notice providing all members entitled to attend and vote agree and a general meeting can be called on shorter notice if a majority in number of the members having a right to attend and vote at the general meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right, consent.

The Company may specify in the notice of meeting a time, by which a person must be entered into the register in order to have the right to attend or vote at the meeting. In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll vote instead of him/her, and that a proxy need not be a member.

4.12 **Directors**

Subject to the provisions of the Articles and any directions given by special resolution, the business of the Company shall be managed by the Board, which may exercise all the powers of the Company. The Board may from time to time make such arrangements as it thinks fit for the management and transaction of the Company's affairs in the United Kingdom or elsewhere.

The Company may by ordinary resolution or by resolution of the Board elect a person who is willing to act to be a Director either to fill a vacancy or as an additional Director. The minimum number of Directors is two and there is no maximum number of Directors. Each director must retire at least once every three years, and will be eligible for re-election.

The Board may, subject to the quorum and voting requirements set out in the Articles, authorise any matter which would otherwise involve a director breaching his duty under Statute to avoid conflicts of interest. Any director may propose that the relevant director be authorised in relation to any matter the subject of such a conflict.

Any authority given by the Board in respect of a conflict may be granted provided that the relevant director shall not count towards the quorum nor vote on any resolution giving such authority, except where the interest cannot reasonably be regarded as likely to give rise to a conflict or where the interest arises only from certain matters set out in the Articles such as the provision of guarantees and contracts with third parties in which he is interested, provided he has fully declared his interest.

The Directors of the Company may be paid such remuneration (by way of fee) for their services as may be determined by the Board. Each Director shall be entitled to be repaid all travelling and other expenses in relation to the business of the Company.

Any Director who by request of the Board performs special services or goes or resides abroad for any purposes of the Company may be paid such extra remuneration by way of salary, commission, percentage of profits or otherwise as the Board may decide.

A director may hold any other office or employment with the Company (other than the office of auditor) in conjunction with his office of director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine.

4.13 **Borrowing restrictions**

The Board may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital, and, subject to the Statutes, to issue debentures and other securities, whether outright or as collateral security, for any debt, liability or obligation of the Company or of any third party.

4.14 **Notification of interests in the Ordinary Shares**

Save as referred to in paragraph 4.8 above, the disclosure of shareholdings is not a requirement of the Articles. However, pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules, a person must notify the Company of the percentage of its voting rights he holds as shareholder or through his direct or indirect holding of certain financial instruments (or a combination of such holdings) if the percentage of those voting rights reaches, exceeds or falls below 3 per cent. or any whole percentage figure above 3 per cent. (a) as a result of an acquisition or disposal of shares or such financial instruments or (b) as a result of events changing the breakdown of voting rights and on the basis of information disclosed by the Company in accordance with the Disclosure Guidance and Transparency Rules. Certain voting rights held by investment managers, unit trusts, OEICS and market makers can be disregarded except at the thresholds of 5 per cent. and 10 per cent. and above.

5. Mandatory Takeover Bids, Squeeze-out and Sell-out Rules Relating to the Ordinary Shares

5.1 ***Mandatory Bids***

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

5.1.1 a person acquires an interest in shares in the Company which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or

5.1.2 a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested, the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Takeover Panel) to make a cash offer for the outstanding shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquirer or its concert parties during the previous twelve months.

5.2 **Squeeze-out and sell-out**

Under sections 974 to 991 of the Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates, it may then compulsorily acquire the outstanding shares not assented to the offer. In addition, pursuant to section 983 of the Act, if an offeror acquires or agrees to acquire not less than 90 per cent of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his shares on the same terms as the takeover offer.

6. Share Option Scheme

6.1 The Company adopted a share option scheme, namely the Angling Direct Limited Enterprise Management Incentive (EMI) Share Option Scheme, (the "**Share Option Scheme**") on 22 March 2017 as set out below.

6.1.1 *Eligible Employees* – An Eligible Employee is defined in the Share Option Scheme as:

"any individual who at the Date of the Grant:

(a) is an Employee whose Committed Time is at least 25 hours per week or, if less, 75 per cent. of his "working time" (as defined in paragraph 27 of Schedule 5 Income Tax (Earnings and Pensions) Act 2003) ("ITEPA"));

(b) does not have a Material Interest as defined in paragraph 29 of Schedule 5 ITEPA; and

(c) has no Associate or Associates as defined in paragraphs 31 to 33 of Schedule 5 ITEPA who or which has or (taken together) have a Material Interest."

Committed Time is defined as:

"the time an individual is required to spend on the business of the Company or any Qualifying Subsidiary including such time as would be so spent but for absence through injury, ill-health or disability, holiday entitlement, pregnancy, childbirth, maternity, paternity or parental leave or not being required to work during a period of notice of termination of employment."

6.1.2 *Grant of Options* – The Company has granted EMI options which were varied, in accordance with the Share Option Scheme rules, on 21 June 2017 to take account of the recent sub-division of shares and bonus issue to subscribe for Ordinary Shares in the Company to the following persons:

Option holder	Number of Ordinary Shares under option	Exercise Price	Exercise Period
Darren Bailey	658,125	£0.01	24 March 2020 to 23 March 2027
Keith Easton	329,062	£0.01	24 March 2020 to 23 March 2027
Wouter Putman	329,062	£0.01	24 March 2020 to 23 March 2027
Stewart Downing	329,062	£0.01	24 March 2020 to 23 March 2027

At any time, the Company may grant to other Eligible Employees options to acquire a specified number of shares in the Company. No amount is to be payable by the employee for the grant of the option.

6.1.3 *Option Price* – The price payable per share on the exercise of an option is determined by the Company (and is specified in the option holder's option agreement) but cannot be less than the nominal value of a share.

6.1.4 *Individual Limit* – At any time, the total market value of the shares (at the date granted) that an Eligible Employee can acquire on the exercise of EMI options cannot exceed £249,999 (or such other amount as specified by paragraph 5 of Schedule 5ITEPA at the relevant time).

If an Eligible Employee is granted EMI options over shares above the individual limit, that option will not be an EMI option if the date of the grant of that option is within three years after the grant date of the last EMI option granted to them that fell within the individual limit.

The grant of any option above the individual limit will be treated as being the subject of a separate (non-EMI) option that will be subject to the Share Option Scheme.

6.1.5 *Overall Limit* – At any time, the total market value of the shares (at the date granted) which can be acquired on the exercise of all EMI options over such shares must not exceed £3,000,000 (or such other amount as specified by paragraph 7 of Schedule 5 ITEPA at the relevant time).

The grant of any option above the overall limit will be treated as being the subject of a separate (non-EMI) option that will be subject to the Share Option Scheme.

The Company currently intends to limit the grant of any further options under the EMI options to 10 per cent. of the current issued Ordinary Share Capital at any time.

6.1.6 *Exercise* – An option can only be exercised on or after the date specified in the relevant option agreement and within ten years (unless a shorter period is specified in the option agreement) and if any exercise conditions have been satisfied.

An option holder cannot exercise an option if they are subject to ongoing disciplinary proceedings or there is investigation into their conduct by any group company, if there is a breach of the option holder's employment contract that is a potentially fair reason for dismissal or while they are in breach of a fiduciary duty owed to any group company.

An option can be exercised over all (not part of) the shares under that option by the option holder giving written notice to the Company and paying the relevant price for the shares in question. Within 30 days the shares will be allotted and issued and a share certificate issued to the option holder.

6.1.7 *Lapse of Options* – No option may be exercised after the tenth anniversary of the date the option was granted.

An option (or the appropriate part an option) with exercise conditions attached to it will lapse if the Company considers that the condition has become incapable of being satisfied in whole or in part.

An option lapses immediately upon the option holder ceasing to be an Eligible Employee.

6.1.8 *Takeovers* – The board can notify an option holder that the option may be exercised if a person (or, at the discretion of the board, a group of people acting in concert) offers to acquire the whole of the issued share capital of the Company, offers to acquire all the shares in the Company of the same class or negotiates a sale and purchase agreement with the shareholders which contemplates that the person will obtain control of the Company on completion. The board will specify a reasonable period for the option to be exercised ending immediately before the change of control of the Company. If the option is not exercised by the expiry of the specified period, it will lapse.

If the above process is not followed and there is a change of control of the Company, the board will notify the option holder within a reasonable time that the option may be exercised. The option holder will have 30 days after this notice to exercise the option after which time the option will lapse.

The board may consider that the above circumstances would not trigger the exercise of options if the change is part of a corporate restructure under which the beneficial ownership of the business of the group companies will remain substantially the same and appropriate provisions are made for the options to be either replaced or compensated for. The replacement of or compensation for the options may be deemed (at the board's discretion) to lapse if not accepted by the option holder within a reasonable time.

6.1.9 *Winding-up* – If the shareholders of the Company receive notice of a resolution for the voluntary winding up of the Company, any option holder may exercise the option prior to (and conditional upon) the resolution being passed. If the option is not exercised, it will lapse upon commencement of the winding up.

6.1.10 *Amendment* – The board can amend the Share Option Scheme from time to time except that no amendment can be made which applies to options granted before that amendment and materially adversely affects the interests of option holders other than with the option holder's consent.

Suspension or termination of the operation of the Share Option Scheme is permitted by decision of the board (without prejudice to the rights of option holders under subsisting options).

6.2 The Company adopted an unapproved employee share option scheme on 23 June 2017 for the purpose of enabling certain employees who had expressed an interest in so doing to participate in the Company at the Placing Price. Options have been granted under this scheme to 32 employees in respect of a total aggregate of 271,085 Ordinary Shares. The options are exercisable during the period of 14 days following the date of Admission and thereafter, if not exercised, the options will lapse.

7. Directors' Interests

7.1 As at the date of this Document and on Admission the interests of the Directors and their immediate families and, so far as they are aware having made due and careful enquiries, of persons connected with them (all of which are beneficial, unless otherwise stated) (so far as is known to the Directors, or could with reasonable diligence be ascertained by them) (within the meaning of sections 252 to 254 of the Act) in the enlarged issued Ordinary Share capital are and will be as follows:

Director	Number of Ordinary Shares held as at the date of this Document	% of issued Ordinary Share capital held as at the date of this Document	Number of Ordinary Shares to be held on Admission	% of issued Ordinary Share capital to be held on Admission
Martyn Page	12,375,000	39.6%	11,385,000	26.6%
Darren Bailey	2,750,000	8.8%	2,530,000	5.9%
John Hunter	0	0.0%	46,875	0.1%
Stephen Moon	0	0.0%	0	0.0%
David Davies	0	0.0%	15,625	0.1%

7.2 The Company and the Directors are neither aware of any arrangements or operations of which may, at a subsequent date, result in a change in control of the Company, nor, that the Company is owned or controlled directly or indirectly by any entity.

7.3 Save as disclosed in paragraphs 7.1 and 8.1 of this Part IV, as at the date of this Document, the Directors are not aware of any interest which will immediately following Admission represent 3 per cent. or more of the issued Ordinary Share capital or voting rights of the Company or of any person who, directly or indirectly, jointly or severally, exercises or could exercise control of the Company.

7.4 There are no outstanding loans granted or guarantees provided by the Company to or for the benefit of any of the Directors.

7.5 No Director has any interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current or immediately preceding financial year, or during any earlier financial year and which remains in any respect outstanding or unperformed.

7.6 No Director (nor any member of a Director's family) has a related financial product (as defined in the AIM Rules) referenced to the Ordinary Shares.

8. Significant Shareholders

8.1 In addition to the shareholdings disclosed in paragraph 7.1 of this Part IV, as at 29 June 2017 (being the latest practicable date prior to the publication of this Document) the Company has been notified or is aware of the following shareholdings which will, following Admission, represent more than 3 per cent. of the issued Ordinary Share capital or voting rights of the Company:

Name	Number of Ordinary Shares held as at the date of this Document	% of issued Ordinary Share Capital held as at the date of this Document	Number of Ordinary Shares to be held on Admission	% of issued Ordinary Share capital to be held on Admission
William Hill	12,375,000	39.6%	11,385,000	26.6%
Hargreave Hale	0	0.0%	5,525,125	12.9%
Richard Beaumont	3,750,000	12.0%	3,450,000	8.1%
Otus Capital Management	0	0.0%	2,735,000	6.4%

9. Directors' Service and Consultancy Agreements

The Company has entered into service and consultancy agreements as follows:

9.1 Martyn Page's Service Agreement

Job title	Executive Chairman
Continuous employment start date	6 April 2017
Minimum hours of work	20 hours per week
Place of work	Company offices at Wendover Road, Norwich
Salary	£55,000 per annum
Benefits	Private healthcare, auto-enrolment pension, Company sick pay, death in service equal to 4 times salary
Holiday entitlement	20 days plus bank holidays
Notice period	6 months
Post-termination restrictions	Non-compete (12 months), non-solicitation (12 months)

Martyn Page was appointed as a director of the Company on 11 June 2004

9.2 Darren Bailey's Service Agreement

Job title	Chief Executive Officer
Continuous employment start date	May 1988
Minimum hours of work	40 hours per week
Place of work	Company offices at Wendover Road, Norwich
Salary	£110,000 per annum
Benefits	Private healthcare, auto-enrolment pension, Company sick pay, death in service equal to 4 times salary
Holiday entitlement	20 days plus bank holidays
Notice period	6 months
Post-termination restrictions	Non-compete (12 months), non-solicitation (12 months)

Darren Bailey was appointed as a director of the Company on 11 June 2004

9.3 John Hunter's Consultancy Agreement and Service Agreement (with the consultancy services being provided through his service company, Hunter Business Services Limited)

Job Title	Finance Director
Time requirement	2 days per week (Consultancy Agreement) plus any additional time necessary to fulfil his obligations under the Service Agreement
Fee	£12,000 per annum (Service Agreement) and £775 per day (exclusive of VAT) (Consultancy Agreement)
Notice periods	3 months (Service Agreement) 12 weeks (Consultancy Agreement)
Post termination restrictions	Non-compete (12 months) (Service Agreement)

John Hunter was appointed as a director of the Company on 12 June 2017

9.4 Stephen Moon's Non-Executive Director Contract

Anticipated time commitment	2 days per month following induction phase
Fee	£35,000 per annum
Restrictions	Non-compete (12 months)
Benefits	Death in service equal to 4 times salary

Stephen Moon was appointed as a director of the Company on 29 June 2017

9.5 David Davies' Non-Executive Director Contract

Anticipated time commitment	2 days per month following induction phase
Fee	£35,000 per annum
Restrictions	Non-compete (12 months)
Benefits	Death in service equal to 4 times salary

David Davies was appointed as a director of the Company on 9 June 2017

9.6 None of the Directors nor any of the Senior Management of the Group (as described in Part I of this Document) has any agreement with any member of the Group which provides for benefits upon the termination of their employment.

9.7 Each Director's term of office as a director shall end at the annual general meeting of the Company next following the date of their appointment. That Director shall then be eligible for election and unless so elected shall vacate office at the conclusion of such meeting. Each Director must retire from office at least once every three years.

10. Additional Information on the Directors

10.1 In addition to directorships of the Company, the Directors hold or have held the following directorships (including directorships of companies registered outside England and Wales) or have been partners in the following partnerships within the five years prior to the date of this Document:

Director	**Current directorships**	**Previous directorships**
Martyn Page	Climax Fishing Tackle Limited, ADSQ Holidays Ltd, MA Partners LLP, J.Simpson (Angling) Limited, Sportquest Holidays Ltd, Hillages Leisure Ltd, Hillages Limited.	Wroxham Angling Limited.
Darren Bailey	Climax Fishing Tackle Limited, J. Simpson (Angling) Limited, HL & S Limited, Hillages Leisure Ltd,	

Director	Current directorships	Previous directorships
	Norwich Guttering Supplies Limited, Contex Builders Limited, Context Builders Limited, Hillages Limited.	
Stephen Moon	Science in Sport Plc, S I S (Science in Sport) Limited.	Provexis Nutrition Limited, Provexis Plc, Provexis (IBD) Limited, Provexis Natural Products Limited.
David Davies	None	Fibre 7 UK Limited, Fibre 7 UK Holdings plc Fortified Timber Systems Limited (New Zealand)
John Hunter	Saxon Reach Management Company Limited, Moray Coast Produce Ltd, Hunters Business Services Limited.	Watton Produce Co. Limited, STP Recycling Ltd (liquidation), Knights Farms Limited, Wissey Water Limited, Tattersett Farms Limited (dissolved), Chipiona Produce Limited, Narborough Farms Limited (dissolved), Gooderstone Property Development Company Limited, Knights Foods Limited.

10.2 None of the Directors has:

10.2.1 had any previous names;

10.2.2 any unspent convictions in relation to indictable offences;

10.2.3 had any bankruptcy order made against him or entered into any voluntary arrangements;

10.2.4 been a director of a company which has been placed in receivership, insolvent liquidation, administration, been subject to a voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors whilst he was a director of that company or within the 12 months after he ceased to be a director of that company;

10.2.5 been a partner in any partnership which has been placed in insolvent liquidation, administration or been the subject of a partnership voluntary arrangement whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

10.2.6 been the owner of any assets or a partner in any partnership which has been placed in receivership whilst he was a partner in that partnership or within the 12 months after he ceased to be a partner in that partnership;

10.2.7 been publicly criticised by any statutory or regulatory authority (including recognised professional bodies); or

10.2.8 been disqualified by a court from acting as a director of any company or from acting in the management or conduct of the affairs of a Company.

10.3 None of the Directors has, or has had, any conflict of interest between any duties to the Company and their private interests or any duties they owe. The Company does not intend to make investments which involve related parties, but if any such investment is to be proposed, the Company will comply with the requirements related to such transactions under the AIM Rules.

10.4 John Hunter was appointed as a representative of Chipiona Produce Limited on 13 January 2009, in relation to the liquidation of a related company called Chipiona Produce SL, a company incorporated in Spain. Mr Hunter was neither a director or shareholder of Chipiona Produce SL but undertook a representative role in an advisory capacity to Chipiona Produce Limited. The liquidation remains ongoing.

11. Employees

11.1 The Group anticipates that, on Admission, it will have approximately 177 employees (including executive directors but excluding non-executive directors). The following table shows how many employees were working for each Group company as at the date of this Document, and how many employees will be working for each Group company as at Admission:

Name of Company	Number of employees as at the date of this Document	Number of anticipated employees as at Admission
Angling Direct plc	171	177
J. Simpson (Angling) Limited	0	0
HL&S Limited	0	0
Climax Fishing Tackle Limited	0	0

12. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company or other members of the Group within the two years immediately preceding the date of this Document and are or may be material:

12.1 **Cenkos Engagement Letter**

An engagement letter dated 5 May 2017 between the Company and Cenkos pursuant to which the Company has appointed Cenkos to act as the nominated adviser to the Company for the purposes of seeking admission of the Company's shares to trading on AIM, for which, the Company agreed to pay certain fees and commissions to Cenkos as described further in paragraph 12.2 below of this Part IV.

12.2 **Placing Agreement**

A placing agreement between the Company, the Directors, the Selling Shareholders and Cenkos dated 29 June 2017, under which Cenkos has agreed to act as the Company's broker in connection with the Placing and to use its reasonable endeavours to procure subscribers and/or purchasers for the Placing Shares. The Company has given certain customary undertakings and indemnities to Cenkos in connection with its role as broker under the Placing and nominated adviser respectively and each of the Directors and Selling Shareholders has given customary undertakings to Cenkos accordingly. There are no limitations of liability on the Company under this agreement. The liability of the Directors and Selling Shareholders under the agreement is limited both as to quantum and duration.

The Company has agreed to pay Cenkos a corporate finance fee of £75,000 and a commission of 5 per cent. on funds raised pursuant to the Placing by Cenkos. The Selling Shareholders have agreed to pay Cenkos a commission of 5 per cent. on the value of Placing Shares sold by Cenkos on behalf of the Selling Shareholders.

The Company has agreed to pay all reasonable costs, charges and expenses of an incidental to the Placing and Admission including all reasonably incurred expenses of Cenkos and registrars' fees, printing and distribution and irrevocable VAT (if applicable).

The obligations of Cenkos are conditional, amongst other things, on Admission occurring not later that 8.00 a.m. on 13 July 2017 (or such later date as the Company and Cenkos may agree, being not later that 31 July 2017.

Each of Martyn Page, Darren Bailey and William Hill has agreed with Ian Hunter pursuant to a Deed of Contribution dated 29 June 2017 (to which the Company is not a party) to be liable to Ian Hunter, in certain agreed proportions, for liability which Ian Hunter may incur in excess of £30,000 for breach of any of the warranties contained within the Placing

Agreement (a "Relevant Claim"), save that none of Martyn Page, Darren Bailey or William Hill shall be liable to Ian Hunter: (i) where he is entitled to make a claim under a policy of insurance in respect of any matter or circumstance giving rise to the Relevant Claim, unless he first makes a claim under that insurance policy, or (ii) where the Relevant Claim arises as a result of a fraudulent act or wilful concealment by Ian Hunter.

12.3 **Nomad and Broker Agreement**

An agreement dated 29 June 2017 between the Company and Cenkos under which the Company has agreed to appoint Cenkos as its nominated adviser for the purpose of the AIM Rules and broker for the period of 12 months following Admission, terminable thereafter on 3 months' notice by either party save that either party may terminate the agreement earlier in certain circumstances. The agreement contains obligations on Cenkos to, amongst other things, act as the Company's nominated adviser in accordance with the AIM Rules and the AIM Rules for Nominated Advisers and to monitor the trading activity of the Company's shares and inform the Company of any substantial movement in its price or trading activity, publish research on the Company, provide the services required of a broker under the AIM Rules and provide general preliminary advice on strategic developments, share dealings by the Directors, acquisitions, disposals and fund raisings. The Company has agreed to provide Cenkos customary undertakings and indemnities in connection with its appointment as the Company's nominated adviser and broker.

12.4 **Option Deed**

On 29 June 2017, the Company entered into an option deed with Cenkos, pursuant to which the Company granted to Cenkos the right, exercisable at any time during the period of three years from the date of Admission (or, if longer, the period being an additional week following Cenkos no longer being in possession of inside information in relation to the Company), to subscribe for up to 234,375 Ordinary Shares in the capital of the Company at the Placing Price.

12.5 **Lock-In and Orderly Market Agreements**

Lock-In and Orderly Market Agreements dated 29 June 2017 between (1) each of Martyn Page, William Hill, Richard Beaumont and Darren Bailey (2) the Company and (3) Cenkos, (the "**Lock-In Agreements**") pursuant to which the covenantors have agreed with Cenkos and the Company not to dispose of any Ordinary Shares held by them for a period of 12 months from Admission ("**Lock-in Period**"). They have further undertaken to the Company and Cenkos that, for a period of 12 months following the Lock-In Period, they will only dispose of the Ordinary Shares which they hold with the consent of Cenkos (not to be unreasonably withheld or delayed) and if consent is given such shares should be sold through the Company's broker from time to time.

Certain disposals are excluded from the orderly market provisions in the Lock-In Agreements including those relating to acceptance of a general offer made to all Shareholders, pursuant to a court order, in the event of the death of a covenantor or as otherwise agreed to by Cenkos. The Lock-In Agreements also contain covenants given by the covenantors to use their reasonable endeavours to ensure that any persons deemed to be connected with them also adhere to the terms of the Lock-In Agreements.

12.6 **Relationship Agreements**

The Company has entered into relationship agreements with each of Martyn Page and William Hill and Cenkos to manage the relationship between those shareholders and the Company to ensure that the Company will at all times be capable of carrying on the Business independently of those shareholders and their related parties and to ensure that all transactions and arrangements between the Company and those shareholders and their related parties will be at arm's length and on normal commercial terms.

12.7 **Purchase of Climax Fishing Tackle Limited**

The Company entered into a contract for the acquisition by it of the entire issued share capital of Climax Fishing Tackle Limited from Rory Flint on on 21 July 2016. The agreement provides for deferred consideration of £400,000 to be paid – £200,000 on 21 July 2017 and £200,000 on 21 July 2018. Payment of the deferred consideration is jointly and severally guaranteed by Climax Fishing Tackle Limited and Hillages Limited. Upon Completion, the freehold of Climax Fishing Tackle Limited's site at Dronfield was transferred at market value to Hillages Limited and a lease was granted from Hillages Limited to Climax Fishing Tackle Limited. Hillages Limited has granted a charge to Rory Flint over its freehold interest in this property as security for payment of the deferred consideration.

Recourse under the general warranties given by the seller continues until 21 July 2018 and recourse under the tax indemnity and taxation warranties continues until 21 July 2023.

12.8 **Hinders of Swindon Limited**

The Company has agreed the terms of, but not yet entered into, a contract with Hinders of Swindon Limited for the acquisition by it of the fishing tackle retail business of the seller as carried on from premises at Manor Garden Centre, Cheney Manor, Swindon, Wiltshire SN2 2QJ. Once acquired, the business is to be carried on by the Company from new premises at Unit 3 Hawksworth Industrial Estate, Wyndham Road, Swindon, Wiltshire SN2 1EJ.

12.9 **Wroxham Angling Limited**

On 1 June 2017, the Company entered into a confirmatory hive up agreement with Wroxham Angling Limited, confirming the assignment with full title guarantee by Wroxham Angling Limited to the Company of its fishing tackle retail business carried on from Station Road, Hoveton, Norfolk with effect from 1 June 2016.

12.10 **Hillages Limited**

On 30 May 2017, the Company entered into a confirmatory deed of assignment with Hillages Limited, confirming the assignment with full title guarantee by Hillages Limited to the Company of the goodwill, intellectual property rights, book debts, contracts and claims relating to the fishing tackle retail business of Hillages with effect from 1 February 2011.

12.11 **National Westminster Bank plc**

The Company banks with National Westminster Bank plc ("the Bank") and had an overdraft facility of £600,000 and a total of five term loans in respect of which approximately £1,394,235 is outstanding. The security package put in place by the Bank is linked with loans from the Bank to Hillages Limited and includes personal guarantees from Martyn Page, William Hill and Darren Bailey and cross guarantee support from the Company in respect of Hillages (limited to £1,800,000) and from Hillages in respect of the Company (limited to £2,350,000). The Bank has agreed that the personal guarantees and corporate cross guarantees will be released upon repayment of the above mentioned term loans, which the Company intends to do shortly following Admission.

On 26 June 2017 the Company entered into (i) a £300,000 Group overdraft facility with the Bank and (ii) a facility agreement with the Bank ("the Facility") to provide a revolving credit facility of up to £1,500,000 (reducing by the sum of £375,000 per annum over a four year period) to be used for the purpose of refinancing existing term loan debt owed to the Bank, to finance short-term working capital requirements and to assist with future acquisitions. The Facility is secured by unlimited cross guarantees between the Company and HL&S Limited and debentures over both companies. The Facility will become available, subject to fulfilment of standard conditions precedent and the repayment of the loans set out in the paragraph above, upon Admission.

13. Premises

13.1 The below table contains a summary of all of the Company premises, all of which are leasehold, including the start and expiry dates of the leases and the annual rent payable:

Address	Landlord	Lease start date	Lease expiry date	Approximate Square Footage	Annual rent
94 Ellingham Industrial Centre, Ellingham Way, Ashford, Kent, TN23 6LZ	Raymond Richard Harris and Kirby Brian Dyson-Dowling	1 March 2016	28 February 2026	2,120 sq.ft	£28,500.00 p.a
Unit 3, Taylors Square, Newgate, Beccles, Suffolk NR34 9AT	Reef Estates (Beccles) Limited	28 April 2011	12 June 2024	3,127 sq.ft	£32,500.00 p.a.
8-12 Russell Way Widford Chelmsford Essex CM1 3AA	Silvermist Properties (Chelmsford)	24 June 2013	23 June 2023	5,657 sq.ft	£32,000.00 p.a

Address	Landlord	Lease start date	Lease expiry date	Approximate Square Footage	Annual rent
	Limited				
Unit 21, Angora Business Park, Peartree Road, Colchester, Essex, CO3 0AB	Spire Group Limited	25 May 2014	24 May 2024	3,042 sq.ft	£16,000 p.a
Ground Floor Shop, 24-26 Crayford High Street, Dartford, DA1 4HG	Riddingtons Limited	19 February 2014	18 February 2024	1,238 sq.ft	£15,000 p.a
Unit 2 Stubley Hollow, Dronfield, S18 1PP	Hillages Limited	21 July 2016	20 July 2026	14,917 sq.ft	£59,000 p.a
176 Long Lane, Halesowen, B62 9EP	Arjon Distribution (Holdings) Limited	21 May 2014	20 May 2024	2,775 sq.ft	£18,000 p.a
9 iO Trade Centre, Deacon Way, Tilehurst, Reading, RG30 6AQ	New Prestige LLP	3 August 2016	2 August 2026	2,695 sq.ft	£32,000 p.a
30 New Road, Willenhall, Walsall, West Midlands, WV13 2BS	Nicholas John Fraser and Simon James Fraser	23 March 2015	22 March 2025	1,953 sq.ft	£9,500 p.a
Wroxham Angling Centre, Station Road, Hoveton, Norfolk, NR12 8UR	Wroxham Angling Limited	1 June 2017	31 May 2022	1,662 sq.ft	£7,992.00 p.a
Unit 1 Gateway Court Lincoln Dankerwood Road LN6 9UH	A F Wells, C Wells, A A Wells and N V C Wells-Vipond	12 June 2015	11 June 2020	7,632 sq.ft	£20.000.00 p.a
Unit 279, Aylsham Road, Norwich, NR3 2RE	Hillages Ltd	26 May 2016	31 March 2026	9,048 sq.ft	£65,000 p.a
Units 1D-2D, Wendover Road, Rackheath, Norwich, NR13 6GH	Tilia Properties Limited	20 March 2015	19 March 2025	32,454 sq.ft	£120,000 p.a
7D Wendover Road, Rackheath, Norwich, NR13 6GH	Tilia Properties Limited	1 June 2016	31 March 2025	1,500* sq.ft	£8,925.00 p.a.
Unit A1 Claydons Lane Rayleigh Essex	J A M Hair, J D Hair, K A Hair and Union Pension Trustees Limited	1 January 2004	31 December 2018	3,055 sq.ft	£25,900.00 p.a
Ground Floor Unit 1 and Ground and First Floor Unit 2 Chapel House 26 St Michaels Road Sittingbourne ME30 3AB	A S North Limited	Pending Execution	Pending Execution	2,240 sq.ft	£14,000.00 p.a
Unit 4, Eleanor Trading Estate, Trust Road, Waltham Cross, EN8 7HF	IPIF Trade General Partner Limited and IPIF Trade Nominee Limited	20 May 2009	19 May 2024	10,849 sq.ft	£52,500 p.a
Unit 3, Hawksworth Industrial Estate, Wyndham Road, Swindon, Wiltshire, SN2 1EJ	Max Industrial GP Limited and Max Industrial Nominee Limited	12 June 2017	11 June 2027	4,620 sq.ft	£27,750.00 p.a. (first 23 months rent free)

* Directors' estimate

13.2 The Company is currently in negotiation to take the following additional leases, some or all of which may be entered into prior to Admission:

- Building 26 Buckingham Avenue Trading Estate, Slough, SL1 4QA 19th April 2014 to 18th April 2024 £47,156.00 per annum; and
- Unit 3, Leek Road Trade Park, Leek Road, Stoke-On-Trent ST1 3LS, ten years commencing on the date of the lease, £31,705.92 per annum (subject to final survey).

14. Related Party Transactions

14.1 Hillages Limited, company number 03268370, is a company owned as to 46.5 per cent by Martyn Page and his related parties, 46.5 per cent. by William Hill and his related parties and 7.0 per cent. by Darren Bailey and his related parties. The Company is party to the following related party transactions with Hillages Limited:

14.1.1 Lease of a premise at 279 Aylsham Road, Norwich, NR3 2RE by Hillages to the Company dated 26 May 2016, further details of which are set out in paragraph 13.1 of this Part IV.

14.1.2 Lease of a premise at Unit 2 Stubley Hollow, Dronfield, S18 1PP by Hillages to Climax, a subsidiary of the Company, dated 21 July 2016, further details of which are set out in paragraph 13.1 of this Part IV. There is a minor amount of shared administration between Hillages and the Company. Rental invoices for this lease, and the lease set out in paragraph 14.1.1 above, are raised by staff employed by the Company. The Directors can confirm the time spent by Company employees doing this work on behalf of Hillages is negligible.

14.1.3 On 30 May 2017, the Company entered into a confirmatory deed of assignment with Hillages, confirming the assignment with full title guarantee by Hillages to the Company with effect from 1 February 2011 of the goodwill, intellectual property rights, book debts, contracts and claims relating to the fishing tackle retail business of Hillages.

14.1.4 The Company sells season tickets in the Waltham Cross premises for a lake in Hertfordshire (owned by Hillages) and day tickets are sold in the Norwich, Wroxham and Beccles stores for a lake in Roughton (owned by Hillages Leisure Ltd, a subsidiary of Hillages). In return for the Company providing these services, Hillages permits the Company to use the lakes for the purposes of marketing and filming.

14.1.5 Hillages is registered as holder of 1,280,000 Preference Shares of £1 each in the capital of the Company, which are to be redeemed upon Admission.

14.2 Sportquest Holiday Ltd, company number 04778661, is a company owned as to 49.5 per cent. by Hillages Limited with the remainder owned by non-related parties to the Company. Sportquest Holidays Ltd is predominantly an angling holiday company. The Company is party to the following related party transactions with Sportquest Holiday Ltd:

14.2.1 The Company operates an informal cross-marketing arrangement with Sportquest Holidays Ltd whereby each company promotes the other. Sportquest Holidays Ltd promotes the Company's annual "King of the Catch" competition and in return the Company sends out marketing emails to its database of customers promoting Sportquest Holidays Ltd's activities.

14.2.2 During the year ended 31 January 2017, the company purchased holidays from Sportquest Holidays Limited to be used as prizes for its "King of the Catch" competition. The total purchase cost of the holidays was £15,386.

14.3 Wroxham Angling Limited, company number 04222161, a company owned as to 50 per cent. by Martyn Page and his related parties and 50 per cent. by William Hill and his related parties. The Company is party to the following related party transactions with Wroxham Angling Limited:

14.3.1 Lease of Wroxham Angling Centre, Station Road, Hoveton, Norfolk, NR12 8UR by Wroxham Angling Limited to the Company dated 1 June 2017.

14.3.2 On 1 June 2017, the Company entered into a confirmatory hive up agreement with Wroxham Angling Limited, confirming the assignment with full title guarantee by Wroxham Angling Limited to the Company with effect from 1 June 2016 of its fishing tackle retail business carried on from Station Road, Hoveton, Norfolk.

14.4 Contex Builders Limited, company number 01349240, is a company of which Darren Bailey is a director and in which he and his wife indirectly own a 26 per cent. shareholding. Contex Builders Limited trades as Norwich Guttering Supplies. The Company is party to the following related party transactions with Contex Builders Limited:

14.4.1 The Company contracts with Contex Builders Limited on arm's length terms for the supply of building materials. Purchases for the year ended 31 January 2017 totalled £6,954.

15. Taxation

15.1 *Taxation in the United Kingdom*

The following information is based on UK tax law and HM Revenue and Customs ("HMRC") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately.

15.1.1 *Tax treatment of UK investors*

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

15.1.1.1 who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10 per cent., of any of the classes of shares in the Company; or

15.1.1.2 who intend to acquire Ordinary Shares as part of tax avoidance arrangements; or

15.1.1.3 who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

15.1.2 *Dividends*

Where the Company pays dividends, Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £5,000 dividend tax allowance. Dividend receipts in excess of £5,000 will be taxed at 7.5 per cent. for basic rate taxpayers, 32.5 per cent for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax or withholding tax imposed.

15.1.3 *Disposals of Ordinary Shares*

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

Shareholders are subject to capital gains tax on disposal of Ordinary shares at a rate of 10 per cent. for basic rate taxpayers and a rate of 20 per cent. for upper rate and additional rate taxpayers.

For Shareholders within the charge to UK corporation tax, indexation allowance may reduce any chargeable gain arising on disposal of Ordinary Shares but will not create or increase an allowable loss.

Subject to certain exemptions, the corporation tax rate applicable to its taxable profits is currently 19 per cent., falling to 17 per cent. after 1 April 2020.

15.1.4 *Further information for Shareholders subject to UK income tax and capital gains tax*

15.1.4.1 "Transactions in securities"

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HM Revenue and Customs to raise tax assessments so as to cancel "tax advantages" derived from certain prescribed "transactions in securities".

15.1.5 *Stamp Duty and Stamp Duty Reserve Tax ("SDRT")*

The statements below are intended as a general guide to the current position. They do not apply to certain intermediaries who are not liable to stamp duty or SDRT or (except where stated otherwise) to persons connected with depositary arrangements or clearance services who may be liable at a higher rate.

15.1.6 *Ordinary Shares held in certificated form*

No stamp duty or SDRT will generally be payable on the issue of Ordinary Shares.

Neither UK stamp duty nor SDRT should arise on transfers of Ordinary Shares on AIM (including instruments transferring Shares and agreements to transfer Ordinary Shares) based on the following assumptions:

15.1.6.1 the Shares are admitted to trading on AIM, but are not listed on any market (with the term "listed" being construed in accordance with section 99A of the Finance Act 1986), and this has been certified to Euroclear; and

15.1.6.2 AIM continues to be accepted as a "recognised growth market" as construed in accordance with section 99A of the Finance Act 1986).

In the event that either of the above assumptions does not apply, stamp duty or SDRT may apply to transfers of Ordinary Shares in certain circumstances.

The above comments are intended as a guide to the general stamp duty and SDRT position and may not relate to persons such as charities, market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

16. No Governmental, Legal or Arbitration Proceedings

No member of the Group is involved, nor has in the past 12 months been involved, in any governmental, legal or arbitration proceedings which may have, or has had in the recent past significant effects on the Company's and/or the Group's financial position or profitability. Nor, so far as the Directors are aware, are any such proceedings pending or threatened against any member of the Group.

17. General

17.1 The total costs and expenses in relation to Admission payable by the Company are estimated to amount to approximately £800,000 (excluding VAT).

17.2 In consideration of David Davies' services to the Company in relation to the Placing the Company has agreed to pay him a consultancy fee of £36,000 and an introducer's fee of £75,000 on Admission. Save for this, and except as disclosed in this Document and for the advisers named on page 7 of this Document, no person has received, directly or indirectly, from the Company during the twelve months preceding the date of this Document or has entered into any contractual arrangements to receive, directly or indirectly, from the Company on or after Admission, fees totalling £10,000 or more or securities in the Company with a value of £10,000 or more (calculated by reference to the price) or any other benefit to a value of £10,000 or more.

17.3 There has been no significant change in the financial or trading position of the Company since 31 January 2017, the date to which the Financial Information in Part III of this Document was prepared.

17.4 Price Bailey, Reporting Accountants and Auditors, has given and has not withdrawn its written consent to the issue of this Document with the inclusion herein of their report as set out in Part III of this Document and the references thereto. Price Bailey also accepts responsibility for its report.

17.5 Cenkos has given and not withdrawn its written consent to the inclusion in this Document of references to its name in the form and context in which it appears.

17.6 Except as disclosed in this Document, there are no investments in progress and there are no future investments in respect of which the Directors have already made firm commitments which are significant to the Company.

17.7 No financial information contained in this Document is intended by the Company to represent nor constitute a forecast of profits by the Company nor constitute publication of accounts by it.

17.8 The Directors accept responsibility for the financial information contained in Part I and Part III of this Document which has been prepared in accordance with the law applicable to the Company.

17.9 The Directors are unaware of any environmental issues that may affect the Company's utilisation of its tangible fixed assets.

17.10 The Directors are unaware of any exceptional factors which have influenced the Company's activities.

17.11 Save for the "Angling Direct" brand, the Advanta® trademark and rights in the Company website, all as referred to in Part I there are no trademarks, patents or other intellectual property rights, licences or particular contracts (save for the material contracts summarised in paragraph 12 of this Part IV) that are of material importance to the Company's business.

18. Working Capital

The Directors are of the opinion, having made due and careful enquiry, that, taking into account the net proceeds of the Placing receivable by the Company and the banking facilities available to the Group, the Company has sufficient working capital for its present requirements, that is, for at least the twelve month period following Admission.

19. Availability of this Document

Copies of this Document will be available free of charge to the public during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the registered office of the Company and from the offices of Leathes Prior Solicitors, 74 The Close, Norwich NR1 4DR and shall remain available for at least one month after the date of Admission. Copies can also be obtained by following the link in the Investor section of the website of the Company at www.anglingdirect.co.uk.

Dated: 30 June 2017