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

Full year results for the 12 months ended 31 January 2018

Angling Direct plc (AIM: ANG.L), the largest specialist fishing tackle and equipment retailer in the UK, is pleased to announce its audited financial results for the twelve months ended 31 January 2018.

Financial Highlights:

- Group revenue of £30.24m up by 44% (2017: £21.03m)
- Gross profit of £9.8m up by 37% (2017: £7.1m)
- EBITDA of £1.1m up by 24% (2017: £0.9m)
- Operating profit of £0.9m up 27%(2017: £0.7m)
- Net cash equivalents at 31 January 2017 of £0.7m (2017: £0.3m)
- Successfully completed AIM admission and placing, raising gross proceeds of £7.5 million

Operational Highlights:

- Online sales of £16.1m up by 54% (2017: £10.5m)
- Store sales of £13.2 million up by 40% (2017: £9.3m), included like-for-like store growth of 9%
- £3.0 million acquisition of fishing tackle store, Fosters of Birmingham
- Acquisition of North West Angling Centre and Tacklesaver for £450,000 total consideration
- Store network increased to 21, with new stores opened:
    - Swindon (4,000 sq ft),
    - Slough (4,250 sq ft)
    - Stoke (4,500 sq ft)
- Continued investment in online marketing, logistics and distribution

Commenting on the results, Martyn Page, Executive Chairman, said: "It has been a transformational year for Angling Direct, with the Company's admission to AIM and the completion of a number of acquisitions and new store openings, which has cemented Angling Direct's position as the UK's number one fishing tackle retailer, online and in-store.

"The business achieved record revenues and profits, following strong sales growth across the store network and online as a result of our ongoing investment in marketing campaigns and customer experience in-store and online. The Company is executing its strategy of consolidating a highly fragmented market and we will continue to build on this in the year ahead, with exciting new store openings planned, and continued targeted online growth.

"Despite the adverse weather conditions for fishing, the Company has had a good start to the year with momentum building in recent weeks, and our plans for the summer season are well set. The Board is confident that the Company is on track to meet its full year targets."

For further information:

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Notes for editors

About Angling Direct plc

Angling Direct is the largest specialist fishing tackle retailer in the UK. The Company sells fishing tackle products and related equipment through its network of 21 retail stores, located throughout the UK, as well as through its own website (www.anglingdirect.co.uk) and other third party websites.

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

From 1986 to 2003 the Company's Founders acquired interests in a number of small independent fishing tackle shops in Norfolk and, in 2003, they acquired a significant site in Norwich, which was branded Angling Direct. Since 2003, the Company has continued to acquire or open new stores, taking the total number up to 21 retail stores. In 2015 the Company opened a 30,000 sq ft central distribution centre in Rackheath, Norfolk, where the Company's head office is also located.

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

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

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

FOR

ANGLING DIRECT PLC GROUP OF COMPANIES

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

COMPANY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2018

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

Introduction

I am pleased to report that the Group has made excellent progress over the last year both pre and post admission to AIM, as it continued with its growth plans to build a significant position in the UK fishing tackle market. The results demonstrate strong revenue growth, accompanied with a substantial increase in operating profit before exceptional items, which was in line with market expectations. The Group's encouraging results reflect the success of its acquisitions, its well-executed store expansion programme and organic growth across the existing store network and e-commerce platforms.

The year has been a major milestone in the history of the business after completing Angling Direct's successful admission to the AIM Market on the 13th July 2017, raising gross proceeds of £7.5 million. These funds were used to redeem £1.4 million of preference shares and to invest in the expansion of our business through:

- The acquisitions of Fosters Fishing Ltd, North West Angling Centre and Tacklesaver;
- Continued store expansion programme with the opening of 3 new stores in Swindon, Slough and Stoke; and,
- Ongoing e-commerce investment which is seen as an important area for growth in both the UK and internationally.

The fishing tackle marketplace is large and very fragmented, with over 2,000 operators across the UK, which are mainly owner-managed. Given Angling Direct's financial strength and marketing capabilities, we see continued growth opportunities for the Group across our store network and online. Beyond the UK, the Group is also looking to grow the brand online in Germany, France and the Benelux, all of which have large angling markets. Last year, the Group also saw encouraging online sales growth from these territories despite not having websites specific to the country's language. The Company has recently launched a German website, with other European websites to follow this year.

Financial Results

The business achieved excellent growth for the year to 31st January 2018, with revenue increasing by 44% to £30.240 million (2017: £21.032m). Revenue generated from stores increased by 40%, which reflected new acquisitions, new store openings, as well as organic growth from existing stores. The organic growth on a like-for-like basis increased by 9%, which the Board considers to be an encouraging performance, given the headwinds that the UK high street faced in recent months, and clearly underlines the success of Angling Direct's in-store strategy. The e-commerce business continues to go from strength-to-strength, with revenue up 54% to £16.1 million for the year. Angling Direct continues to make considerable investment in this area, both in online marketing and logistical capabilities, which is driving this growth.

The Company recorded gross profits of £9.85m, up 37% on the previous year. Profit before exceptional costs rose by 27% (£0.202m) to £0.94m. The Company's admission to AIM in July 2017 meant that it booked exceptional costs of £0.730m. Profit before tax in the year was £0.159m (2017: £0.662m), with the decrease due to the exceptional costs as outlined above. On a like-for-like basis, this would be £0.89m, an increase of 34%.

Share Placing

On the 13th July 2017, Angling Direct completed its admission to the AIM Market and raised £7.5m (gross) through a placing of new ordinary shares. The net proceeds from this were used to purchase the Company's preference shares of £1.4m, and to support the continued expansion of the business.

Dividend
The Company declared a dividend on the preference shares of £4,143 on the 8th June 2017 and £3,145 on 14th July 2017.

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

The Board
As the Company prepared for its AIM admission the Board was re-structured. To this end, J Higdon resigned on 6th April 2017 and William Hill resigned on the 7th April 2017. We would like to take this opportunity to thank both of them for their exceptional contribution to the business. In June 2017, three new directors were appointed to the Board in June, with John (Ian) Hunter, the Company's Finance Director becoming an Executive Director, whilst Paul Davies and Stephen Moon joined as Non-Executive Directors.

Outlook
The Board continues to believe that the prospects for the Group are very positive, and we have plans to open two further stores, in Peterborough and Guildford, over the next few months. These two new stores will result in the Company's total being 23 stores.

We are also looking to develop the market by encouraging more people to take up fishing by supporting more grass root initiatives. These include Fishing for Schools, National Fishing Month, Angling Trust and various other angling projects around the country, which will allow people to try fishing free of charge, with many of these events being supported by our store network.

We have been pleased to deliver like-for-like turnover growth through our store network and a strong online performance versus the same period last year, despite the year having started slower than anticipated due to the extreme cold winter weather conditions. The Board is confident that the Company will meet its full year growth target this year, and that our product offering, professional staff and continued improvement in our online platform, both in the UK and Internationally, will help deliver another excellent performance.

Martyn Page CTA TEP
Executive Chairman

Introduction
I am very pleased to report on a significant year of growth and progress. The new funds raised through the company's IPO and admission to AIM in July 2017, have helped to support this continuing development through two acquisitions and the expansion of our store network. We have also developed our e-commerce and digital marketing infrastructure to give our customers an enhanced experience.

Review of Operations:

Stores
During the year, Angling Direct's store network grew to 21, following a series of acquisitions and new openings. Three new stores were opened in Swindon, Slough, and in Stoke, all of which are situated in geographical areas that are known to have high numbers of anglers, and they are each surrounded by number of quality fisheries. While the new stores have only been trading for a short period, the management team is pleased with the early performance and we look forward to the contribution they will make for a full year.

In addition to these three new stores, we acquired one of the UK's largest fishing stores, Fosters Fishing Ltd based in Birmingham, on the 2nd October 2017. We also completed two further acquisitions on 16th November, North West Angling Centre, based in Wigan, and Tacklesaver, based in Wilmslow near Manchester.

We have a pipeline of further new stores to add to the Company's portfolio, with Guildford, and Peterborough due to open in the coming months. Additionally, we are in negotiations to open another store shortly.

The new store openings and acquisitions throughout the year have helped to drive the significant growth in retail store sales by 40% to £13.2m (2017: £9.3m). Like-for-like sales with the same stores increased by 9%.

E-Commerce
We have developed and will continue to develop this very important sales channel both in the UK and internationally. This development has been a key driver for the increase of sales by circa 54% to £16.1m (2017: £10.5m).

The focus will be to deliver an outstanding technical experience, increased investment in optimisation, with personalised marketing to support.

Angling Direct has already built up an international customer base through its UK focused website. To support international sales growth, we will be enhancing the brand with strategic marketing in each target country. The majority of the target markets are aligned to the UK, but some will need to have a specific focus, especially around dedicated fishing styles.

Having investigated the opportunities of growing the international footprint, the Board is now considering bringing the strategic plan forwards into these countries to deliver quicker growth. The first move has been the launch of our German website in May 2018 and this will be followed by additional sites this year. Each country will have dedicated customer support and we are adding more telesales staff to help with live chat and social media interaction. Continued focus around customer acquisition will be applied throughout the international expansion and, notwithstanding this, we believe our acquisition costs will remain favourable, despite the need to increase non-organic marketing to strengthen the brand in various countries.

In March 2018 we launched a new Foster's e-commerce website to ensure that across both brands we are delivering the enhanced experience that customers have come to expect; fast, mobile friendly and functional.

During 2018 we will be investing in Kardex, a vertical storage solution, in order to futureproof our current warehousing space and accommodate the planned expansion, which will ensure we continue to deliver to the very high standards we have set ourselves in respect to stock availability.

Staff

I would like to take this opportunity to welcome new staff to our Angling Direct team, and to thank our existing staff for all their hard work, passion and dedication during a year of exceptional change and growth. Our fabulous staff are essential to our future success and to support this we continue to help train and develop their skills. This in turn helps to ensure that our customers have an unmatched fishing retail experience, both online and in-store, and build long term brand loyalty.

Outlook

We are very positive about the outlook and the management's ability to strengthen Angling Direct's position as the market's leading retail brand. Our Strategy will see us continue to open new destination stores in popular angling areas and to develop our e-commerce platform for our UK and international customers.

Darren Bailey
Chief Executive Officer

FINANCIAL REVIEW

Income Statement

In the year to 31st January 2018, Sales increased by 44% to £30.2m (2017: £21.0m) as the Group continued with its growth. Gross Profit also increased 37% to £9.8m (2017: £7.1m).

E-commerce grew strongly, with sales up 54% and margins maintained at expected levels reflecting market dynamics.

Operating profit before exceptional costs have increased by 27% (£0.202m) to £0.940m (2017: £0.738m).

Exceptional costs of £0.730m, are one off costs incurred in the floatation of the business in July 2017.

Finance costs for the year were 31% lower, £0.024m than prior year (2017: £0.075m).

Income tax for the year is £0.131m, an increase of 29% on prior year (2017: £0.102m)

Profit before tax in the year was £0.159m (2017: £0.662m), this decrease is as a result of the £0.730m exceptional costs as outlined above, on a like for like basis this would be £0.889m an increase of 34%.

The basic earnings per share in the year equates to a profit of £0.10 (2017: £54.72) this has been driven by the floatation costs as mentioned above, if these were added back the like for like basic earnings per share in this year would be £2.89.

Statement of financial position

Total equity at 31st January 2018 increased by £5.855m to £8.255m (2017: £2.400m) mainly due to the additional Ordinary Shares issued at the company's AIM floatation in July 2017.

Investment in goodwill has increased by £2.748m to £4.564m (2017: £1.816m) due to the Fosters Fishing Ltd, NorthWest Angling Centre and Tacklesaver acquisitions.

Investment in stock has increased by 56%, £2.437m to £6.815m (2017: £4.378m) due to 3 additional new stores and the acquisitions as outlined above.

Current liabilities - trade and other creditors have increased by 64%, £2.155m to £5.518m (2017: £3.362m) some of which is due to the deferred consideration regarding the acquisitions that we have made, and also due to the additional new stores and the acquisitions outlined above.

The Group repaid its bank loans and entered into a revolving credit facility with its bank and it had current liabilities – financial borrowings of £0.888m an increase of 29% (2017: £0.688m).

The Group also had cash and cash equivalents of £0.749m in funds an increase of £0.653m (2017: £0.096m).

Cashflow

At the year end the Group's net cash position (representing cash and bank balances less loans and borrowings) was a net borrowing of £0.193m, a decrease of £1.332m on prior year (2017: £1.525m).

Proceeds from the ordinary share issue was £7.5m gross, and there was a repayment of £1.400m of preference shares.

The Group invested in working capital in the year of £0.719m to £1.662m an increase of c76% on prior year (2017 £0.943m) and a further investment in fixed assets of £1.234m to support the continued growth of the business.

John Hunter FCMA, GCMA
Finance Director

The directors present their strategic report of the company and the group for the year ended 31 January 2018.

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

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

KEY HIGHLIGHTS
- A very important year for the company where it floated on the AIM Stock Market on the 13th July 2017, where the company raised £7.5m to support the funding of its growth plans.
- A year that saw significant growth in line with the Board's strategy of building significant position in the UK fishing tackle market.
- Revenue increased by c44% to £30.240m (2017: £21.032m) reflecting the company's growth through acquisition's, e-commerce, its continued store expansion programme, and organic growth.
- Operating Profit before exceptional items up by c27% (£0.202m) to £0.941m.
- Additional staff and staff training.
- Reported earnings per share of £0.10 (2017: £54.72).
- Acquisitions of Fosters Fishing Ltd. and North West Angling Centre/Tacklesaver.
- Retail store growth continues in line with our strategy-:
  - Opening new stores at Swindon, Slough, and Stoke taking our store network to 21 at the end of the year.
  - Retail Stores sales increases by c40% to £13.2m.
  - Like for like sales growth (which measures the sales performance of stores operating for 12 month's in FY 2017 with the same stores operating for 12 month's in FY 2018) of c9%.
- On line sales strategy is performing exceptionally well with Revenue up +c54% to £16.1m.
- The group remains well placed for further expansion in the future.

PRINCIPAL RISKS AND UNCERTAINTIES

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

The board has identified the key risks as follows:

BUSINESS RISKS

The popularity of fishing may decrease

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

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

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

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

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

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

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

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

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

The weather may adversely affect the business

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

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

FINANCIAL RISKS
Credit Risk
The group's exposure to credit risk in limited to the carrying amount of cash deposits and trade and other receivables. The risks associated with cash deposits are limited as the banks used are reputable. The principal credit risk therefore lies with trade receivables and in order to manage credit risk, limits are set for customers based upon a combination of payment history and third party credit references.

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

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

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

Currency Fluctuations
The group's results can be affected by fluctuations in currency exchange rates. The group's sales are denominated in Pounds Sterling, however, the group sources some of its products from outside the UK where the principle currency of purchase is US Dollars, which may give rise to an exposure to exchange rates between the US Dollar and Pounds Sterling. This is regularly monitored and the company may use forward contracts to fix exchange rates for future purchases to mitigate the risk against currency fluctuations.

KEY PERFORMANCE INDICATORS

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

	FY 2018	FY 2017
Group Sales	£30.240m	£21.032m
EBITDA	£1.103m	£0.887m
Average Customer Baskets		
Retail Store	£32.03	£29.48
Web	£95.97	£99.92
E-Commerce customer satisfaction	99%	99%

ON BEHALF OF THE BOARD:

....
Mr D I Bailey - Director

Date: ....

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 2018

The directors present their report with the financial statements of the company and the group for the year ended 31 January 2018.

DIVIDENDS

Interim dividends per share on the Preference £1 shares were paid as follows:

0.2959p	- 8 June 2017
0.2246p	- 14 July 2017
0.5205p	

The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the Ordinary 1p shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 January 2018 will be £7,288.

CAPITAL STRUCTURE

A placing of ordinary shares occurred on the 13 July 2017 when the company floated on the AIM listing. Full details of this is disclosed in the Capital structure in Note 17.

100% of the preference shares of £1.400m were purchased back by the business on the 13 July 2017.

FUTURE DEVELOPMENTS

Since the year end, the company has continued to expand its Retail Store network with a new lease for a store in Peterborough being signed and a further two expected in the second quarter of FY 2019. In addition to this, the board has decided to invest c£0.6m in to our central warehouse operation to increase its capacity and improve its operational efficiencies.

RESEARCH AND DEVELOPMENT

The group invests in technology, in terms of in house specialists and allocating resource into developing its e-commerce platforms with the objective of improving sales. Where it is considered that an asset has been created which provides economic benefits extending to future financial periods, related costs are capitalised. The amounts attributable to this is £80,112 for FY 2018 and is treated as software development (FY 2017: £nil).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 February 2017 to the date of this report.

Mr D I Bailey
Mr M G Page

Other changes in directors holding office are as follows:

Ms J Higdon - resigned 6 April 2017
Mr W P F Hill - resigned 7 April 2017
Mr S N Moon - appointed 29 June 2017
Mr D P R Davies - appointed 9 June 2017
Mr J L Hunter - appointed 12 June 2017

DIRECTORS - continued
D Davies and S Moon are due to retire by rotation and are eligible for re-election at the forthcoming Annual General Meeting.

The beneficial interests of the directors holding office on 31 January 2018 in the issued share capital of the company were as follows:

	31.1.18	1.2.17 (or on date of appointment if later)
Number of Ordinary Shares	1p	£1
Mr D I Bailey	2,530,000	880
Mr M G Page	11,385,000	3,960
Mr D P R Davies	15,625	-
Mr J L Hunter	46,875	-
Mr S N Moon	-	-
Number of Preference Shares	£1	£1
Mr D I Bailey	-	123,200
Mr M G Page	-	554,400

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

The directors' interests in share options at 31st January 2018 are as follows-:

Ordinary 1p shares under option

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

INFORMATION ON DIRECTORS AND SENIOR MANAGEMENT

Darren Bailey
Chief Executive Officer

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

Martyn Page CTA TEP
Chairman

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

DIRECTORS - continued

John (Ian) Hunter FCMA
Finance Director

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

David (Paul) Davies ACA
Non-executive Director

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

Stephen Moon
Non-executive Director

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 GlaxoSmithKlines' Nutritional Healthcare business and is currently the chief executive officer of Science in Sport plc, an AIM-listed company.

Keith Easton
Financial Controller

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 and diverse group of trading companies) for 13 years and Anglian Leisure Limited (the Norfolk Dinosaur Park) and has significant financial and management experience within the commercial sector.

Wouter Putman
Operations Manager

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

Stewart Downing
Commercial Manager

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

DIRECTORS - continued

Shona Wright
HR Manager and Company Secretary

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

Shona was appointed as Company Secretary July 2017 in conjunction with her current role of HR Manager.

CHARITABLE AND POLITICAL DONATIONS
There were no Charitable or Political donations made during the year.

GOING CONCERN
The directors have reviewed the future viability and going concern position of the group for the foreseeable future, based upon forecasts and anticipated cash flows extending for a period of at least 12 months from the date of approval of the financial statements on the going concern basis.

SUBSTANTIAL SHAREHOLDINGS
At 31 January 2018, the company had been notified of the following shareholders amounting to more than 3% of the parent company's ordinary share capital of 42,999,993 shares of 1 pence.

	Shareholding	% holding
M G Page	11,385,000	26.48%
W Hill	11,385,000	26.48%
Hargreave Hale Ltd	5,525,000	12.85%
R Beaumont	3,450,000	8.02%
Otus Capital Management	2,735,000	6.36%
D Bailey	2,530,000	5.88%

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

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

RISK MANAGEMENT
The risks to which the business is exposed are detailed in the Strategic Report and note 22 to the financial statements.

DIRECTORS' REMUNERATION
A full breakdown of the Directors' remuneration is provided in the Remuneration Report.

REMUNERATION REPORT

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

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

Remuneration Policy

The remuneration committee is focused on ensuring that the group's policies and procedures are effective for the group's business and that executive remuneration packages are designed to attract, drive, motivate and retain executive directors and senior management of the requisite calibre and expertise, and to reward them appropriately for creating and enhancing long-term value for shareholders. The performance measurement of the chief executive officer and key members of the senior management team, and the determination of their annual remuneration package is undertaken by the remuneration committee.

The remuneration of the non-executive directors is determined by the Board within limits set by the Articles of Association and in accordance with the general guidance principles adopted by the Quoted Companies Alliance for small and mid-size quoted Companies.

Non-executive Directors' terms of engagement

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

Aggregate Directors' Remuneration

The remuneration paid to the directors, inclusive of employee benefits and employer national insurance contributions, in accordance with the service contracts, during the year ended 31 January 2018 was as follows:

	Salary & fees	Pensions	2018 Total	2017 Total
	£	£	£	£
Executive				
Mr D I Bailey	112,192	987	113,179	45,183
Mr M G Page	55,597	458	56,055	-
Mr J L Hunter *	60,438	-	60,438	-
Non-executive				
Mr D P R Davies	20,877	191	21,068	-
Mr S N Moon	20,877	191	21,068	-

(* Includes income of £53,938 received in respect of consultancy business fees.)

Directors' Service Contracts

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

	Date of appointment	Notice period
Executive		
Mr D I Bailey	1.05.1988	6 months
Mr M G Page	6.04.2017	6 months
Mr J L Hunter	12.06.2017	3 months
Non-executive		
Mr D P R Davies	9.06.2017	-
Mr S N Moon	29.06.2017	-

CORPORATE GOVERNANCE REPORT

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

Board and Board Committees

The Board of directors currently comprises of three executives comprising the chairman, the chief executive officer, and the finance director, along with two non-executive directors. The Board considers that this structure is suitable for the company having considered the specific skills and experience deemed necessary.

The non-executive directors are considered by the Board to be independent of management, and free from any other business or other relationship which could materially interfere with their judgement.

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

Role of the Board

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

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

Audit Committee

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

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

The Committee met once in 2018.

Remuneration Committee
The Remuneration Committee, comprises of the two non-executive directors, and is chaired by D Davies. The Remuneration Committee meets at least twice a year to determine the appropriate remuneration for the company's executive directors, ensuring that this reflects their performance and that of the group, and to demonstrate to shareholders that executive remuneration is set by the Board members who have no personal interest in the outcome of their decisions.

The company has in place an HM Revenue and Customs approved Share Option Scheme and unapproved options to subscribe for shares. These have been granted to one director and employees. Directors' emoluments are disclosed in note Remuneration Report and details of director's options are disclosed in the Directors' Report.

The Committee met once in 2018.

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

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

Shareholders
The Board seeks to protect shareholders' interests and the directors are always prepared, where practicable, to enter into dialogue with shareholders to promote a mutual understanding of the objectives of the group. The Annual General Meeting provides the Board with an opportunity to informally meet and communicate with investors.

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

Employees
The group encourages its employees to understand all aspects of the group's business and seeks to remunerate its employees fairly and flexible where practicable. The group is very keen to train and develop its employees and holds various in house and external training courses throughout the year to develop the skills of our team.

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

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

Suppliers
The group recognises that the goodwill of its suppliers is important to its business success and seeks to build and maintain this goodwill through fair dealings. The group has a prompt payment policy and seeks to settle all agreed liabilities within the agreed trading terms of its suppliers. The amount shown in the Consolidated and Company Statement of Financial Position in respect of trade payables at the end of the financial year represents 62 days of average daily purchases (2017: 65 days).

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Price Bailey LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
Mr D I Bailey - Director

Date: ....

Opinion

We have audited the financial statements of Angling Direct plc Group of Companies (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2018 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Company Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2018 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

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

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

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

Our procedures included:
Detailed analytical procedures and depth testing on a sample of transactions ensuring they had been accounted for correctly.
Reviewed the systems and procedures implemented to ensure revenue is recognised in the appropriate accounting period, testing a sample of entries where necessary.
Testing that cut off has been applied correctly and that income and associated direct costs have been recorded in the same period and that adequate provisions have been made.

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

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

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

Our procedures included:
Attendance to year end stock takes carrying out sample counts and observing procedures.
Testing to ensure stocks were carried at cost, further testing was also performed to ensure stocks were held at the lower of cost or net realisable value.
Testing to ensure cut off has been applied correctly.
Slow moving and obsolete stock policies were reviewed and testing carried out to ensure that appropriate provisions have been made in the financial statements.

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

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

We based materiality on turnover of the group and concluded materiality to be £460,000. We consider that turnover provides us with the most relevant performance measure to stakeholders of the entity given the stage of the Group’s activity and growth.

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

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

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

Other information
The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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

Date: ....

ANGLING DIRECT PLC GROUP OF COMPANIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	2018 £	2017 £
CONTINUING OPERATIONS			
Revenue	3	30,240,627	21,031,944
Cost of sales		(20,387,233)	(13,859,341)
GROSS PROFIT		9,853,394	7,172,603
Distribution costs		(1,793,675)	(1,206,317)
Administrative expenses		(7,119,495)	(5,228,650)
OPERATING PROFIT BEFORE EXCEPTIONAL COSTS OF IPO		940,224	737,636
Exceptional costs if IPO treated as an expense	5	(730,113)	-
OPERATING PROFIT AFTER EXCEPTIONAL COSTS OF IPO		210,111	737,636
Finance costs	6	(51,580)	(75,155)
PROFIT BEFORE INCOME TAX	7	158,531	662,481
Income tax	8	(131,662)	(102,130)
PROFIT FOR THE YEAR		26,869	560,351
Profit attributable to:			
Owners of the parent		26,869	560,351
Earnings per share expressed in pence per share:	10		
Basic		0.10	54721.78
Diluted		0.10	54721.78

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2018

	2018 £	2017 £
PROFIT FOR THE YEAR	26,869	560,351
OTHER COMPREHENSIVE INCOME		
Item that will not be reclassified to profit or loss:		
Revaluation of property to fair value	85,732	-
Income tax relating to item of other comprehensive income	-	-
	85,732	-
Item that may be reclassified subsequently to profit or loss:		
Bonus share issue	(302,500)	(9,000)
Income tax relating to item of other comprehensive income	-	-
	(302,500)	(9,000)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	(216,768)	(9,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(189,899)	551,351
Total comprehensive income attributable to:		
Owners of the parent	(189,899)	551,351

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 JANUARY 2018

	Notes	2018 £	2017 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	11	4,563,539	1,815,792
Property, plant and equipment	12	2,294,029	1,120,523
		6,857,568	2,936,315
CURRENT ASSETS			
Inventories	14	6,815,247	4,378,235
Trade and other receivables	15	617,082	496,287
Cash and cash equivalents	16	749,169	283,273
		8,181,498	5,157,795
TOTAL ASSETS		15,039,066	8,094,110
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	430,000	1,410,000
Share premium	18	7,032,496	-
Revaluation reserve	18	85,732	-
Retained earnings	18	707,096	990,015
TOTAL EQUITY		8,255,324	2,400,015
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	19	7,160	200,000
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	54,345	1,119,674
Deferred tax	23	202,892	160,294
		264,397	1,479,968
CURRENT LIABILITIES			
Trade and other payables	19	5,517,534	3,362,345
Financial liabilities - borrowings			
Bank overdrafts	20	-	186,885
Interest bearing loans and borrowings	20	887,597	501,195
Tax payable		114,214	163,702
		6,519,345	4,214,127
TOTAL LIABILITIES		6,783,742	5,694,095
TOTAL EQUITY AND LIABILITIES		15,039,066	8,094,110

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

....
Mr D I Bailey - Director

The notes form part of these financial statements

continued...

COMPANY STATEMENT OF FINANCIAL POSITION
31 JANUARY 2018

	Notes	2018 £	2017 £
ASSETS			
NON-CURRENT ASSETS			
Goodwill	11	2,357,818	307,476
Property, plant and equipment	12	1,727,987	1,052,852
Investments	13	2,211,031	1,513,526
		6,296,836	2,873,854
CURRENT ASSETS			
Inventories	14	5,408,603	3,702,579
Trade and other receivables	15	2,209,950	1,349,447
Cash and cash equivalents	16	623,930	11,069
		8,242,483	5,063,095
TOTAL ASSETS		14,539,319	7,936,949
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	430,000	1,410,000
Share premium	18	7,032,496	-
Retained earnings	18	525,586	949,057
TOTAL EQUITY		7,988,082	2,359,057
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	19	-	200,000
Financial liabilities - borrowings			
Interest bearing loans and borrowings	20	48,937	1,119,674
Deferred tax	23	194,765	157,389
		243,702	1,477,063
CURRENT LIABILITIES			
Trade and other payables	19	5,375,261	3,344,240
Financial liabilities - borrowings			
Bank overdrafts	20	-	186,885
Interest bearing loans and borrowings	20	879,397	501,195
Tax payable		52,877	68,509
		6,307,535	4,100,829
TOTAL LIABILITIES		6,551,237	5,577,892
TOTAL EQUITY AND LIABILITIES		14,539,319	7,936,949

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £113,683 (2017 - £339,919 profit).

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

....
Mr D I Bailey - Director

The notes form part of these financial statements

continued...

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2018

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 February 2016	1,000	463,664	-	-	464,664
Changes in equity					
Profit for the year	-	560,351	-	-	560,351
Other comprehensive income	-	(9,000)	-	-	(9,000)
Total comprehensive income	-	551,351	-	-	551,351
Dividends	-	(25,000)	-	-	(25,000)
Issue of share capital	1,409,000	-	-	-	1,409,000
Total transactions with owners, recognised directly in equity	1,409,000	(25,000)	-	-	1,384,000
Balance at 31 January 2017	1,410,000	990,015	-	-	2,400,015
Changes in equity					
Profit for the year	-	26,869	-	-	26,869
Other comprehensive income	-	(302,500)	-	85,732	(216,768)
Total comprehensive income	-	(275,631)	-	85,732	(189,899)
Dividends	-	(7,288)	-	-	(7,288)
Issue of share capital	420,000	-	7,032,496	-	7,452,496
Reduction in share capital	(1,400,000)	-	-	-	(1,400,000)
Total transactions with owners, recognised directly in equity	(980,000)	(7,288)	7,032,496	-	6,045,208
Balance at 31 January 2018	430,000	707,096	7,032,496	85,732	8,255,324

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 February 2016	1,000	643,138	-	644,138
Changes in equity				
Profit for the year	-	339,919	-	339,919
Other comprehensive income	-	(9,000)	-	(9,000)
Total comprehensive income	-	330,919	-	330,919
Dividends	-	(25,000)	-	(25,000)
Issue of share capital	1,409,000	-	-	1,409,000
Total transactions with owners, recognised directly in equity	1,409,000	(25,000)	-	1,384,000
Balance at 31 January 2017	1,410,000	949,057	-	2,359,057
Changes in equity				
Profit for the year	-	(113,683)	-	(113,683)
Other comprehensive income	-	(302,500)	-	(302,500)
Total comprehensive income	-	(416,183)	-	(416,183)
Dividends	-	(7,288)	-	(7,288)
Issue of share capital	420,000	-	7,032,496	7,452,496
Reduction in share capital	(1,400,000)	-	-	(1,400,000)
Total transactions with owners, recognised directly in equity	(980,000)	(7,288)	7,032,496	6,045,208
Balance at 31 January 2018	430,000	525,586	7,032,496	7,988,082

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	(222,517)	1,301,250
Interest paid		(45,189)	(68,691)
Interest element of finance lease payments paid		(6,391)	(6,464)
Tax paid		(138,552)	-
Taxation refund		-	13,083
Net cash from operating activities		(412,649)	1,239,178
Cash flows from investing activities			
Purchase of goodwill		(2,747,747)	(1,523,469)
Purchase of tangible fixed assets		(1,234,276)	(216,197)
Sale of tangible fixed assets		-	18,000
Net cash from investing activities		(3,982,023)	(1,721,666)
Cash flows from financing activities			
New loans in year		850,000	1,250,000
Loan repayments in year		(1,514,985)	(266,844)
Finance lease capital repayments in year		(30,270)	(22,279)
Share issue		7,519,996	-
Cost of issue		(370,000)	-
Redemption of preference shares		(1,400,000)	-
Equity dividends paid		(7,288)	(25,000)
Net cash from financing activities		5,047,453	935,877
Increase in cash and cash equivalents		652,781	453,389
Cash and cash equivalents at beginning of year	2	96,388	(357,001)
Cash and cash equivalents at end of year	2	749,169	96,388

The notes form part of these financial statements

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	(746,449)	1,087,400
Interest paid		(45,189)	(68,650)
Interest element of finance lease payments paid		(6,234)	(6,464)
Tax paid		(163,794)	(64,146)
Net cash from operating activities		(961,666)	948,140
Cash flows from investing activities			
Purchase of goodwill		(542,026)	(15,153)
Purchase of tangible fixed assets		(813,118)	(197,163)
Acquisition of subsidiaries		(3,252,122)	(5,995,823)
Sale of tangible fixed assets		-	18,000
Dividends received		1,046,301	4,487,307
Cash acquired on acquisition of subsidiaries		272,204	
Net cash from investing activities		(3,288,761)	(1,702,832)
Cash flows from financing activities			
New loans in year		850,000	1,250,000
Loan repayments in year		(1,514,985)	(266,844)
Finance lease capital repayments in year		(27,550)	(22,279)
Share issue		7,519,996	-
Cost of issue		(370,000)	-
Redemption of preference shares		(1,400,000)	-
Equity dividends paid		(7,288)	(25,000)
Net cash from financing activities		5,050,173	935,877
Increase in cash and cash equivalents		799,746	181,185
Cash and cash equivalents at beginning of year	2	(175,816)	(357,001)
Cash and cash equivalents at end of year	2	623,930	(175,816)

The notes form part of these financial statements

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

Group

	2018	2017
	£	£
Profit before income tax	158,531	662,481
Depreciation charges	162,830	124,691
Profit on disposal of fixed assets	-	(3,285)
Impairment of goodwill	-	24,304
Finance costs	51,580	75,155
	372,941	883,346
Increase in inventories	(2,437,012)	(966,725)
(Increase)/decrease in trade and other receivables	(120,795)	156,430
Increase in trade and other payables	1,962,349	1,228,199
Cash generated from operations	(222,517)	1,301,250

Company

	2018	2017
	£	£
(Loss)/profit before income tax	(26,243)	421,180
Depreciation charges	154,946	116,422
Profit on disposal of fixed assets	-	(3,285)
Impairment of goodwill	-	24,304
Loss on revaluation of investment	1,046,301	4,487,307
Finance costs	51,423	75,114
Finance income	(1,157,919)	(4,487,307)
	68,508	633,735
Increase in inventories	(1,248,311)	(474,942)
Increase in trade and other receivables	(831,345)	(662,577)
Increase in trade and other payables	1,264,699	1,591,184
Cash generated from operations	(746,449)	1,087,400

2. CASH AND CASH EQUIVALENTS

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

	Group		Company	
Year ended 31 January 2018				
	31/1/18	1/2/17	31/1/18	1/2/17
	£	£	£	£
Cash and cash equivalents	749,169	283,273	623,930	11,069
Bank overdrafts	-	(186,885)	-	(186,885)
	749,169	96,388	623,930	(175,816)
Year ended 31 January 2017				
	31/1/17	1/2/16	31/1/17	1/2/16
	£	£	£	£
Cash and cash equivalents	283,273	5,955	11,069	5,955
Bank overdrafts	(186,885)	(362,956)	(186,885)	(362,956)
	96,388	(357,001)	(175,816)	(357,001)

The notes form part of these financial statements

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

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

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

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

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

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

continued...

2. ACCOUNTING POLICIES - continued

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' 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.

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.

continued...

2. **ACCOUNTING POLICIES - continued**

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

Improvements to property	-	10% on reducing balance
Plant and machinery	-	10% on cost
Computer equipment	-	10% 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
Fixed asset investments are stated at cost. The investments are reviewed annually and any impairment is taken directly to the statement of profit and loss. Investments in subsidiaries are fully consolidated within the group financial statements.

Cash and cash equivalents
Cash and cash equivalents comprise cash in hand, bank balances and bank overdrafts.

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 assets 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.

continued...

2. ACCOUNTING POLICIES – continued

Financial liabilities
The groups 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 substantively 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.

continued...

2. ACCOUNTING POLICIES – continued

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

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

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

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

New IFRS standards and interpretations not yet adopted
In preparing these financial statements the Company has reviewed all new standards and interpretations.

New Standards, Interpretations and Amendments effective from 1 February 2017
The following new and revised Standards and Interpretations have been adopted in these financial statements but their adoption has not had any significant impact on the amounts reported in these financial statements:
- IAS 7 Statement of Cash Flows (amended 2016)
- IAS 12 Income Taxes (amended 2016)
- IFRS 12 Disclosure of Interests in Other Entities (amended 2016)

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

continued...

2. ACCOUNTING POLICIES – continued

New Standards, Interpretations and Amendments that are not yet effective and have not been adopted early

The following new and revised Standards and Interpretations are relevant to the Company but not yet effective for the year commencing 1 February 2017 and have not been applied in preparing these financial statements:

- IAS 12 Income Taxes (amended 2017)
- IAS 19 Employee Benefits (amended 2018)
- IAS 23 Borrowing Costs (amended 2017)
- IAS 28 Investment in Associates and Joint Ventures (amended 2016 & 2017)
- IFRS 2 Share-based Payment (amended 2016)
- IFRS 3 Business Combinations (amended 2017)
- IFRS 9 Financial Instruments (amended 2017)

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

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

3. SEGMENTAL REPORTING

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

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

During FY 2018, the group operated with 21 retail branches within the UK, located throughout England.

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

	2018	2017
	£m	£m
Retail store sales	13.2	9.3
E-commerce	16.1	10.5
Other	0.9	1.2
Total revenue	30.2	21.0

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	3,679,339	2,600,495
Social security costs	279,654	182,952
Other pension costs	30,653	20,336
	3,989,646	2,803,783

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

	2018	2017
Administration	28	22
Web development	4	4
Stores	110	76
Warehouse	28	27
Marketing	7	6
Management	12	8
Other	5	1
	194	144

	2018	2017
	£	£
Directors' remuneration (including consultancy business fees)	247,752	40,333
Directors' pension contributions to money purchase schemes	1,827	403

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

Money purchase schemes	4	1

Details of remuneration for each director is included in the Remuneration Report on page 15.

5. EXCEPTIONAL COSTS OF IPO

On 13 July 2017 Angling Direct plc successfully floated on the Alternative Investment Market ("AIM"), issuing 11,562,500 ordinary 1p shares for consideration of £7,400,000.

In relation to the IPO, costs of £730,113 were incurred and were expensed and charged to the Income Statement for the year as an exceptional item.

6. NET FINANCE COSTS

	2018	2017
	£	£
Finance costs:		
Bank interest	45,189	68,154
Loan	-	537
Leasing	6,391	6,464
	51,580	75,155

continued...

7. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging/(crediting):

	2018 £	2017 £
Cost of inventories recognised as expense	20,387,233	13,859,341
Hire of plant and machinery	18,620	9,819
Other operating leases	613,624	454,576
Depreciation - owned assets	162,830	117,043
Depreciation - assets on finance leases	-	7,648
Profit on disposal of fixed assets	-	(3,285)
Auditors' remuneration	18,273	16,426
Other non-audit services (acting as reporting accountant for IPO)	100,000	-
Impairment of goodwill	-	24,304

8. INCOME TAX

Analysis of tax expense

	2018 £	2017 £
Current tax:		
Tax	90,114	92,167
Deferred tax	41,548	9,963
Total tax expense in consolidated statement of profit or loss	131,662	102,130

Factors affecting the tax expense

The tax assessed for the year is higher (2017 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before income tax	158,531	662,481
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	30,121	132,496
Effects of:		
Expenses not deductible for tax purposes	115,079	4,407
Capital allowances for period in excess of depreciation	(31,735)	(23,380)
Utilisation of tax losses	(16,480)	(21,763)
Other tax adjustments	(6,871)	407
Deferred taxation	41,548	9,963
Tax expense	131,662	102,130

continued...

9. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £1 each		
Interim	-	25,000
Preference shares of £1 each		
Interim	7,288	-
	7,288	25,000

Interim dividends of 0.2959p per share were paid on 8 June 2017 and 0.2246p per share were paid on 14 July 2017 in respect of the preference £1 shares.

10. EARNINGS PER SHARE

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

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

Reconciliations are set out below.

	Earnings £	2018 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	26,869	26,225,168	0.10
Effect of dilutive securities			
Options	-	1,410,911	-
Diluted EPS			
Adjusted earnings	26,869	27,636,079	0.10

	Earnings £	2017 Weighted average number of shares	Per-share amount pence
Basic EPS			
Earnings attributable to ordinary shareholders	560,351	1,024	54721.78
Effect of dilutive securities	-	-	-
Diluted EPS			
Adjusted earnings	560,351	1,024	54721.78

continued...

11. GOODWILL

Group

	£
COST	
At 1 February 2017	1,949,307
Additions	2,747,747
At 31 January 2018	4,697,054
IMPAIRMENT	
At 1 February 2017 and 31 January 2018	133,515
NET BOOK VALUE	
At 31 January 2018	4,563,539

	£
COST	
At 1 February 2016	450,142
Additions	1,523,469
Impairments	(24,304)
At 31 January 2017	1,949,307
IMPAIRMENT	
At 1 February 2016 and 31 January 2017	133,515
NET BOOK VALUE	
At 31 January 2017	1,815,792

Company

	£
COST	
At 1 February 2017	440,991
Additions	2,050,342
At 31 January 2018	2,491,333
IMPAIRMENT	
At 1 February 2017 and 31 January 2018	133,515
NET BOOK VALUE	
At 31 January 2018	2,357,818
At 31 January 2017	307,476

continued...

11. GOODWILL - continued

Company

	£
COST	
At 1 February 2016	450,142
Additions	15,153
Impairments	(24,304)
At 31 January 2017	440,991
IMPAIRMENT	
At 1 February 2016 and 31 January 2017	133,515
NET BOOK VALUE	
At 31 January 2017	307,476

The impairment of goodwill is charged to administration and included within the statement of profit and loss as an expense.

12. PROPERTY, PLANT AND EQUIPMENT

Group

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

continued...

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

Group

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

Cost or valuation at 31 January 2018 is represented by:

	Improvements to property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
Valuation in 2017	85,732	-	-	-	85,732
Cost	908,640	1,367,623	14,850	795,578	3,086,691
	994,372	1,367,623	14,850	795,578	3,172,423

Property, plant and equipment with a carrying value of £102,284 (2017: £120,204) is held under finance lease contracts.

continued...

12. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 February 2017	291,019	777,606	529,956	1,598,581
Additions	38,914	572,299	218,868	830,081
At 31 January 2018	329,933	1,349,905	748,824	2,428,662
DEPRECIATION				
At 1 February 2017	73,692	299,530	172,507	545,729
Charge for year	23,870	74,761	56,315	154,946
At 31 January 2018	97,562	374,291	228,822	700,675
NET BOOK VALUE				
At 31 January 2018	232,371	975,614	520,002	1,727,987
At 31 January 2017	217,327	478,076	357,449	1,052,852

	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST				
At 1 February 2016	238,832	630,173	490,574	1,359,579
Additions	52,187	165,433	39,382	257,002
Disposals	-	(18,000)	-	(18,000)
At 31 January 2017	291,019	777,606	529,956	1,598,581
DEPRECIATION				
At 1 February 2016	53,277	257,086	122,229	432,592
Charge for year	20,415	45,729	50,278	116,422
Eliminated on disposal	-	(3,285)	-	(3,285)
At 31 January 2017	73,692	299,530	172,507	545,729
NET BOOK VALUE				
At 31 January 2017	217,327	478,076	357,449	1,052,852

Property, plant and equipment with a carrying value of £102,284 (2017: £120,204) is held under finance lease contracts.

continued...

13. INVESTMENTS

Company

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

	Shares in group undertakings £
COST	
At 1 February 2016	5,010
Additions	5,995,823
Dividends received	(4,487,307)
At 31 January 2017	1,513,526
NET BOOK VALUE	
At 31 January 2017	1,513,526

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

Company	Nature of business	Capital and reserves £	Profit for the period £
J Simpson (Angling) Ltd	Dormant	5,000	-
H L & S Ltd	Retailer	45,973	116,623
Climax Fishing Tackle Ltd	Dormant	200	-
Fosters Fishing Ltd	Retailer	221,379	135,547

Fosters Fishing Ltd was acquired by the company on 2 October 2017 and its results represent a four month period.

For the period ended 31 January 2018, H L & S Ltd, Climax Fishing Tackle Ltd and Fosters Fishing Ltd are exempt from audit under section 479A of Companies Act 2006 relating to subsidiary companies. A guarantee has been given by Angling Direct plc under section 479C.

continued...

14. INVENTORIES

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Finished goods	6,815,247	4,378,235	5,408,603	3,702,579

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Current:				
Trade debtors	142,984	141,190	142,984	141,193
Amounts owed by group undertakings	-	-	1,610,492	882,315
Other debtors	147,169	108,637	137,204	79,479
Prepayments and accrued income	326,929	246,460	319,270	246,460
	617,082	496,287	2,209,950	1,349,447

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank deposit account	-	283,273	-	11,069
Bank accounts	749,169	-	623,930	-
	749,169	283,273	623,930	11,069

continued...

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

	2018	2017
	£	£
10,000 Ordinary shares of £1 each	-	10,000
42,999,993 Ordinary shares of 1p each	430,000	-
Nil (2017: 1,400,000) £1 Preference shares	-	1,400,000
	430,000	1,410,000

The £1 Ordinary shares are sub-divided into four classes as follows:

	2017
	No.
Ordinary 'A'	3,960
Ordinary 'B'	3,960
Ordinary 'C'	880
Ordinary 'D'	1,200
	10,000

On 22 March 2017 these four classes of £1 Ordinary shares were all converted into a single class of £1 Ordinary shares.
On 19 June 2017 the £1 Ordinary shares were subdivided with each share being split into 100 new Ordinary shares of 1p each.
A bonus issue of 30,250,000 1p Ordinary shares took place on 19 June 2017 on a pro rata basis to the existing Ordinary share holders.
On 13 July 2017 11,562,500 Ordinary shares of 1p each were allotted as fully paid for cash at a premium of 63p per share.
On 28 July 2017 187,493 Ordinary shares of 1p each were allotted as fully paid for cash at a premium of 63p per share.

The numbers of Ordinary shares in issue are as follows:

	2018	2018	2017
	1p shares	£1 shares	£1 shares
	No.	No.	No.
At 1 February 2017	-	10,000	1,000
Sub-divide shares	1,000,000	(10,000)	-
Bonus issue	30,250,000	-	9,000
Issued during the year	11,749,993	-	-
At 31 January 2018	42,999,993	-	10,000

The 1,400,000 Preference £1 shares were fully redeemed during the year.

The numbers of Preference shares in issue are as follows:

	2018	2017
	No.	No.
At 1 February 2017	1,400,000	-
Issued during the year	-	1,400,000
Redeemed during the year	(1,400,000)	
At 31 January 2018	-	1,400,000

continued...

18. RESERVES

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

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

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Current:				
Trade creditors	3,465,182	2,461,887	3,414,015	2,441,904
Amounts owed to group undertakings	-	-	5,200	5,000
Social security and other taxes	377,056	330,525	320,372	330,525
Other creditors	1,212,308	387,508	1,212,308	387,065
Accruals and deferred income	462,988	182,425	423,366	179,746
	5,517,534	3,362,345	5,375,261	3,344,240
Non-current:				
Other creditors	7,160	200,000	-	200,000
	7,160	200,000	-	200,000
Aggregate amounts	5,524,694	3,562,345	5,375,261	3,544,240

20. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Current:				
Bank overdrafts	-	186,885	-	186,885
Bank loans	850,000	473,681	850,000	473,681
Finance leases (see note 22)	37,597	27,514	29,397	27,514
	887,597	688,080	879,397	688,080
Non-current:				
Bank loans - 1-2 years	-	1,041,304	-	1,041,304
Finance leases (see note 22)	54,345	78,370	48,937	78,370
	54,345	1,119,674	48,937	1,119,674

continued...

20. FINANCIAL LIABILITIES - BORROWINGS - continued

Terms and debt repayment schedule

Group

	1 year or less	1-2 years	2-5 years	Totals
	£	£	£	£
Bank loans	850,000	-	-	850,000
Finance leases	37,597	36,817	17,528	91,942
	887,597	36,817	17,528	941,942

Company

	1 year or less	1-2 years	2-5 years	Totals
	£	£	£	£
Bank loans	850,000	-	-	850,000
Finance leases	29,397	31,409	17,528	78,334
	879,397	31,409	17,528	928,334

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Finance leases	
	2018	2017
	£	£
Within one year	37,597	27,514
Between one and five years	54,345	78,370
	91,942	105,884

Company

	Finance leases	
	2018	2017
	£	£
Within one year	29,397	27,514
Between one and five years	48,937	78,370
	78,334	105,884

continued...

21. **LEASING AGREEMENTS – continued**

Group

	Non-cancellable operating leases 2018	Non-cancellable operating leases 2017
	£	£
Within one year	607,922	463,618
Between one and five years	1,785,352	1,113,428
In more than five years	632,889	422,455
	3,026,163	1,999,501

22. **FINANCIAL INSTRUMENTS**

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

As 31 January 2018	Loans and other receivables	Financial liabilities at amortised cost	Financial liabilities measured at fair value through profit and loss	Total balance sheet heading
	£	£	£	£
Cash and cash equivalents	749,169	-	-	749,169
Trade receivables	142,984	-	-	142,984
Other receivables	474,098	-	-	474,098
Taxation	-	(491,270)	-	(491,270)
Bank loans and overdrafts - current	-	(850,000)	-	(850,000)
Trade payables	-	(3,465,182)	-	(3,465,182)
Finance leases - current	-	(37,597)	-	(37,597)
Finance leases - non current	-	(54,345)	-	(54,345)
Other payables - current	-	(1,675,296)	-	(1,675,296)
Other payables - non current	-	(7,160)	-	(7,160)
Total	1,366,251	(6,580,850)	-	(5,214,599)

continued...

22. FINANCIAL INSTRUMENTS – continued

As 31 January 2017	Loans and other receivables	Financial liabilities at amortised cost	Financial liabilities measured at fair value through profit and loss	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	779,560	(5,533,801)	-	(4,754,241)

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.

continued...

22. FINANCIAL INSTRUMENTS – continued

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

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

Credit risk
The group's exposure to credit risk is limited to the carrying amount of cash deposits and trade and other receivables recognised at the balance sheet date of £1,366,251 (2017: £779,560). 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.

continued...

22. **FINANCIAL INSTRUMENTS – continued**

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 £850,000 (2017: £1,701,870). An increase of 100 basis points in the interest rate at the reporting date could increase interest charges by £8,500 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:

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

	Less than one year	More than one year	Total
2017	£	£	£
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

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.

continued...

23. DEFERRED TAX

Group

	2018	2017
	£	£
Balance at 1 February	160,294	141,391
Accelerated capital allowances	38,643	9,963
Acquisition of subsidiary	3,955	8,940
Balance at 31 January	202,892	160,294

Company

	2018	2017
	£	£
Balance at 1 February	157,389	141,391
Accelerated capital allowances	37,376	15,998
Balance at 31 January	194,765	157,389

The deferred tax liability relates wholly to capital allowances claimed in advance of depreciation charges.

24. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the income statement in the year to which they relate and the charge for the year was £31,877 (2017: £20,336). No amounts were outstanding at the balance sheet date (2017: £nil).

continued...

25. RELATED PARTY DISCLOSURES

Hillages Ltd
D I Bailey, W P F Hill and M G Page are directors of Hillages Ltd, a company with which the group rented property for £175,840 (2017: £81,203) on a commercial basis throughout the year. The group repaid all liabilities during the year and no balance was owed to the company at the balance sheet date (2017: £137,813).

Sportquest Holidays Ltd
A company in which Hillages Ltd is a shareholder. The group acquired holidays for competition prizes fo £16,030 during the year and recharged costs of £2,500. All liabilities were repaid during the year and no balance was owed to the company at the balance sheet date (2017: £7,613).

J Simpson (Angling) Ltd
At the balance sheet date Angling Direct plc owed £5,000 (2017: £5,000) to its wholly owned dormant subsidiary.

H L & S Ltd
Angling Direct plc traded on a commercial basis with its wholly owned subsidiary, making sales net of purchase costs of £143,016 (2017: £80,943) during the year. At the balance sheet date the company was owed £196,285 (2017: £339,301) by its subsidiary.

Climax Fishing Tackle Ltd
During the year the subsidiary company paid a dividend of £111,618 to Angling Direct plc and transferred its trade as a going concern for £654,832. At the balance sheet date Angling Direct plc owed £200 (2017: was owed £543,014 by) to its wholly owned dormant subsidiary.

Contex Builders Ltd
D I Bailey is a director of Contex Builders Ltd, a company with which the group recharged electricity of £2,203 (2017: £1,200) on a commercial basis throughout the year. The company repaid all liabilities to the group during the year and no balance was owed by the company at the balance sheet date (2017: £2,203).

Wroxham Angling Ltd
W P F Hill is a director of Wroxham Angling Ltd. During the year the group was charged rent and costs of £12,346 (2017: £nil) by the company and recharged costs of £4,071 (2017: £2,282) to the company, all on a commercial basis. The company repaid all liabilities to the group during the year and no balance was owed by the company at the balance sheet date (2017: £11,277).

Fosters Fishing Ltd
On 2 October 2017 the group acquired Fosters Fishing Ltd as a 100% subsidiary. The group traded on a commercial basis with the company during the year, selling stock for £1,353,692, recharging costs of £74,375 and receiving a dividend of £1,046,302. At the balance sheet date the group was owed £1,414,207 (2017: nil).

M&A Partners
M Page is a partner of the business. During the year the business provided payroll and taxation services to the group on a commercial basis for £2,278 (2017: £nil). At the balance sheet date the group owed £2,278 to the business (2017: nil).

Key management personnel compensation
The directors' and key management personnel of the group during the year were as follows:
Mr D I Bailey (Managing director)
Mr M G Page
Mr D P R Davies
Mr J L Hunter

continued...

25. RELATED PARTY DISCLOSURES - continued

Mr S N Moon
Mr K Easton (Financial controller)
Mr W Putman (Operations manager)
Mr S Downing (Commercial manager)
Mrs S M Wright

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

	2018	2017
	£	£
Short-term employee benefits	496,049	195,003
Post-employment benefits	4,916	1,753
Termination benefits	-	-
Share-based benefits	-	-
	500,965	196,756

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

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

26. EVENTS AFTER THE REPORTING PERIOD

Since the year end, the company has continued to expand its Retail Store network with a new lease for a store in Peterborough being signed and a further two expected in the second quarter of FY 2019. In addition to this, the board has decided to invest c£0.6m in to our central warehouse operation to increase its capacity and improve its operational efficiencies.

Other than the above items, there has not arisen in the interval between the year end and the date of this report any other item, transaction or event of a material nature, likely, in the opinion of the directors of the group to affect:
i) the group's operations in future financial periods; or
ii) the results of those operations in future periods; or
iii) the group's state of affairs in future financial periods.

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27. SHARE-BASED PAYMENT-TRANSACTIONS

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

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

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

	Weighted average exercise price 2018	Number of options 2018	Weighted average exercise price 2017	Number of options 2017
Outstanding at 1 February 2017	-	-	-	-
Granted during the period	1p	1,645,311	-	-
Outstanding at 31 January 2018	1p	1,645,311	-	-
Exercisable at 31 January 2018	-	-	-	-

The options outstanding at 31 January 2018 have an exercise price of 1p and a remaining contractual life of 9.15 years. The options have a three year vesting period and cannot be exercised until 24 March 2020.

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

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

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

There is an expense of £2,204 (2017: £Nil) for the year in respect of services received in respect of equity-settled share-based payment transactions but no provision has been made in these financial statements as the figure is not considered to be significant.

continued...

28. BUSINESS COMBINATIONS

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

The assets and liabilities acquired were as follows:

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

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

Foster Fishing Limited contributed £1,621,272 revenue and £135,547 to the group’s profit for the period between the date of acquisition and the balance sheet date.