12 October 2022

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

Half Year Results

Continued strategic progress and revenue growth despite headwinds

Angling Direct PLC (AIM: ANG), the leading omni-channel specialist fishing tackle and equipment retailer, is pleased to announce its unaudited financial results for the six months ended 31 July 2022 (**H1 FY23**).

£m	H1 FY23	H1 FY22	% Change
Revenue	**38.9**	38.4	*+1.3%*
Retail store sales	**21.9**	19.9	*+9.8%*
Online sales	**17.0**	18.5	*-7.9%*
Gross profit	**13.4**	14.4	*-6.5%*
Gross margin %	**34.6%**	37.4%	*-280bps*
EBITDA (pre IFRS-16)	**1.9**	4.4	*-58.2%*
Profit before tax	**1.1**	3.7	*-69.8%*
Basic EPS	**1.14p**	3.72p	*-69.4%*

Financial highlights:

- Group revenue increased by 1.3% to £38.9m
- Retail store estate experienced another strong period of growth with total store sales increasing by 9.8% against H1 FY22, aided by a period free from Covid-19 restrictions
- Like-for-like store sales increased by 4.6%
- Online sales decreased by 7.9% to £17.0m against a strong H1 FY22 comparative, however UK online sales of £15.3m remained 61% above pre-Covid levels (H1 FY20: £9.5m)
- In Europe, online sales grew by 36.9% with online sales to our key European territories, via our German, French and Dutch websites, growing by 55.0%
- Gross margin decreased by 280 bps as a result of considered competitive trading both in the UK and Europe combined with inevitable cost price inflation, albeit remains comfortably above historical levels
- Pre IFRS 16 EBITDA of £1.9m reflects lack of prior year £0.9m Government COVID-19 support and £0.5m increased European start up losses
- Positive operating cashflow of £2.4m (H1 FY22: £5.8m)
- Strong balance sheet with Group net cash of £17.1m at 31 July 2022 (31 July 2021: £19.6m)
- The Group remains well capitalised and securely positioned to meet short-term challenges

Operational highlights:

- From 1 March 2022 all EU online sales transacted through our subsidiary, ADNL B.V., and were fulfilled by our new fully operational Dutch distribution centre
- Higher margin own brand sales in the period grew by 34.6%, as a result of increased promotional activity
- Leveraging our deepening supplier relationships, we expanded our exclusive branded product ranges to customers
- Significant progress made to refresh and contemporise our store shopping environment
- Improved our in-store service proposition through the use of our new BAITS assisted selling programme, footfall counting technology, and customer focused colleague deployment
- The Company's digital customer reach continued to extend, particularly in the EU, where our social media following and email database grew by 32% and 172% respectively

- Continued our new store rollout in Washington, Tyne and Wear, establishing the Company's first store in northeast England
- Strong new store pipeline with two further stores opened in early H2 FY23, in Coventry (August 2022) and Stockton-on-Tees (September 2022)
- In late FY22 we launched our industry first trading web app. In H1 FY23 we deployed our second phase app development with improved search speed and relevance, and plan to actively market and incentivise downloads and usage in H2 FY23

Current trading and outlook

- The Company remains focussed on gaining market share both in the UK and Europe over the medium to long term and believes that the current uncertain consumer environment coupled with the Company's fundamental strengths mean there is a significant opportunity to gain market share in a weakening competitor landscape
- The Group will therefore continue to invest to drive market share growth, where prudent to do so, leveraging its market leading position in the UK and strong balance sheet to ensure it is best placed competitively when consumer confidence returns
- As flagged in our recent trading update, post-period end sales have been impacted by unusually hot temperatures which caused some fishery closures and led to sales in the peak trading month of August being 7.0% down against the corresponding month in H2 FY22
- Total sales returned to modest year on year growth in September, however, like many consumer facing businesses we have recently seen volatile, unprecedented and unpredictable trading conditions both in-store and online which change significantly week-by-week for example, for trading weeks which commenced in the month of September year on year total UK sales ranged from 21% increase to 0.5% decrease
- The general market outlook has deteriorated further in recent weeks which creates a heightened degree of uncertainty and makes short term forecasting extremely challenging
- The Board remains optimistic about the long-term prospects for the Group, underpinned by its leading omni-channel proposition and strong balance sheet which reinforces the Group's decision to continue to invest to support its long-term strategy
- Due to the challenging and highly volatile trading conditions the Company faces, and the difficulty in short term forecasting and trading, the Board believes it prudent to reduce its expectations for both revenue and pre-IFRS 16 EBITDA for FY 2023
- The Board is confident that revenue and pre-IFRS 16 EBITDA for the year ending 31 January 2023 will be not less than £73.8m and £2.2m respectively

Andy Torrance, CEO of Angling Direct, said:

"Despite the uncertain macroeconomic environment, our strategy remains unchanged as we continue to focus on gaining market share both in the UK and Europe over the medium to long term. As a result, we are pleased to have achieved sales growth during H1 FY23 against a strong prior year comparator. In fact, sales in Q1 FY23 were 5.4% ahead of Q1 FY22 before sentiment began to be significantly impacted by the cost-of-living crisis during Q2.

Throughout the period we continued to make progress against our strategic objectives. Our European Distribution Centre has been fully operational since 1 March 2022, we grew *European key territory sales by 55.0% to £1.6m, we continued to improve our in store retail proposition and we opened our first store in northeast England, in Washington.*

Sales in August were disrupted by the unusually hot weather in the UK and Europe. Despite trading improving in September, further adverse economic news flow and political uncertainty has resulted in volatile and unprecedented trading conditions which is making short-term forecasting challenging. As a result of these factors and the Board's decision to continue its strategic investment, the Board believes it is prudent to revise downwards its forecasts for FY23 accordingly.

The Board remains optimistic about the long-term growth prospects of the Group and believes that continued strategic investment now will leave the Group best placed competitively when consumer confidence returns. The Group will only continue to strategically invest in a controlled manner and only to the extent that it retains both strong liquidity and its robust balance sheet."

Note: Angling Direct believes that consensus market expectations for the year ending 31 January 2023 prior to publication of this announcement are for revenues of £78.5 million and pre-IFRS 16 EBITDA of £3.0 million.

Investor Meet Company presentation – 17 October 2022

Management will provide a live presentation via the Investor Meet Company platform at 11.00 a.m. BST on 17 October. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9.00 a.m. the day before the meeting or at any time during the live presentation. Investors can sign up to Investor Meet Company for free to meet Angling Direct plc via: https://www.investormeetcompany.com/angling-direct-plc/register-investor. Investors who already follow Angling Direct on the Investor Meet Company platform will automatically be invited.

For further information please contact:

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This announcement contains information which, prior to its disclosure, was inside information as stipulated under the UK version of article 7 of the Market Abuse Regulation (EU) No. 596/2014.

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, 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 25,000 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 45 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 March 2022, Angling Direct opened a 3,940 square metre 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.

Chief Executive Officer's Review

The Group is pleased to have continued to grow sales both in the UK and in its key European territories despite the ongoing adverse external economic and political conditions. Following the Covid-enforced store closures during the first halves of both FY21 and FY22, we were very pleased to be able to trade with stores fully open in H1 FY23.

Our strategy continues to centre around becoming ***Europe's first choice fishing tackle destination, for all anglers, regardless of experience or ability.*** The Group believes its increasingly differentiated, market leading omni-channel trading platform allowed it to gain market share in the period as the Group made good progress against all of its stated strategic priorities. Encouraged by the sales growth and market share gains achieved as well as the longer-term growth opportunity, the Group maintained its programme of strategic investment in H1 FY23 despite the economic headwinds.

As well as new opportunities, H1 FY23 has presented several significant challenges, most notably balancing our ambition to rapidly grow turnover in our key European territories, against the highly inflationary cost pressures on both businesses and consumers. Despite these ongoing macro-economic challenges, I am pleased that investment in recent years to modernise Angling Direct's operations, whilst building balance sheet resilience, means that the Group remains well capitalised and securely positioned to meet these short-term challenges.

We expect the current difficult trading conditions will persist into H2 FY23 and beyond and are conscious that this will inevitably impact many of our current and potential customers. During this time, we will continue to prudently invest in our strategic objectives and our relentless focus will be on ensuring we deliver the very best value and shopping experience in our market, regardless of which channel our customers choose, thereby ensuring Angling Direct is in the strongest position to be able to profitably grow and take further market share as consumer confidence returns.

I would like to thank all my colleagues for their continued enthusiasm, commitment, and deep specialist knowledge that is recognised and valued so much by our customers and is the foundation of our resilience and ongoing success.

Results

Group revenue increased by 1.3% to £38.9m for the six months ended 31 July 2022 (H1 FY22: £38.4m). The Company recorded sales growth of 5.4% in Q1 2023 (against the same period in the prior year), however, the well documented pressure on discretionary spending and consumer confidence significantly impacted Q2 2023, with sales reducing marginally by 1.6% against the prior year.

Gross profit reduced by 6.5% to £13.4m (H1 FY22: £14.4m) as we sought to maintain our competitive position in light of inflationary cost price increases. Pre IFRS 16 EBITDA decreased by 58.2% to £1.9m (H1 FY22: £4.4m), £0.9m of the reduction attributed to the absence of direct Government COVID-19 support received in the prior year and £0.5m representing start-up losses associated with our first year of in-region European fulfilment from our new distribution centre in Venlo, NL, opened in March 2022.

The Company retains a strong net cash position at 31 July 2022 of £17.1m (31 July 2021: 19.6m).

Operational Review

Retail Stores

Total store sales in the period increased 9.8% to £21.9m (H1 FY22: £19.9m). Like-for-like store sales grew by 4.6% supported by a period free from any COVID-19 trading restrictions.

We are delighted with how our store teams have embraced our new BAITS assisted selling programme. Our colleagues are the vital touch point between Angling Direct stores and our customers. The BAITS approach, designed to support our purpose of ***Getting Everyone Fishing***, ensures our customers consistently get the very best advice and support tailored to their specific needs and fishing ambitions. This is crucial for driving conversion, creating satisfied, loyal customers, and prompting recommendation.

Since our investment in footfall counting technology late in FY22, we have been able to deploy customer targeted colleague working rotas, which has gone some way toward mitigating significant inflationary wage pressures. Whilst we do not yet have prior period comparisons, this along with the success of the BAITS has seen store footfall conversion increasing from 52.7% at the beginning of H1 FY23 to 59.5% by the end of July 2022.

In line with our strategic commitment to being the first choice omni-channel fishing retailer in all our markets, we continue to invest in new UK retail stores. Utilising out-sourced development contractors for the first time, we built our first store in the northeast of England, in Washington, in record time, opening in the final week of the period. We have a healthy new store pipeline focused on unserved catchments with two further stores targeted to open early in H2 FY23, store 44 in Coventry (August 2022) and store 45 in Stockton-on-Tees (September 2022). At the period end we have opened 13 new stores since H1 FY20.

Our Retail Transformation plan, focused on radically improving our store shopping environment, is making solid progress. During the period, all stores benefited from the new 'Getting Everyone Fishing' and own brand Advanta rebranding graphics. Taking learnings from our new concept stores, we rolled back a number of new merchandising solutions and product adjacencies across key categories.

Online

As part of our drive to grow market share and customer loyalty, we continue to invest in contemporary digital infrastructure and customer marketing, to ensure we stand apart from our competitors.

Total online sales in the period declined by 7.9% to £17.0m (H1 FY22: £18.5m) partially reflecting the reversal of the prior year lockdown driven change in channel mix. However, it is important to note that UK online sales for the period of £15.3m were 61% ahead of pre-Covid levels (H1 FY20: £9.5m), reflecting the strong advancements the business has made over the last few years.

In Europe, online sales for the period grew by 36.9% year on year. From 1 March 2022 all EU online sales were transacted through our subsidiary, ADNL B.V., and were fulfilled by our new fully operational Dutch distribution centre. Online sales to our key European territories, via our German, French and Dutch websites, grew by 55.0%.

UK conversion rate showed some resilience despite lower levels of online search traffic year on year. UK average transaction values reduced in the period, although this effect eased later in the half following a particularly strong dip in May.

We ensure that developments to our digital offering are rapidly deployed across all five of our trading websites (.co.uk, .de, .fr, .nl and .eu). In the period, we strengthened our web trading team who have been focused on improving our product and basket web pages, with improved upsell and recommendation functionality.

We launched our trading web app late in FY22, a market first development allowing a more portable digital experience for our customers, as well as providing some defence against wider market pressure on our advertising ratio. We have now deployed our second phase app development with improved search speed and relevance, and plan to actively market and incentivise downloads and usage in H2 FY23.

The Company's digital customer reach continued to extend, particularly in the EU, where our social media following and email database grew by 32% and 173% respectively. Our Team AD videographers live streamed two very successful skill coaching sessions, supported live instore for the first time, with simultaneous hands-on sessions led by our instore Angling Trust qualified fishing coaches in all stores.

Trading

We are committed to providing the most comprehensive range of products for major fishing disciplines, ensuring that we always deliver a variety of choice, value, quality and stock availability.

The Company's recently implemented category management process is now firmly embedded into business as usual across both our UK and EU ranges. As anticipated, stock availability across our sector returned to more historically normal levels during the period. As a result, we have invested product margin in the period to both maintain our competitive position, and actively sell through product delisted following range changes, whilst also stimulating new customer acquisition within the EU. These factors in combination resulted in gross margin reducing in H1 FY23 by 280bps to 34.6%.

Higher margin own brand sales in the period grew by a pleasing 34.6%. This increase in the proportion of total sales accounted for by higher margin own brand sales is partially attributable to the introduction of new Advanta and AdvantaPro products. New Advanta reels have been particularly successful, as has the introduction of own brand lead weights.

The management team has been following a strategy of prudently investing in stock of key lines as they become available from product suppliers. We believe this provides a significant competitive advantage given suppliers are forecasting upwards cost price pressure. Our Category Management team continues to maintain a key focus on cost price inflation through supplier negotiation and pro-active range management whilst ensuring our customers recognise Angling Direct for its great value and compelling product selection.

As we deepen our relationships with key suppliers, we have been able to bring a growing number of innovative products to market exclusively for our customers. These include the One More Cast terminal tackle range by leading angler Ali Hamedi, the exclusive re-launch of one of the most famous coarse fishing ranges by John Wilson and sole distribution of new Intrepid bait boats.

International

The opportunity for profitable growth within Europe remains clear, particularly within our key target markets of Germany, France, The Netherlands, Belgium and Austria. Considerable management resource has been focused in the period upon establishing in-region web fulfilment to customers in the EU who shop on our native language German, French and Dutch websites. Additionally, we are now able to re-commence sales of UK bait brands, as well as localised product range extensions, promptly delivered at lower cost within competitive lead times.

As a result of these positive advancements, active unique customer numbers in our key European territories have increased by 81.4% to 17,600, with the conversion rate increasing by 90bps to 2.5%. European key territory sales increased by 55.0% in H1 FY23 to £1.6m (H1 FY22: £1.0m).

The Group previously signaled that the costs associated with start-up, along with rigorous comparative price checking and digital marketing investment, would result in a first year loss for Europe of £0.7m. Whilst the size and fragmented nature of these markets remains attractive, the unforeseen impact on consumer confidence of inflationary pressures associated with increasing energy prices due to the war in Ukraine are as acute as in the UK, arguably more so in areas further into Eastern Europe. This has resulted in poorer than anticipated trading margins in the first half, excess marketing costs and a resultant adverse EBITDA impact of £0.2m greater than anticipated in H1 FY23.

We are committed to and see a significant opportunity to build a sustainably profitable international business and have taken steps to develop margin and moderate costs in H2 FY23, conscious that in the current and foreseeable circumstances, it will take longer than originally anticipated to establish a business of material scale. Pleasingly, these active steps which include product pricing and ranging reviews are beginning to yield improving product margins in H2 FY23.

The Board believes that the full Angling Direct omni-channel model will be attractive to European customers and that, in the medium term, bricks and mortar retail stores will complement our growing online business. The potential to accelerate this through considered acquisitions is clear and the Board will update shareholders as and when appropriate, should a suitable opportunity materialise.

Organisational Development

We remain fully committed to acting responsibly and sustainably within our environment and communities. In the current highly inflationary environment, it is more important than ever to ensure we rigorously scrutinise any incremental organisational investment, whilst ensuring we appropriately plan and resource for future share growth in our consolidating markets. In the period, we have continued to supplement and upskill key capabilities within our supply chain, digital and operational teams.

As we seek to continually develop the depth and relevant experience of our Group Board, in the period we were delighted to welcome Christian (Chris) Keen and Nicola (Nicki) Murphy as Independent Non- Executive Directors. Chris Keen has subsequently assumed Chair of our Audit Committee during H1 FY23.

On 11 October 2022, Paul Davies served notice to the Board of his intention to step down from the role of Non-Executive Director on 31 January 2023, at the end of the Group's current financial year. I would like to thank Paul for his significant contribution to the growth of Angling Direct over the last five years.

Current trading and Outlook

The Company remains focused on gaining market share both in the UK and Europe over the medium to long term and believes that the current uncertain consumer environment coupled with the Company's fundamental strengths mean there is a significant opportunity to gain market share in a weakening competitor landscape. The Group will therefore continue to invest to drive market share growth where prudent to do so, leveraging its market leading position in the UK and strong balance sheet to ensure it is best placed competitively when consumer confidence returns.

Trading conditions in the key month of August were impacted by significant drought and associated high temperatures in the UK and Europe which caused some temporary fishery closures and a general reluctance for fish to feed, the consequence of which were sales reduced by 7.0% compared to the same month in FY22. We are pleased that total sales returned to modest year-on-year growth in September.

Sales in Europe continue to grow steadily, with improving margin and variable cost ratios.

However, like many consumer facing businesses we have recently seen volatile and unprecedented trading conditions both in-store and online which change significantly week-by-week. The general consumer outlook has deteriorated further which creates a heightened degree of uncertainty and makes even short-term forecasting extremely challenging. As a result of these factors and the Board's decision to continue its strategic investment, the Board believes it is prudent to revise downwards its forecasts for FY23 accordingly. The Board is confident, however, that revenue and pre-IFRS 16 EBITDA for the year ending 31 January 2023 will be not less than £73.8m and £2.2m respectively.

The Board remains optimistic about the long-term growth prospects of the Group and believes that continued strategic investment now will leave the Group best placed competitively when consumer confidence returns. The Group will continue to strategically invest in a controlled manner and only to the extent that it retains both strong liquidity and its robust balance sheet.

Angling Direct PLC
Consolidated statements of profit or loss and other comprehensive income
For the period ended 31 July 2022

Angling Direct
Getting Everyone Fishing

	Note	Unaudited six months ended 31 July 2022 £'000	Restated 2021 £'000	Audited year ended 31 January 2022 £'000
Revenue from contracts with customers	5	38,898	38,404	72,474
Cost of sales of goods		(25,450)	(24,022)	(45,864)
Gross profit		13,448	14,382	26,610
Other income	6	268	932	914
Interest revenue calculated using the effective interest method		26	19	14
Expenses				
Administrative expenses		(10,699)	(9,613)	(19,687)
Distribution expenses		(1,689)	(1,787)	(3,423)
Finance costs		(225)	(196)	(406)
Profit before income tax expense		1,129	3,737	4,022
Income tax expense	8	(251)	(863)	(945)
Profit after income tax expense for the period attributable to the owners of Angling Direct PLC		878	2,874	3,077
Other comprehensive income for the period, net of tax		-	-	-
Total comprehensive income for the period attributable to the owners of Angling Direct PLC		878	2,874	3,077
		Pence	Pence	Pence
Basic earnings	16	1.14	3.72	3.98
Diluted earnings	16	1.12	3.67	3.93

Refer to note 3 for detailed information on Restatement of comparatives.

The above consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Angling Direct PLC
Consolidated statements of financial position
As at 31 July 2022

	Note	Unaudited six months ended 31 July 2022 £'000	Restated 2021 £'000	Audited year ended 31 January 2022 £'000
Non-current assets				
Intangibles	9	6,124	6,218	6,176
Property, plant and equipment	10	7,158	5,831	6,908
Right-of-use assets	11	10,771	9,477	11,028
Total non-current assets		24,053	21,526	24,112
Current assets				
Inventories		17,564	15,724	16,273
Trade and other receivables		1,093	474	542
Prepayments		474	324	545
Cash and cash equivalents		17,084	19,584	16,604
Total current assets		36,215	36,106	33,964
Current liabilities				
Trade and other payables	12	9,823	10,400	8,680
Lease liabilities		1,709	1,421	1,648
Derivative financial instruments		-	-	1
Income tax		566	503	464
Total current liabilities		12,098	12,324	10,793
Net current assets		24,117	23,782	23,171
Total assets less current liabilities		48,170	45,308	47,283
Non-current liabilities				
Lease liabilities		9,116	8,288	9,402
Restoration provision		759	294	722
Deferred tax		893	623	744
Total non-current liabilities		10,768	9,205	10,868
Net assets		37,402	36,103	36,415
Equity				
Share capital	13	773	773	773
Share premium		31,037	31,037	31,037
Reserves		375	157	266
Retained profits		5,217	4,136	4,339
Total equity		37,402	36,103	36,415

Refer to note 3 for detailed information on Restatement of comparatives.

The above consolidated statements of financial position should be read in conjunction with the accompanying notes

Unaudited six months ended 31 July	Share capital £'000	Share premium account £'000	Share-based payment reserve £'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 period	-	-	-	878	878
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	878	878
Transactions with owners in their capacity as owners:					
Share-based payments	-	-	109	-	109
Balance at 31 July 2022	773	31,037	375	5,217	37,402

Audited year ended 31 January	Share capital £'000	Share premium account £'000	Share-based payment reserve £'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 period	-	-	-	3,077	3,077
Other comprehensive income for the period, net of tax	-	-	-	-	-
Total comprehensive income for the period	-	-	-	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

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes

Angling Direct PLC
Consolidated statements of cash flows
For the period ended 31 July 2022

	Note	Unaudited six months ended 31 July 2022 £'000	Restated 2021 £'000	Audited year ended 31 January 2022 £'000
Cash flows from operating activities				
Profit before income tax expense for the period		1,129	3,737	4,022
Adjustments for:				
Depreciation and amortisation		1,672	1,457	2,922
Share-based payments		109	82	191
Net movement in provisions		13	7	12
Interest received		(26)	(19)	(14)
Interest and other finance costs		212	196	394
		3,109	5,460	7,527
Change in operating assets and liabilities:				
(Increase)/decrease in trade and other receivables		(551)	149	81
(Increase) in inventories		(1,291)	(3,243)	(3,792)
Decrease/(increase) in prepayments		71	(79)	(300)
Increase in trade and other payables		1,227	3,697	1,626
(Decrease) in derivative liabilities		(1)	-	-
		2,564	5,984	5,142
Interest received		26	19	14
Interest and other finance costs		(212)	(210)	(393)
Net cash from operating activities		2,378	5,793	4,763
Cash flows from investing activities				
Payments for property, plant and equipment	10	(841)	(342)	(1,202)
Payments for intangibles	9	(158)	(170)	(327)
Proceeds from disposal of property, plant and equipment		-	-	5
Net cash used in investing activities		(999)	(512)	(1,524)
Cash flows from financing activities				
Repayment of lease liabilities		(899)	(693)	(1,631)
Net cash used in financing activities		(899)	(693)	(1,631)
Net increase in cash and cash equivalents		480	4,588	1,608
Cash and cash equivalents at the beginning of the financial period		16,604	14,996	14,996
Cash and cash equivalents at the end of the financial period		17,084	19,584	16,604

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

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

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

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

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 11 October 2022. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These financial statements for the interim half-year reporting period ended 31 July 2022 have been prepared in accordance with the AIM Rules for Companies, International Accounting Standard IAS 34 'Interim Financial Reporting' and the Companies Act for for-profit oriented entities.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 January 2022 and any public announcements made by the Company during the interim reporting period.

The interim consolidated financial information has been prepared on a going-concern basis.

The principal accounting policies adopted are consistent with those set out on pages 74 to 102 of the consolidated financial statements of Angling Direct PLC for the year ending 31 January 2022, except for taxation which has been accounted for as described in note 8.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board that are mandatory for the current reporting period. There was no impact on the adoption of these new or amended Accounting Standards and Interpretations

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Restatement of comparatives

Restatement of right-of-use asset lease expiry dates.

The Group has restated three right-of-use asset land and building lease expiry dates. The restatement to comparatives of the statement of profit or loss and other comprehensive income for the half-year ended 31 July 2021 and the statement of financial position as at 31 July 2021 and as 1 February 2021 is as follows:

Note 3. Restatement of comparatives (continued)

- Reduction in lease liabilities of £961,000 (current £nil and non-current £961,000) (discounted based on the weighted average incremental borrowing rate of 4%) as at 31 July 2021 (1 February 2021: £942,000; current £nil and non-current £942,000);
- Right-of-use assets of £908,000 were reduced as at 31 July 2021 (1 February 2021: £903,000);
- Additional depreciation of £5,000 was recognised against the right-of-use assets as at 31 July 2021 (1 February 2021: £11,000);
- A reduction in interest payments of £19,000 was recognised against the lease liabilities as at 31 January 2021 (1 February 2021 £36,000);
- Restoration provision was increased by £5,000 as at 31 July 2021 (1 February 2021: £5,000);
- Deferred tax liability increased by £5,000 as at 31 July 2021 (1 February 2021: £5,000) as a result of the net tax effect on right-of-use assets and lease liabilities);
- The overall impact on total equity as at 31 July 2021 was an increase of £43,000. This comprises an increase of £14,000 in the half-year 31 July 2021 and £29,000 in the period to 31 January 2021 (1 February 2021: overall impact on total equity of £29,000).

Statements of profit or loss and other comprehensive income

Extract	Unaudited six months ended 31 July 2021 £'000 Reported	£'000 Adjustment	2021 £'000 Restated
Expenses			
Administrative expenses	(9,608)	(5)	(9,613)
Finance costs	(215)	19	(196)
Profit before income tax expense	3,723	14	3,737
Income tax expense	(863)	-	(863)
Profit after income tax expense for the period attributable to the owners of Angling Direct PLC	2,860	14	2,874
Other comprehensive income for the period, net of tax	-	-	-
Total comprehensive income for the period attributable to the owners of Angling Direct PLC	2,860	14	2,874
	Pence Reported	**Pence Adjustment**	**Pence Restated**
Basic earnings per share	3.70	0.02	3.72
Diluted earnings per share	3.65	0.02	3.67

Note 3. Restatement of comparatives (continued)

Statements of financial position at the beginning of the earliest comparative period

	Audited year ended 31 January		
	2021		2021
	£'000	£'000	£'000
Extract	**Reported**	**Adjustment**	**Restated**
Non-current assets			
Right-of-use assets	10,910	(903)	10,007
Total non-current assets	23,180	(903)	22,277
Total assets less current liabilities	43,426	(903)	42,523
Non-current liabilities			
Lease liabilities	9,773	(942)	8,831
Restoration provision	277	5	282
Deferred tax	258	5	263
Total non-current liabilities	10,308	(932)	9,376
Net assets	33,118	29	33,147
Equity			
Retained profits	1,233	29	1,262
Total equity	33,118	29	33,147

Statements of financial position at the end of the earliest comparative period

	Unaudited six months ended 31 July		
	2021		2021
	£'000	£'000	£'000
Extract	**Reported**	**Adjustment**	**Restated**
Non-current assets			
Right-of-use assets	10,385	(908)	9,477
Total non-current assets	22,434	(908)	21,526
Total assets less current liabilities	46,216	(908)	45,308
Non-current liabilities			
Lease liabilities	9,249	(961)	8,288
Restoration provision	289	5	294
Deferred tax	618	5	623
Total non-current liabilities	10,156	(951)	9,205
Net assets	36,060	43	36,103
Equity			
Retained profits	4,093	43	4,136
Total equity	36,060	43	36,103

Note 4. Segmental reporting

Segmental 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 July 2022, 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 segmental 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, save for disaggregation of revenue in note 5. Trading through the subsidiary in the Netherlands commenced on 1 March 2022 and therefore this has been presented as a separate segment, Europe Online, from 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.

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.

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 July 2022, £22,952,000 of non-current assets are located in the UK (31 July 2021 £21,526,000) and £1,101,000 of non-current assets are located in the Netherlands (31 July 2021 £nil).

Operating segment information

31 July 2022	Stores £'000	UK Online £'000	Europe Online £'000	Head Office £'000	Total £'000
Revenue	21,897	15,275	1,726	-	38,898
Profit/(loss) before income tax	2,577	1,620	(707)	(2,361)	1,129
EBITDA post IFRS 16	3,859	1,923	(570)	(2,212)	3,000
Total assets	25,198	7,588	4,163	23,319	60,268
Total liabilities	(12,726)	(4,412)	(1,116)	(4,612)	(22,866)

Note 4. Segmental reporting (continued)

EBITDA Reconciliation

Profit/(loss) before income tax	2,577	1,620	(707)	(2,361)	1,129
Less: Interest income	-	-	-	(26)	(26)
Add: Interest expense	175	23	19	8	225
Add: Depreciation and amortisation	1,107	280	118	167	1,672
EBITDA post IFRS 16	3,859	1,923	(570)	(2,212)	3,000
Less: Costs relating to IFRS 16 lease liabilities	(882)	(84)	(107)	(75)	(1,148)
EBITDA pre IFRS 16	2,977	1,839	(677)	(2,287)	1,852

31 July 2021	Stores £'000	Online £'000	Head office £'000	Total £'000
Revenue	19,938	18,466	-	38,404
Profit/(loss) before income tax	2,846	2,809	(1,918)	3,737
EBITDA post IFRS 16	3,964	3,140	(1,733)	5,371
Total assets	22,761	8,418	26,453	57,632
Total liabilities	(12,298)	(6,061)	(3,170)	(21,529)

EBITDA Reconciliation

Profit/(loss) before income tax	2,846	2,809	(1,918)	3,737
Less: Interest income	-	-	(19)	(19)
Add: Interest expense	157	25	14	196
Add: Depreciation and amortisation	961	306	190	1,457
EBITDA post IFRS 16	3,964	3,140	(1,733)	5,371
Less: Costs relating to IFRS 16 lease liabilities	(816)	(79)	(48)	(943)
EBITDA pre IFRS 16	3,148	3,061	(1,781)	4,428

Note 5. Revenue from contracts with customers

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

	Unaudited six months ended 31 July 2022 £'000	Unaudited six months ended 31 July Restated 2021 £'000	Audited year ended 31 January 2022 £'000
Route to market			
Retail store sales	21,897	19,938	38,665
E-commerce	17,001	18,466	33,809
	38,898	38,404	72,474
Geographical regions			
United Kingdom	37,172	37,144	69,818
Germany, France and Netherlands	1,602	1,033	2,242
Other countries	124	227	414
	38,898	38,404	72,474
Timing of revenue recognition			
Goods transferred at a point in time	38,898	38,404	72,474

Note 6. Other income

	Unaudited six months ended 31 July 2022 £'000	Unaudited six months ended 31 July Restated 2021 £'000	Audited year ended 31 January 2022 £'000
Net foreign exchange gain/(loss)	8	-	(18)
Government grants	-	932	932
Insurance recoveries	243	-	-
Other income	17	-	-
Other income	268	932	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'.

During the six months to 31 July 2022, the Group recognised an amount totalling £nil (31 July 2021 and 31 January 2022: £216,000) receivable under the UK Government's Coronavirus Job Retention Scheme and an amount totalling £nil (31 July 2021 and 31 January 2022: £716,000) receivable under the UK Government's Restart Grant Scheme.

Note 7. EBITDA reconciliation (earnings before interest, taxation, depreciation and amortisation)

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

Note 7. EBITDA reconciliation (earnings before interest, taxation, depreciation and amortisation) (continued)

	Unaudited six months ended 31 July 2022 £'000	Unaudited six months ended 31 July Restated 2021 £'000	Audited year ended 31 January 2022 £'000
EBITDA reconciliation			
Profit before income tax expense post IFRS 16	1,129	3,737	4,022
Less: Interest income	(26)	(19)	(14)
Add: Interest expense	225	196	406
Add: Depreciation and amortisation	1,672	1,457	2,922
EBITDA post IFRS 16	3,000	5,371	7,336
Less: costs relating to IFRS 16 lease liabilities	(1,148)	(943)	(2,135)
EBITDA pre IFRS 16	1,852	4,428	5,201

Note 8. Income tax expense

The tax charge for the six months ended 31 July 2022 is recognised based on management's estimate of the weighted average annual effective tax rate expected for the full financial year, adjusted for the tax impact of any discrete items arising in the period. Deferred tax balances are calculated using tax rates that have been enacted or substantively enacted by the balance sheet date and that are expected to apply in the period when the liability is settled or the asset realised.

Note 9. Intangibles

	Unaudited six months ended 31 July 2022 £'000	Unaudited six months ended 31 July Restated 2021 £'000	Audited year ended 31 January 2022 £'000
Non-current assets			
Goodwill - at cost	5,802	5,802	5,802
Less: Impairment	(182)	(182)	(182)
	5,620	5,620	5,620
Software - at cost	1,589	1,274	1,431
Less: Accumulated amortisation	(1,085)	(676)	(875)
	504	598	556
	6,124	6,218	6,176

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

Unaudited six months ended 31 July	Goodwill £'000	Software £'000	Total £'000
Balance at 1 February 2022	5,620	556	6,176
Additions	-	158	158
Amortisation expense	-	(210)	(210)
Balance at 31 July 2022	5,620	504	6,124

Note 10. Property, plant and equipment

	Unaudited six months ended 31 July 2022 £'000	Unaudited six months ended 31 July Restated 2021 £'000	Audited year ended 31 January 2022 £'000
Non-current assets			
Land and buildings improvements - at cost	1,002	1,002	1,002
Less: Accumulated depreciation	(310)	(295)	(303)
	692	707	699
Plant and equipment - at cost	8,253	6,660	7,640
Less: Accumulated depreciation	(2,370)	(2,041)	(1,974)
	5,883	4,619	5,666
Motor vehicles - at cost	15	15	15
Less: Accumulated depreciation	(12)	(9)	(10)
	3	6	5
Computer equipment - at cost	1,263	1,326	1,118
Less: Accumulated depreciation	(683)	(827)	(580)
	580	499	538
	7,158	5,831	6,908

Reconciliations

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

Unaudited six months ended 31 July	Land and buildings improvements £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2022	699	5,666	5	538	6,908
Additions	-	613	-	145	758
Depreciation expense	(7)	(396)	(2)	(103)	(508)
Balance at 31 July 2022	692	5,883	3	580	7,158

Note 11. Right-of-use assets

	Unaudited six months ended 31 July 2022 £'000	Unaudited six months ended 31 July Restated 2021 £'000	Audited year ended 31 January 2022 £'000
Non-current assets			
Land and buildings - right-of-use	17,630	14,348	16,979
Less: Accumulated depreciation	(6,998)	(5,326)	(6,080)
	10,632	9,022	10,899
Plant and equipment - right-of-use	80	575	80
Less: Accumulated depreciation	(53)	(194)	(49)
	27	381	31
Motor vehicles - right-of-use	372	269	326
Less: Accumulated depreciation	(277)	(218)	(248)
	95	51	78
Computer equipment - right-of-use	59	59	59
Less: Accumulated depreciation	(42)	(36)	(39)
	17	23	20
	10,771	9,477	11,028

Reconciliations

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

Unaudited six months ended 31 July	Land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2022	10,899	31	78	20	11,028
Additions	651	-	46	-	697
Depreciation expense	(918)	(4)	(29)	(3)	(954)
Balance at 31 July 2022	10,632	27	95	17	10,771

Note 12. Trade and other payables

	Unaudited six months ended 31 July 2022 £'000	Unaudited six months ended 31 July Restated 2021 £'000	Audited year ended 31 January 2022 £'000
Current liabilities			
Trade payables	6,011	6,334	4,844
Accrued expenses	1,286	1,894	2,000
Refund liabilities	58	96	42
Social security and other taxes	1,158	1,097	711
Other payables	1,310	979	1,083
	9,823	10,400	8,680

Note 13. Share capital

		Unaudited six months ended 31 July		
		Restated		Restated
	2022	2021	2022	2021
	Shares	Shares	£'000	£'000
Ordinary shares of £0.01 each - fully paid	77,267,304	77,267,304	773	773

Note 14. Dividends

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

Note 15. Contingent liabilities

The Group had no material contingent liabilities as at 31 July 2022, 31 January 2022 and 31 July 2021.

Note 16. Earnings per share

	Unaudited six months ended 31 July 2022 £'000	Unaudited six months ended 31 July Restated 2021 £'000	Audited year ended 31 January 2022 £'000
Profit after income tax attributable to the owners of Angling Direct PLC	878	2,874	3,077
	Number	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	77,267,304	77,267,304	77,267,304
Adjustments for calculation of diluted earnings per share:			
Options over ordinary shares	962,010	970,610	1,000,912
Weighted average number of ordinary shares used in calculating diluted earnings per share	78,229,314	78,237,914	78,268,216
	Pence	Pence	Pence
Basic earnings per share	1.14	3.72	3.98
Diluted earnings per share	1.12	3.67	3.93