16 May 2023

Angling Direct PLC
('Angling Direct', the 'Company' or the 'Group')

Final Results

Continued sales growth across all markets despite significant consumer headwinds

Angling Direct PLC (AIM: ANG), the leading omni-channel specialist fishing tackle and equipment retailer, is pleased to announce its financial results for the twelve months ended 31 January 2023 (**FY23**).

£m	FY23	FY22	% Change
Revenue	**74.1**	72.5	*2.2%*
UK sales	**71.0**	69.8	*1.6%*
Retail store sales	**41.3**	38.7	*6.8%*
Online sales	**32.8**	33.8	*(3.0)%*
UK Online sales	**29.6**	31.1	*(4.8)%*
European Online sales	**3.1**	2.7	*18.4%*
Of which European key territory sales	**3.0**	2.2	*32.3%*
Gross profit	**25.8**	26.6	*(3.1)%*
Gross margin %	**34.8%**	36.7%	*-190bps*
EBITDA (pre IFRS-16)	**2.2**	5.2	*(57.2)%*
Profit before tax	**0.7**	4.0	*(83.4)%*
Basic EPS	**0.70p**	3.98p	*(82.4)%*

Financial highlights:

- Group revenue increased by 2.2% to £74.1m
- Store sales increased by 6.8% against FY22 (£38.7m) as the store rollout strategy continued
- Like-for-like store sales were £38.0m (including the previously reported disruption caused by the unusually hot weather in the UK and Europe in August 2022), flat against the prior year
- UK online sales, representing 90% of total online sales, decreased by 4.8%, driven by tough H1 comparatives returning to growth in H2 against the prior year
- UK online sales were 57.9%, and the UK business 47.3% above pre-Covid levels, illustrating a significant step change in the Group's omni-channel offering
- Our key European territories of Germany, France and The Netherlands grew 32.3% year on year
- Gross margin declined by 190 bps as we consciously invested in customer prices to gain market share
- Positive operating cashflow of £1.5m, with a strong balance sheet and net cash position of £14.1m. Securely positioned to meet short-term challenges and take advantage of any potential market consolidation

Operational highlights:

- Successfully opened our European distribution centre in March 2022
- Market share gains in all key territories including strong growth in new unique customers
- Continued store rollout strategy, with a total of 45 stores at period end (FY22: 42) with Cardiff opening in early FY24. Three new stores in unserved catchments
- Angling Trust qualified coaches deployed across all stores to ensure our customers enjoy the very best experience
- Significant focused investment in Advanta stock and new ranges delivered 24% growth in own brand sales
- Over 55,000 App downloads, further user enhancements summer 2023, optimising digital capability
- As announced separately today, Sam Copeman will join the Company as CFO on 5 June 2023 and will be appointed to the Board on conclusion of the Company's AGM on 22 June 2023

Current trading and outlook

- Despite the turbulent consumer environment and sustained cost pressures, management remains focused on delivering profitable growth and market share gains in the UK and Europe over the medium to long term
- Total Q1 FY24 sales growth of 11.0%, with growth across all channels, including accelerated growth in Europe
- Whilst management is pleased with this early sales performance it remains vigilant to the ongoing inflationary cost pressures being experienced by consumers
- However, given the fundamental strengths of the business, management believes there is a significant opportunity to gain market share in a weakening competitor landscape

Andy Torrance, CEO of Angling Direct, said:

"The last twelve months have seen Angling Direct continue to grow sales despite significant consumer headwinds, including inflation and cost of living pressures across all of the Company's key markets. Our omni-channel business model continues to demonstrate considerable financial and operational resilience and we are pleased to have increased revenues to £74.1m. This performance is largely due to the outstanding work of my colleagues who continue to go above and beyond for our customers and I would like to thank them, on behalf of the Board, for their continued dedication.

Throughout the period, we continued to make good progress against our strategic objectives – establishing our European Distribution Centre, continuing our store rollout strategy as well as improving our omni-channel proposition. Looking through the current uncertain macroeconomic backdrop, our strategy remains unchanged as we continue to focus on gaining market share both in the UK and Europe over the medium term.

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

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

Finally, I would like to take this opportunity to welcome Sam Copeman to the Company who will join us on 5 June in the role of CFO. Having conducted a rigorous search and selection process, we are delighted to have chosen Sam to work alongside Steve to deliver on the next stage of our growth journey. I look forward to working with both of them as I move into my role of Non-executive Chairman."

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About Angling Direct

Angling Direct is the leading omni-channel specialist fishing tackle retailer in the UK. The Company sells fishing tackle products and related equipment through its network of retail stores, located strategically throughout the UK as well as through its leading digital platform (www.anglingdirect.co.uk .de, .fr, .nl and .eu) and other third-party websites.

Angling Direct is committed to supporting its active customer base and widening access to the angling community through its passionate colleagues, store-based qualified coaches, social media reach and ADTV YouTube channel. The Company currently sells over 28,000 fishing tackle products, including capital items, consumables, luggage and clothing. Angling Direct also owns and sells fishing tackle products under its own brand 'Advanta', which was formally launched in March 2016.

From 1986 to 2002, the Company's founders acquired interests in a number of small independent fishing tackle shops in Norfolk and, in 2002, they acquired a significant premise in Norwich, which was branded Angling Direct. Since 2002, the Company has continued to acquire or open new stores, taking the total number up to 46 retail stores. In 2015, the Company opened a 2,800 sq. metres central distribution centre in Rackheath, Norfolk, where the Company's head office is also located. In January 2022 Angling Direct acquired an additional 3,900 sq. metres distribution centre in Venlo, Netherlands to service its established, and rapidly growing, presence in Europe with native language websites set up in key regions to address demand.

Chairman's Statement

Introduction

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

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

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

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

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

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

Financial overview

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

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

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

People & community

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

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

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

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

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

Looking ahead

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

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

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

Board changes

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

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

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

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

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

Yours sincerely,

Martyn Page
Non-Executive Chairman

Chief Executive's Review

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

Introduction

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

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

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

Our store teams are supporting their customers by being the 'Best in Town'. Total store sales increased 6.8% against FY22 including £0.9m sales from the three new stores opened in the year. Online, we continued to develop our customer experience to optimise both conversion rates and average transaction values. Total online sales declined modestly by 3.0% driven by tough H1 prior year comparatives. UK online sales, representing 90% of total online sales, decreased by 4.8%, however, UK online sales returned to growth in H2 (against prior year) as channel trading returned to more normal post pandemic levels. Furthermore, despite online sales falling across the year as a whole, UK online sales were still 57.9% above pre-Covid levels illustrating the significant step change in the Group's omni-channel offering. Following the successful opening of our European Distribution centre in March 2022, our European revenue saw a return to growth as sales increased by 18.4%, with sales in our key European territories of Germany, France and the Netherlands increasing by 32.3%. The initiative represents a significant strategic step for the Group in expanding our total addressable market and we expect Europe to play an increasingly important role in the future growth of the business.

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

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

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

Business review

Focused strategic progress against a challenging consumer backdrop

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

Operational excellence

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

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

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

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

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

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

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

Return on capital

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

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

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

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

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

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

New growth opportunities – European markets

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

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

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

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

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

New growth opportunities - Digital capability

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

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

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

New growth opportunities – Evolving store concepts

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

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

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

Organisational capability.

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

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

Our colleagues and our role in the community

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

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

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

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

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

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

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

We take our responsibilities seriously and that extends to ensuring Angling Direct is a sustainable business across the areas of environmental protection, economic viability, and social equality.

Board Succession Plan

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

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

Current Trading and Outlook

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

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

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

Andy Torrance
Executive Director and Chief Executive Officer

15 May 2023

Chief Financial Officer's statement

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

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

Financial highlights

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

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

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

Note 6 provides more information and reconciliations relating to EBITDA on both a pre and post-IFRS 16 basis. An explanation of the difference between the reported operating profit figure and adjusted EBITDA is shown below:

Financial Highlights

Year ended 31 January	**2023 Post-IFRS 16**	**2023 Pre-IFRS 16**	**2022 Post-IFRS 16**	**2022 Pre-IFRS 16**	**Change % Post-IFRS 16**	**Change % Pre-IFRS 16**
Revenue (£m)	74.1	74.1	72.5	72.5	2.2%	2.2%
EBITDA (£m)	4.6	2.2	7.3	5.2	(37.9%)	(57.2%)
Operating profit (£m)	1.1	0.7	4.4	3.8	(75.7%)	(80.6%)
Profit before tax (£m)	0.7	0.8	4.0	3.8	(83.2%)	(79.2%)
Basic earnings per share (pence)	0.70		3.98		(82.4%)	

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

Another year of revenue growth

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

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

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

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

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

Gross margin

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

Other income

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

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

Administrative expenses

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

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

Segmental Analysis

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

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

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

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

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

Segmental analysis	2023					2022			
Year ended 31 January £m	**Stores**	**UK online**	**Europe online**	**Head office**	**Total**	**Stores**	**Online**	**Head office**	**Total**
Revenue	41.3	29.7	3.1	-	74.1	38.7	33.8	-	72.5
Net assets	14.4	3.3	3.4	16.2	37.3	12.7	4.6	19.1	36.4
Profit / (loss) before tax	3.9	2.8	-1.3	-4.8	0.7	4.8	3.9	-4.7	4.0
EBITDA post IFRS 16	6.7	3.4	-1.0	-4.5	4.6	7.1	4.5	-4.3	7.3
EBITDA pre IFRS 16	4.9	3.2	-1.2	-4.7	2.2	5.3	4.3	-4.5	5.2

Profit before tax and EBITDA

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

Tax

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

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

Returns and dividends

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

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

Statement of financial position

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

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

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

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

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

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

Cash flow and funding

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

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

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

Cash flow	31 January 2023 £m	31 January 2022 £m
Opening cash	16.6	15.0
Profit for year	0.7	4.0
Movement in working capital	(2.4)	(2.4)
Depreciation and amortisation	3.5	2.9
Taxation paid	(0.5)	-
Other operating adjustments	0.2	0.3
Net cash from operating activities	1.5	4.8
Net cash from investing activities	(2.3)	(1.5)
Net cash from financing activities	(1.7)	(1.7)
Increase in cash in year	(2.5)	1.6
Closing cash	14.1	16.6

Going concern and viability

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

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

Outlook

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

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

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

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

Steve Crowe
Chief Financial Officer
15 May 2023

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 January 2023

	Note	Consolidated 2023	Consolidated 2022
Revenue from contracts with customers	4	74,096	72,474
Cost of sales of goods	7	(48,307)	(45,864)
Gross profit		25,789	26,610
Other income	5	287	914
Interest revenue calculated using the effective interest method		104	14
Expenses			
Administrative expenses		(21,742)	(19,687)
Distribution expenses		(3,260)	(3,423)
Finance costs	7	(509)	(406)
Profit before income tax expense		669	4,022
Income tax expense	9	(130)	(945)
Profit after income tax expense for the year attributable to the owners of Angling Direct PLC		539	3,077
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		127	-
Other comprehensive income for the year, net of tax		127	-
Total comprehensive income for the year attributable to the owners of Angling Direct PLC		666	3,077
		Pence	**Pence**
Basic earnings per share	24	0.70	3.98
Diluted earnings per share	24	0.69	3.93

Consolidated statement of financial position
As at 31 January 2023

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

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

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

Consolidated statement of cashflows
For the year ended 31 January 2023

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

1. Basis of preparation

The Group's consolidated financial statements have been prepared in accordance with UK adopted international accounting standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to reporting groups under IFRS.

The financial information set out above does not constitute the company's statutory accounts for 2023 or 2022. Statutory accounts for the years ended 31 January 2023 and 31 January 20222 have been reported on by the Independent Auditors. The Independent Auditors' report on the Annual Report and Financial Statements for the years ended 31 January 2023 and 31 January 2022 is unqualified.

Statutory accounts for the year ended 31 January 2022 have been filed with the Registrar of Companies. The statutory accounts for the year ended 31 January 2022 will be delivered to the Registrar in due course.

2. Going concern including liquidity

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

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

In making this judgement the Directors have reviewed the future viability and going concern position of the Group for the foreseeable future.

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

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

3. Segmental reporting

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

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

Geographical segments

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

Operating segments

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

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

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

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

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

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

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

Operating segment information

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

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

4. Revenue from contracts with customers

Disaggregation of revenue

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

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

5. Other income

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

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

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

6. EBITDA reconciliation (earnings before interest, taxation, depreciation and amortisation)

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

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

7. Expenses

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

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

8. Staff costs

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

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

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

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

9. Income tax expense

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

10. Intangibles

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

Reconciliations

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

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

Angling Direct
Getting Everyone Fishing

11. Property, plant and equipment

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

Reconciliations

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

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

12. Right-of-use assets

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

Reconciliations

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

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

13. Inventories

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

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

14. Trade and other receivables

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

15. Trade and other payables

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

Contract liabilities has been reported separately on the Statement of financial position. This was previously reporting in other payables.

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16. Contract liabilities

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

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

17. Lease liabilities

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

18. Restoration provision

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

Movements in provisions

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

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

19. Deferred tax

	Consolidated	
	2023	2022
	£'000	£'000
Non-current liabilities		
Deferred tax liability comprises temporary differences attributable to:		
Property, plant & equipment	1,097	893
IFRS 16 transitional adjustment	(70)	(82)
Unapproved share options issued	(119)	(67)
Tax losses	(25)	-
Deferred tax liability	883	744

Movements:		
Opening balance	744	263
Charged/(credited) to profit or loss	80	305
Deferred tax – rate change	-	179
Adjustment recognised for prior periods	59	(3)
Closing balance	883	744

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

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

20. Share capital

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

21. Share premium

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

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

22. Reserves

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

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

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

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

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

23. Dividends

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

24. Earnings per share

	Consolidated 2023 £'000	**2022 £'000**
Profit after income tax attributable to the owners of Angling Direct PLC	539	3,077
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	77,267,304	77,267,304
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	900,536	1,000,912
Weighted average number of ordinary shares used in calculating diluted earnings per share	78,167,840	78,268,216
	Pence	**Pence**
Basic earnings per share	0.70	3.98
Diluted earnings per share	0.69	3.93

25. Events after the reporting period

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

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