Angling Direct

Serious about your fishing

Getting Everyone Fishing

2021 Annual Report and Accounts

1. Strategic report

2. Governance report

3. Financial statements

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

Thank you

The year to 31 January 2021 ("FY21") has been characterised by the challenges of COVID-19 and I would like to thank everyone in the Angling Direct team for their extraordinary efforts, resilience and good humour. Our customers, communities, suppliers and investors have also been tremendously supportive. Working together we have ensured that Angling Direct emerges stronger from the pandemic and is well positioned to continue to profitably grow both in the UK and internationally.

Andy Torrance
CEO

Key highlights

27.1%

Sales revenue growth

300bps

improvement in gross margin

£6.9m

Operating cash inflow

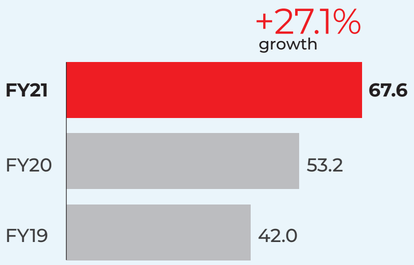
Our primary objective in FY21 was to continue to build an agile platform to grow UK and European market share by improving our customers experiences, whilst optimising our core business return through improved profitability, driving increased efficiencies and leveraging previous investments.

Our sales revenues grew by 27.1% and our gross margin improved by 300bps to 34.2%; underpinning a return to profitability as we continued to take market share across all channels. We succeeded in not letting the COVID-19 pandemic stall our strategic and operational progress by rapidly adapting our omni-channel model to suit the changing needs of our loyal customer base.

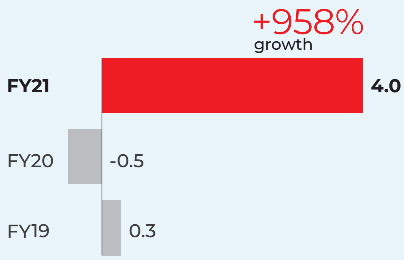
Our focus has been on developing the very best omni-channel customer experience, providing an uninterrupted service and delivering operational excellence within our markets. To create capacity for further growth we've continued to invest in our digital and physical infrastructure, colleagues and organisational capability.

Our increased focus on working capital and operating cash management resulted in an operating cash inflow of £6.9m.

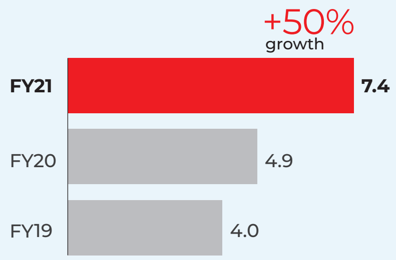
Revenue (£m)



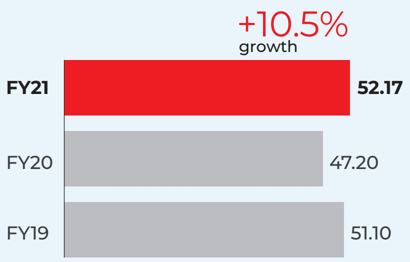
Pre IFRS 16 EBITDA (£m)



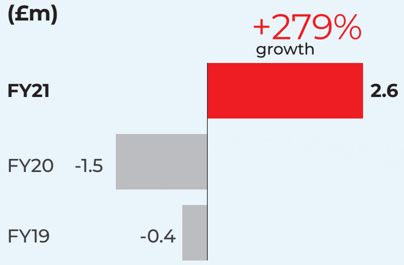
UK website visitors (m)



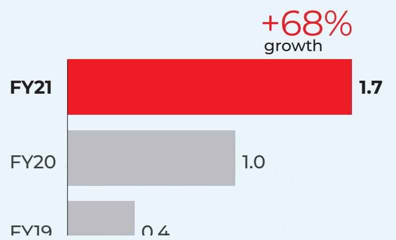
Average transaction value (£)



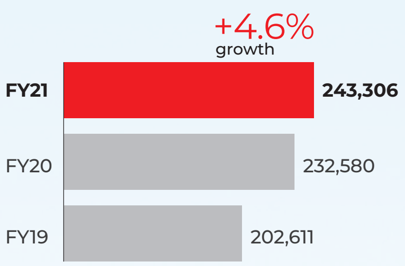
Net profit/(loss) before income tax (£m)



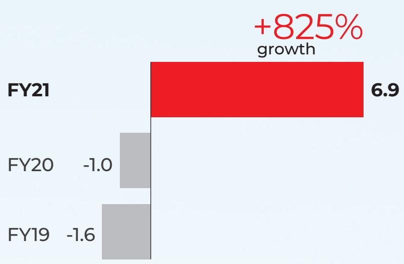
Native language visitors (m)



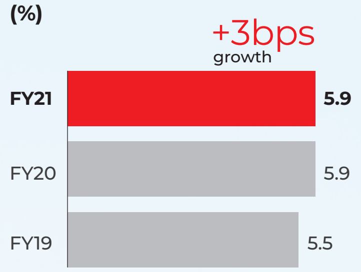
Customer database



Operating cashflow (£m)



UK website customer conversion (%)



Navigating the COVID-19 crisis

Q1 2020 | Q2 2020 | Q3 2020

February 2020

- Magento 2 web upgrade
- 15 February: Warrington store opened

March 2020

- Homeworking from beginning of March
- **24 March: Lockdown 1** (stores all closed) All store colleagues furloughed
- All fishing stopped
- Majority of key suppliers close

May 2020

25 May: Fishing recommences along with golf and tennis

June 2020

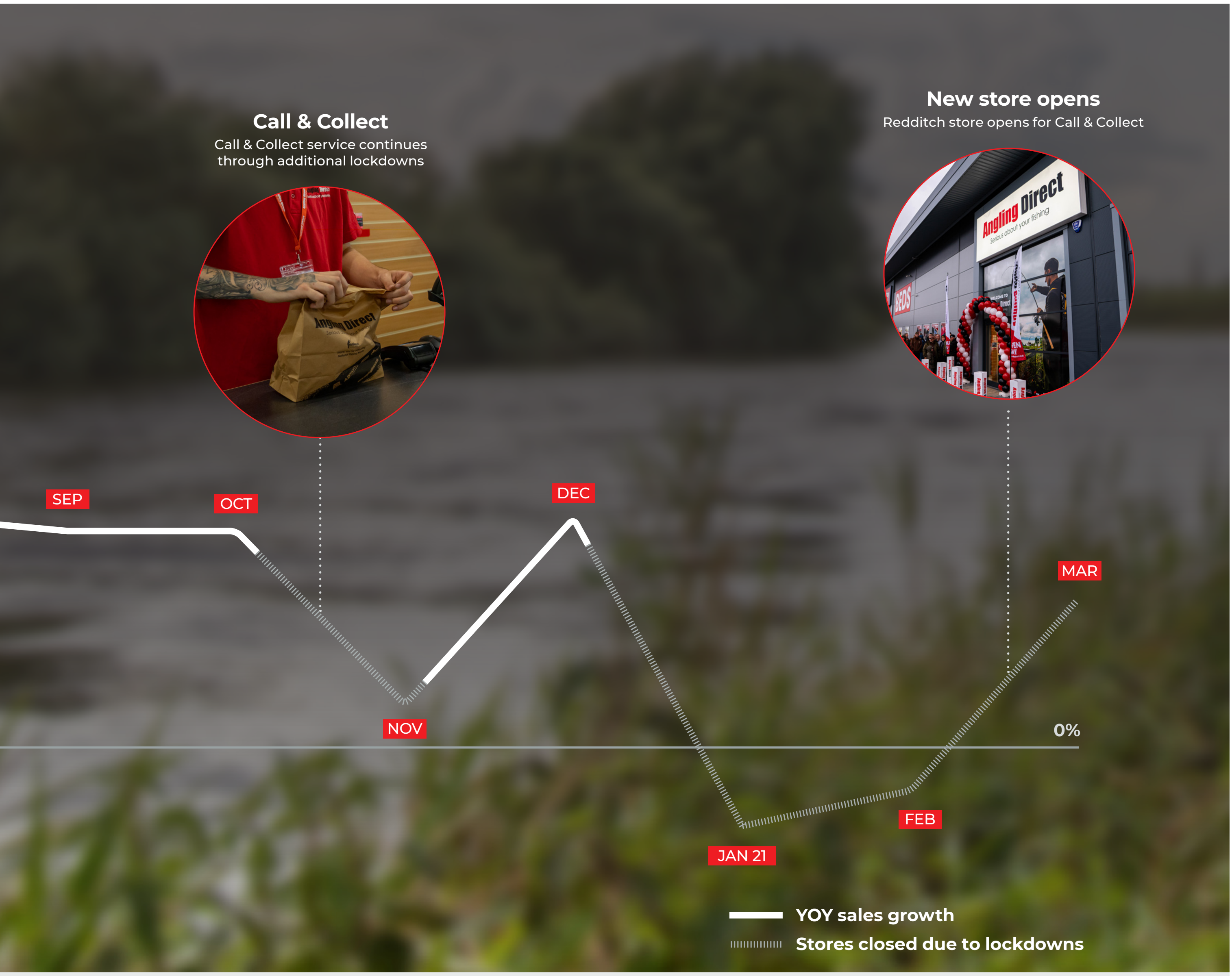
- 1 June: Call & Collect launched for first time
- Share placing of £5.1m net of costs
- 15 June: All stores re-open **Record sales week over £3.0m sales**
- 15 June: Bristol new store opens

July 2020

- New basket building web functionality
- 18 July: Northampton new store opens

September 2020

- New web home page and user-flow launch
- 26 September: Leicester new store opens
- New Team AD social media launch



Q1 2021

November 2020

- **5 November: Lockdown 2.** All stores closed but open for Call & Collect, fishing allowed

December 2020

- 2 December: Re-open stores
- 26 December: Further 20 Tier 4 stores closed. (All aside from 6 stores affected)

January 2021

- **4 January: National Lockdown 3** All stores closed Call & Collect only
- Distribution Centre capacity expansion
- 7 January: Fishing confirmed allowed

February 2021

- 20 February: Redditch new store opens with Call & Collect only

March 2021

- 8 March: Schools returned
- 29 March: Outdoor gatherings and Night Fishing allowed

April 2021

- 12 April: Non-essential stores reopened
- 12 April: Sittingbourne resite store opens

Chairman's statement

Martyn Page
Executive Chairman

"I am pleased to present a successful performance, but I do so with somewhat mixed emotions as I reflect on the challenges that have impacted so many over the past year."

Dear Shareholders,

Introduction and Board changes

I am pleased to present a successful performance, but I do so with somewhat mixed emotions as I reflect on the challenges that have impacted so many over the past year. As our year began COVID-19 was rocking the foundations of the world as we knew it, however we had no idea of the extent to which it might impact on lives and the wider global economy.

Since then, the dedication of so many frontline people, the commitment to lockdown measures and advances in treatment and vaccines has brought considerable hope that we are now seeing the path to a new normal.

We started the year with risk analysis and prevention to protect our colleagues and customers, deferred non-essential costs, adopted COVID safe practices and secured additional funding by means of a Placing in June 2020, raising £5.1m net of costs.

Retail businesses have been affected to different degrees. Fortunately Angling Direct has a strong purpose, diversified selling model and enjoys an experiential culture, growing on the back of being serious about our customers' successful and enjoyable fishing experience. We operate in a specialist niche sector and one well known for its well being and mental health benefits as a result of time spent outside beside the water. Whilst we experienced store and fishing closures in the year, demand and popularity of angling grew with annual fishing licence sales increasing by 17%, equivalent to more than 100,000 new licences in 2020.

During the store closure periods, our online business saw exceptional growth, which was helped by our flexible stocking system. Additionally, during the summer, the huge pent-up demand resulted in larger than usual sales volumes after our stores reopened.

Our Board also saw a number of changes in the year. Darren Bailey stepped down as CEO in February 2020 and was appointed as a Non-Executive Director. Darren has now notified the Board of his intention to step down as a Non-Executive Director to take effect as at the close of the Company's forthcoming Annual General Meeting. Darren's contribution to the growth and success of the Company has been immeasurable and I offer my heartfelt thanks for everything he has done.

Andy Torrance became our new CEO (from his role as a Non-Executive Director) and Dilys Maltby joined as a Non-Executive Director in February 2020. In January 2020 we also appointed Steve Crowe as our new CFO. At the time I was confident that the variety and depth of experience provided by these appointments would prove invaluable during our next phases of growth, and I am pleased with the progress that has been delivered to date.

Our new Board members were immediately faced with the pandemic in addition to onboarding and learning the intricacies of the business, its processes and culture and its strengths and weaknesses. A 'baptism of fire' which they rose to and surpassed with exceptional efficiency whilst demonstrating a compassion for colleagues and customers. I am so very pleased to offer my gratitude and thanks for their commitment, dedication, and passion.

"During the store closure periods, our online business saw exceptional growth, which was helped by our flexible stocking system."

Introducing the new members of our Management and Board

Andy Torrance
CEO

Andy became Chief Executive Officer in February 2020. Having previously held COO positions at Dunelm and Holland & Barrett, as well as a number of executive roles during a 12-year tenure at Halfords, Andy has a wealth of specialist retail experience. Commercially astute with demonstrated leadership skills, Andy has successfully grown brands across multiple geographies, driving sales and delivering EBITDA growth by implementing customer centric omni-channel strategies. In his position as COO of Holland & Barrett, Andy had executive accountability for Leadership, Customer Experience and Store P+L in 1,064 stores in UK, Eire, the Netherlands, Belgium and Sweden.

Dilys Maltby
Non-Executive Director

Dilys has enjoyed a career with consumer brands – both as a consultant and as a client. She is Senior Partner and co-founder of Circus, a boutique management consultancy – specialist in Purpose and Proposition. Circus believes that ideology should inspire both the customer and the colleague experience, and accelerates sustainable, commercial growth.

Dilys is a practitioner and has led engagements for The White Company, Covent Garden, Virgin Atlantic, Selfridges, John Lewis, Viacom and Microsoft, amongst many others.

Steven Crowe
CFO

Steve joined the company in Jan 20 with a proven background as a Chief Financial Officer and Senior Executive with a blend of front-line financial, commercial and strategic experience in both the private equity and blue-chip corporate environment, underpinned by a "Big 4" background.

He is highly experienced in leading businesses in business strategy, M&A, planning and reporting as well as driving major commercial and business change decisions and execution.

Steve has a first-class record of project delivery, building sustainable senior relationships and developing "high performance" teams within differing business environments.

Financial performance

Despite COVID-19 the Group exceeded its growth forecast and achieved record revenue of £67.6m, up 27.1% (2020: £53.2m). Whilst our retail stores were affected by lockdowns throughout the year, our online sales grew by 39.9% to £35.3m (2020: £25.2m). Pleasingly, and as a result of our planning and drive for efficiency, the Group returned to profitability in the year, delivering a post-tax profit of £2.4m and a 300bps improvement in Gross margin to 34.2%. As a result of the share placing, our cost saving measures and strong cash generation, the Group ended the year with a strong balance sheet with net cash of £15.0m at 31 January 2021.

£35.3m

Online sales

Whilst retail stores were affected by lockdowns, online sales grew by 39.9%

£2.4m

Group post tax profit

A return to profitability in the period (2020: £1.3m loss)

Operational progress

It is important to periodically strengthen pillars and build new platforms to provide capacity and functionality to support the next growth cycle. Prior to IPO we did that to enable the Group to grow to meet its 5 year £50m revenue target. We achieved this in just 3 years enabling us to make step changes operationally to embark on and support the next stage of our growth strategy. As such, despite COVID-19, we stayed focused on our strategic objectives; strengthening the Board, and reviewing operational processes to enable the Company to move strongly towards its future ambitions.

We thoroughly reviewed financial, purchasing and sales process efficiencies, including placing a big emphasis on margin and cash retention. We cut stock shrinkage and discounting and increased distribution efficiencies and capacity. We evaluated labour to turnover ratios and implemented best practices and processes to improve efficiency and provide store colleagues with more time for our customers. We implemented a customer segmented category management process to ensure that we buy the right product at the best prices, covering the various fishing disciplines and angling abilities. We also continued our online technology development to obtain benefits from ongoing in-house improvements following upgrades to our web platform, a key driver in our European strategy.

Whilst COVID-19 prevention was a major logistical exercise, we successfully introduced 'safe practice' processes in all our premises to ensure best possible protection for our colleagues and customers. We also opened four new stores and refurbished others, constantly aiming to improve our reach and exceed customers' expectations.

Change in market dynamics through 2021

Instore retailing has faced significant challenges in recent years and lockdown restrictions have acted as a further catalyst rapidly accelerating the trend towards online sales.

Fortunately, we operate in a specialist niche sector with stores based in destination locations that have proved more adaptable during lockdowns. Customers want to buy our broad range of products to facilitate the sport they love. Our unrivalled range of products allows us to offer the opportunity, supported by an experienced team, for customers to see, feel, buy and immerse themselves in their passion whether they are beginners or seasoned experts.

Additionally, our omni-channel strategy of operating the best stores and websites seamlessly together within our sector paid dividends as our online operation handled significant demand increases during the periods our stores were closed, supported by our flexible stocking policy.

The large pent-up demand built up whilst fishing was prohibited released with a flood of business from mid-June when stores reopened, whilst our online business continued to grow at pace. This proved that demand for well-located physical experiential stores, manned by trained enthusiastic colleagues, remains strong in our sector.

The large increase in fishing's popularity as a low cost activity with multiple well-being benefits attracted many new anglers to the sport which in turn, brought, we believe, the first real increase in licence sales for several years.

Maintaining consistent product availability with many suppliers closed for periods and shipping delays from China presented challenges, but we foresaw this risk with the increase in our available cash helping the Group to secure good stocks of the product available. Brand shortages also benefited our own higher margin Advanta own brand sales.

34.2%

Gross margin

Improvements to gross margin resulted in a 300bps increase (2020: 31.2%)

£15.0m

Net cash

Balance sheet at 31 January 2021 shows a strong position

People and community

Supporting people and communities is one of our key strategic pillars and we focus on the role the Group plays, aiming to not just enhance the lives of anglers and colleagues, but also to have a positive impact on our suppliers, shareholders, local communities, the wider society and environment.

We have an incredible team of colleagues sharing our vision and passion to deliver the very best experience to all our customers. Our ambition is to be the best employer in our sector, caring for our colleagues wellbeing and fulfillment. Our people are core to our culture and to delivering our purpose and I am grateful to them for their tremendous contributions and dedication, particularly during these times.

Our customers love being in our stores, on our website and social media outlets socialising, learning and receiving top-quality fishing advice and assistance. We equally relish both the visits to buy and the platonic, to use Arthur Ransome's words.

Ours is a passion to introduce the benefits of fishing to as many people as possible, through promotion, coaching, education and advice.

In addition to our own direct initiatives, we have teamed up with the Angling Trust and their "Get fishing" campaign. We endorse evidence that fishing is a great way to improve all round well-being and we support bodies set up to encourage those with disabilities, of any kind, to benefit from fishing.

Looking ahead

In conclusion, it has been a year of great difficulty and sadness for the whole world and we are aware and respectful that Angling Direct has been more fortunate than many. We have faced challenges, arising from the pandemic and at a time that coincided with the first ever major changes to our Board. What stands out is the way the whole Board, new and old, rose to those challenges and has melded together into an efficient, passionate, and caring team.

As already mentioned, I am delighted at the way the new Executive Board members have on-boarded in such an efficient and seamless fashion despite the exceptional challenges of the last year. This has given me total confidence in their ability to ensure the Company continues to grow in accordance with our purpose and ambition, so much so that I have decided to seek re-appointment at the Company's forthcoming Annual General Meeting in the reduced role of Non-Executive rather than Executive Chairman.

As we head into the summer, our stores have been open since 12 April and anglers are returning to the waterside as virus infections thankfully reduce. This gives me increased confidence to look forward with measured optimism, as we adjust to the new normal. I have confidence in the strength and experience of our team, our determination and passion for this special sector. Coupling this with a strong balance sheet, good stock depth, solid operations, platform and processes for growth, I believe the Angling Direct brand remains exceptionally well placed to continue to deliver on its founding ethos and purpose.

Yours sincerely

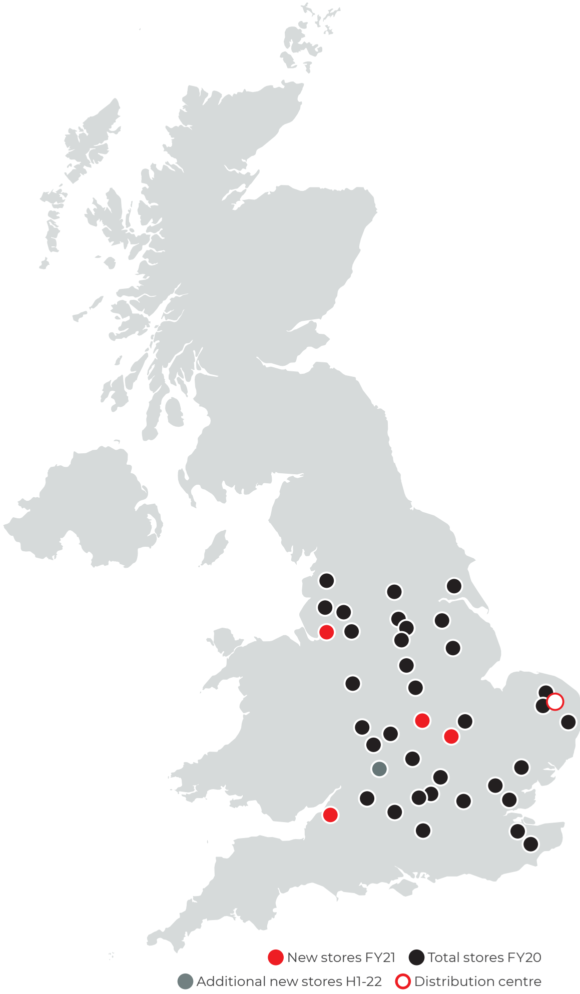
Martyn Page
Executive Chairman

10 May 2021

"There are two distinct visits to tackle shops, the visit to buy tackle and the visit which may be described as Platonic when, being for some reason unable to fish, we look for an excuse to go in, and waste the tackle dealer's time."

Arthur Ransome

At a glance



We are by some way the largest omni-channel fishing tackle retailer in the UK with an increasing presence in Europe. We have over nine million visitors to our websites each year and complete on average over 24,000 transactions each week in our stores.

Our store teams are the vital touch point between Angling Direct and our local fishing communities. They're all angling specialists with an infectious enthusiasm for fishing. For our customers, our stores complement our leading digital presence, providing market leading, hands-on service, advice and inspiration, as well as a real sense of community.

Our best-in-class websites and social media channels extend our reach to a growing number of other anglers throughout the UK and Europe, providing contemporary digital content and access to thousands of quality fishing tackle lines, seamlessly fulfilled, in many cases next day.

39 stores

Good access, convenient locations in high density fishing catchments

4 websites

Four market leading websites .uk, .de, .fr, .nl with over 20,000 products across all major brands

All abilities

All abilities, five major fishing disciplines: Carp, Coarse, Predator, Sea and Game.

Distribution

Semi-automated distribution centre: 34,000sqft, 1,800 pallet capacity, over 100 suppliers

Social media

Market leading, multi-lingual reach: Insta 100,00, Facebook 130,000, Twitter 11,500,
ADTV 30,000

396 colleagues

396 passionate angling colleagues, multi discipline and highly respected

80 new coaches

80 Angling Trust qualified coaches

2.9m views

2.9 million views on in-house YouTube, 187,000 hours watched

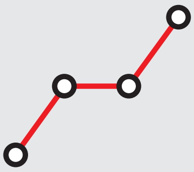
Superior service

Multi-lingual in-house customer service centre

ADVANTA

Advanta is our exclusive own brand range of fishing tackle products sourced in house and targeted at the angling enthusiast who wants to get more from their fishing. This nearly 500 product range is designed and directly sourced by us, with significant distribution since 2016. Last year Advanta generated higher than average margin sales of over £3.2m, an increase of 122% on FY20 and now representing 4.8% of total sales (up from £1.5m in FY20). Our product developers relentlessly focus on improving the angling experience and showcasing technical expertise and in an increasingly sustainable way. Nine out of ten Advanta customers say they would recommend the range to other customers.

Advanta low chair one of the nearly 500 strong product range.



122%

Sales increase

Last year Advanta generated sales of over £3.2m

Chief Executive's review

Andy Torrance
Executive Director and
Chief Executive Officer

"I would like to thank all my colleagues for their exceptional commitment, spirited resilience, and adaptability during this year."

Introduction

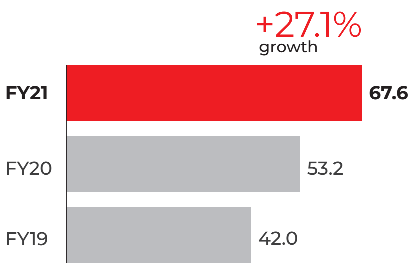
FY21 was an unprecedented year on a number of fronts, presenting unexpected challenges well beyond anyone's existing experience. Our business model and organisational resilience has been thoroughly tested. I'm very pleased to report that not only has our amazing team been able to maintain our strong sales record, with total sales increasing by 27.1%, but they have also risen to the challenge and ensured that we made solid strategic progress to strengthen the Group for our next phase of growth. I would like to thank all my colleagues for their exceptional commitment, spirited resilience, and adaptability during this year.

As the UK market leader Angling Direct is uniquely placed to deliver further profitable growth within the thriving European fishing tackle market as an increasing number of people of all ages discover the restorative pleasure, challenge and wellbeing benefits of angling.

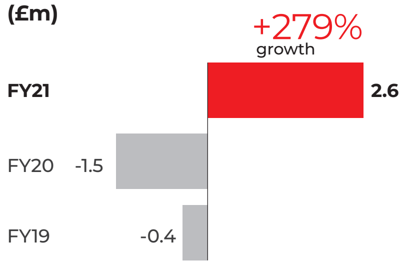
This is my first full financial year as CEO having moved into the role from Non-Executive Director in February 2020. Our ambition in this period was to continue to grow market share both in the UK and Europe, whilst also strengthening the Group to optimise core business return and achieve its strategic objectives. As well as driving growth across all UK and key European channels and ensuring operational efficiency, we set out to protect and improve our profit margins, ensuring that our investments generate an increasingly appropriate and sustainable return for all stakeholders.

Investments in warehousing automation, capacity and operating processes allowed our colleagues to safely continue to provide an excellent service to our growing customer base throughout the year. Our upgraded online platform enabled online sales growth of 39.9%, accounting for 52% of total revenue. This has been a year that was characterised by three significant periods of forced nationwide store closures, along with other localised periods of retail restrictions and social distancing. Over 30% of store trading days were lost to closure in the year.

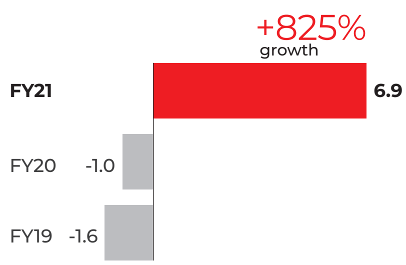
Revenue (£m)



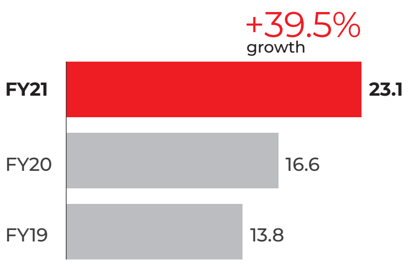
Net profit/(loss) before income tax (£m)



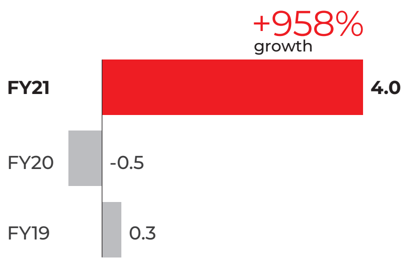
Operating cashflow (£m)



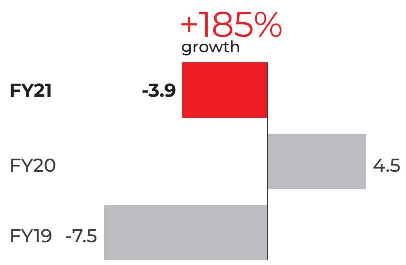
Gross profit (£m)



Pre IFRS 16 EBITDA (£m)



Net debt (£m)



Despite this backdrop, as a result of call and collect and sustained customer demand in open periods, store revenues grew by 15.5%, including £2.2m sales from the four new stores that were opened in the year.

Our revised trading approach, promoting all that Angling Direct has to offer, coupled with a more disciplined approach to pricing and inventory management meant a 300bps improvement in gross margin and a 39.5% gross profit improvement on the prior year to £23.1m. Consequently, profit before tax moved to a positive position and improved 279% against FY20. Strong trading and improved working capital disciplines meant operating cashflow improved by 825% to £6.9m.

We are slowly emerging from an extraordinary period of pandemic disruption and Brexit uncertainty. Whilst the impacts are still being felt and some degree of uncertainty remains, I am pleased that we have remained focused on the clear areas of opportunity for Angling Direct. We have emerged as a much stronger business as a result of the actions we have taken in the past year. I am confident that the investments we will continue to make going forward mean that we are well positioned to get even more people out fishing and continue to deliver sustainable, profitable growth.

Financial and commercial KPIs

We use a range of financial and commercial key performance indicators to support delivery of our strategy.

Financial KPIs:

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

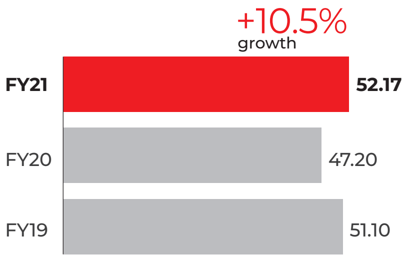
Gross profit – Gross profit represents revenue after deducting the cost of products after associated trade and settlement discounts as well as deductions for estimated stock losses and reductions to reduce stock to its net realisable value. It is a KPI as it helps us measure our performance at ensuring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

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

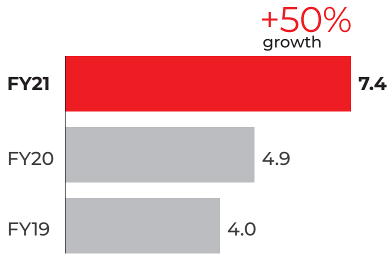
Operating cash flow – Operating cash flow is a measure of net cash generated from operating activities before financing and capital expenditure. This is important to measure as it allows us to strategically reinvest in the future growth of the business.

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

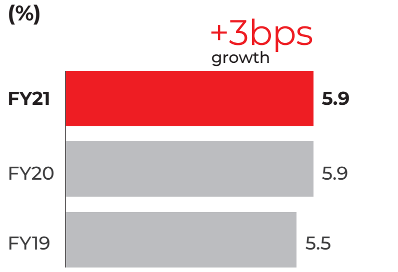
Average transaction value (£)



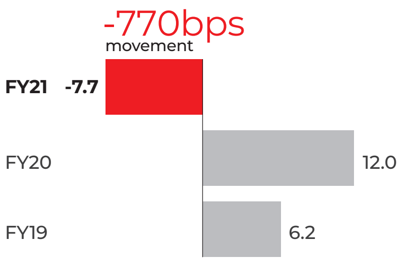
UK website visitors (m)



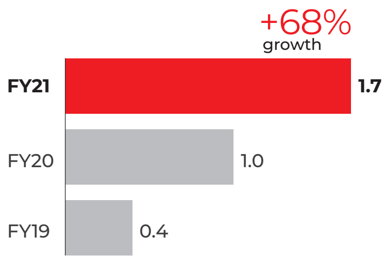
UK website customer conversion (%)



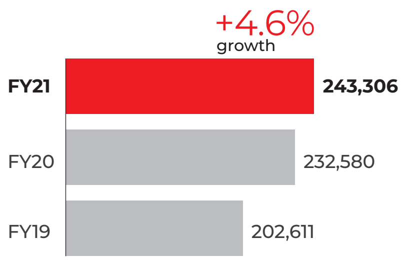
L4L store revenue % growth



Native language visitors (m)



Customer database



Commercial KPIs:

Average customer baskets – A measure of total sales revenue divided by the total number of net customer orders. We measure this to ensure that we are continually challenging ourselves to fine tune our product and service offering in order to best fulfil the needs of our customers.

Like for Like sales – Like for like sales revenue from stores trading the full prior financial year. By growing like for like sales we can measure how well we are serving current catchment and deepening our relevance to local fishing communities.

UK website visitors – A distinct user who visits the Anglingdirect.co.uk website. This helps us understand the efficiency and return generated from our digital marketing expenditure in the UK. This is important as it re-engages existing customers and extends our reach to new site visitors.

Native language website visitors – A distinct user who visits either of the Angling Direct .de, .fr or .nl websites. This helps us understand the efficiency and return generated from our digital marketing expenditure within our key target European markets. This is important as it re-engages existing customers and allows us to promote our brand for trial within new territories.

UK Website customer conversion rate – the rate at which visitors visiting our websites ultimately decide to transact. This is an important measure of how engaging and straightforward our sites are to use as well as how well our search tools work taking customers to compelling prices from the full range of our product offering.

The Group has not attempted to separate the impacts of COVID-19 on its underlying business performance as the Board is of the opinion this would be highly subjective and unreliable. All costs and income are included within our key financial and commercial KPIs.

Business review

"We moved quickly at the onset of the pandemic to engage with suppliers, using our long-established relationships to safeguard stock availability whilst optimising our cash position."

£1.1m

Record online sales week

A record online revenue week was achieved in late June

4.8%

Advanta participation

Significant stock investment in own brand Advanta range led to 4.8% participation of total sales

Strategic progress in an unprecedented year

We set out at the beginning of the period to optimise our core business return whilst also seeking further growth opportunities. Our initial focus has been on driving operational excellence, improving return on capital, and improving our customers' experience whichever sales channel they choose.

Operational excellence

Our recently upgraded web platform has driven increased site speed and allowed our customers to experience improvements across the search, recommendation, bought with, reserve and collect and checkout functions. We will shortly be introducing a mobile app and further search improvement. Despite the huge increase in site traffic and browsing during the various lockdowns, our conversion rate held at 5.9% in the UK. Average basket values across the whole business also improved, returning to FY19 levels as we reduced blanket promotional activity and sought to balance conversion and customer repeat frequency.

We have refocused our trading stance to promote not only our everyday price competitiveness but also to highlight the breadth of our ranges, including Advanta, the quality of our service and customer inspiration. This has resulted in significantly less discounting, more targeted sell through of products and reduced margin erosion.

We invested significant time and resource to ensure that all our colleagues were able to operate within COVID-19 safe working guidelines in order to minimise disruption to our customers. In the distribution centre we utilised 24/7 shift patterns, recruited extra colleagues and flexed our customer promise appropriately. This combined with increased utilisation of our Kardex sortation system and newly established operating procedures meant we achieved a record online revenue week of £1.1m in late June and improved labour cost distribution efficiency by 240 bps, to 3.6% for the full year.

Through the winter we reconfigured our warehouse to increase pallet capacity by 80%, streamlined goods in and increased packing bench capacity. This is crucial to achieve our own brand Advanta sales ambition as well as increasing capacity for future growth.

We have reviewed, and evolved our shrinkage management processes both instore and online, which has resulted in a reduction in stock loss leading to margin accretion of c.50 bps.

Store colleague rotas have been re-aligned to improve our instore experience, match customer demand and drive conversion. Legacy payroll cost anomalies largely associated with previous acquisitions have been resolved.

Whilst being increasingly selective, our target new store locations are becoming increasingly clearer as we match potential sales volumes from licence sales data set against more optimised ranging and colleague costs.

Return on capital

Significant stock investment early in the year in our own brand Advanta range has improved product availability, underpinned our range authority and allowed us to increase participation of this range to 4.8% (£3.2m sales) of total sales. This has further contributed to overall margin growth. We intend to develop this range, improve marketing and further increase participation by investing further in our team of Advanta dedicated colleagues as well as range and packaging development.

We moved quickly at the onset of the pandemic to engage with suppliers, using our long-established relationships to safeguard stock availability whilst optimising our cash position. We focused on deepening investment in more popular lines, whilst proactively seeking improved stockturn of slower selling products by focusing promotional activity on long stocks and discontinued lines. As a result of these actions, stock turn in the year improved to 3.6x from 2.8x in the prior year.

During lockdown store closures we opportunistically utilised our store network to protect online stock availability for our customers. More recently we have begun to open our store stock files to allow direct to customer online fulfilment, improving customer conversion and further optimising stock turn.

We have increased scrutiny and oversight of all new expenditure including new store site selection. We have revised our processes and have much improved visibility of our cashflows, allowing better planning and opportunistic stock investment.

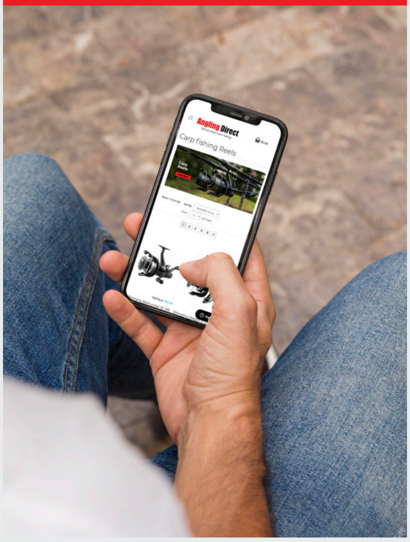
In addition, we raised £5.1m net of costs from existing shareholders at a time when the extent and impacts of the pandemic were less well understood. This additional financing has subsequently given the Board confidence to continue to invest in the business and drive margin accretive growth.

NEW GROWTH OPPORTUNITIES

Customer segmentation

We have established a new customer-focused category management ranging approach by investing in our buying and purchasing structures and processes. We are focused on five major fishing disciplines, Carp, Coarse, Predator, Sea and Game. Aligned with our ambition to make angling accessible to everyone we are now organised and focused upon developing ranges within these key disciplines that will appeal to beginners, generalists, enthusiasts and the truly committed. 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 will also inform our supplier management strategy by encouraging partners to align with our growth objectives for mutual benefit.

Digital capability



We 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 even when our stores have been closed.

Our web team has developed and progressively deployed new customer journey functionality as a result of our web platform upgrade to Magento 2. Visitors have experienced improved site speed, newly designed landing pages, optimised search, eGiftcards, product recommendations and video content. Conversion rates in the UK remained above 5.9% in the context of an increase of 50% increase in site visitors. Our proactive online marketing investment throughout the phases of COVID-19 trading restrictions gave a return on advertising spend in the UK of 16.6x, an increase of 27% over the prior year.

Store catchments

We opened four new retail stores during the period in Warrington (February), Bristol (June), Northampton (July) and Leicester (September). We have made good progress developing our sea fishing ranges based upon an extended offering within the Bristol store. This continues to allow us to capitalise upon the growth in popularity of sea/beach fishing given increased staycation during the summer months. The Leicester store allowed us to trial the early outputs of our category management thinking with significant improvements in ranging, messaging, and ease of shopping.

We have refined our UK store property search and investment modelling bringing the total portfolio at the end of FY21 to 38 stores. Location-wise, we remain focused on the concentration of fishing licence sales as well as our local competitive profile. Our new property investment model ensures any new site is targeted with delivering appropriate returns within a minimum acceptable time. 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.

New growth opportunities – International

Internationally we have carried out an in-depth review of our existing business (in FY20 over 34,000 customers across 34 territories). Early on we took the decision to focus on those markets that offered the most attractive, sustainable and profitable growth, most closely aligned to our core fishing disciplines. We have therefore ceased trading with international agents and in territories where carriage costs and VAT regimes prohibit any near-term value opportunity. As a result, our international sales outside of the native language countries reduced in the year by £1.4m but delivered improved profitability from this channel of c.£0.2m.

We now despatch to over 16 countries in European markets estimated to be valued in excess of £2.8bn via our UK website and three growing native language sites (German, French and Dutch). We are clear in our strategy that we will only make material market share gains when we are able to fully engage anglers locally. We have chosen therefore to concentrate our effort in five key territories, namely Germany, France, Netherlands, Belgium and Austria, a combined market we estimate to amount to up to £1.9bn. We believe it's vital for customer engagement that we have in-region native language websites, complemented with locally tailored ranges, local marketing and social media engagement. We ensure that our three international sites (German, French and Dutch) replicate our UK platform in terms of functionality.

The UK finally leaving the EU impacted our international business towards the end of the period. We have absorbed additional customs administration charges by managing our free carriage proposition. Significant disruption at various borders continues to impact on service levels and has inevitably dented international consumers' confidence. We continue to work with the Angling Trust and Angling Trades Association to lobby for a change in administration which effectively stops us despatching bait into the EU because of its characterisation as animal feed. Despite this we remain confident that our business model and brand strength leave us ideally positioned to increase share in our chosen overseas markets over the medium term.

As the focus of the Executive team has moved on from direct management of the pandemic the business has been able to accelerate its pace of exploring options for in region fulfilment to enhance customer engagement and accelerate market share gains while improving fulfilment efficiency.

Organisational capability

As well as investing in additional experienced colleagues within our new Category Management team we have made key hires within other growth critical areas namely Web development, Technology, Finance and Operations.

We have made prudent investments to ensure resilience, stability, security and growth capacity within our server provision for both our Epicor ERP and Magento web platform.

Our colleagues and our role in the community

Our colleagues are the face of Angling Direct to retail 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. In order to maintain our unique teams during lockdown store closure periods, we topped up furlough payments to protect our colleagues' income, we increased our all colleague annual Christmas bonus as a thank you and each team member now takes an additional 'Gone Fishing' day as an increase to their annual leave to focus on their own well-being.

We're delighted to have further developed our relationship with the Angling Trust. We are now the exclusive retail sponsors of its Get Fishing campaign, designed to attract new and returning anglers through a bankside coaching programme to improve angling skills. We have co-funded the training of over 80 Angling Direct colleagues as certified angling coaches who, as well as advising customers in store, will also support Get Fishing events nationwide. These events are designed to reach nearly 40,000 new anglers, each a prospective new customer for Angling Direct. We're delighted to have donated both

fishing equipment and our store colleagues time to support Tackling Minds, the first charity to deliver angling as an activity in support of an NHS initiative to prescribe fishing as a new mental health therapy.

Having reviewed our social media channels in the year, we've launched Team AD, a fresh, new, more inclusive approach to our market leading social media reach that features various colleagues of a broad range of ages, genders, fishing abilities and disciplines, designed to appeal to an ever more diverse customer base. We plan to evolve this concept into our stores to further engage local fishing communities who will increasingly see Angling Direct as an extension of their angling clubs.

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. See pages 45 – 47 for more information on sustainability.

Outlook

During the year we have made significant strategic and operational progress, which was reflected in the continued strong sales growth, gross margin improvements and enhanced operational efficiencies. The popularity of fishing around the world has grown during the pandemic, as has spending on angling, and we have never been better placed to gain further profitable market share.

Some uncertainties clearly remain as we start to emerge from the pandemic but through quick and decisive actions taken in this last year, the loyal support of our customers and suppliers, along with the dedication of our colleagues, we emerge with renewed strength and confidence. Again, I would like to thank all our stakeholders for the role they have and continue to play in our ongoing success.

We continue to invest organically as we are evaluating appropriate inorganic growth initiatives to achieve our ambition to become Europe's first choice omni-channel fishing tackle destination. In the year ahead we will particularly focus on efficient international fulfilment within our key target territories. We will continue to invest in technology and digitisation with a focus on seamless integration between channels and accessibility through web applications to extend our reach into new and existing angling communities.

Developing a contemporary category management capability, appropriately evolving our own brand ranges and modernising our store formats will enable us to continue to protect and improve sales margins while growing market share.

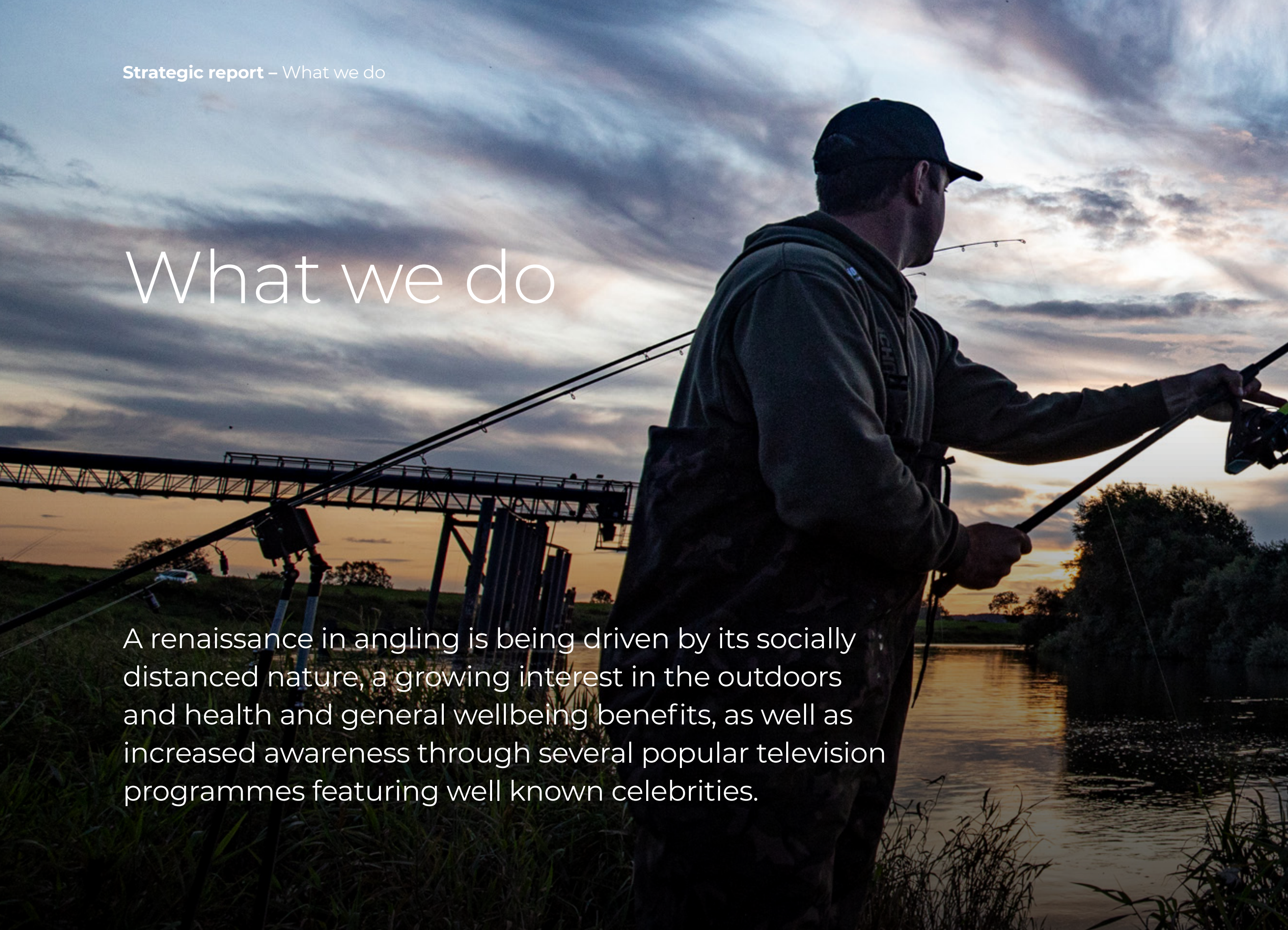
We are actively working to deepen our sense of purpose, building on our founding philosophies to Get Everyone Fishing. Developing a wider Team AD approach will increase our relevance and drive further participation in local communities for the benefit of all our stakeholders.

Having reopened our stores on 12 April and with the UK emerging from the pandemic, I am cautiously optimistic when I look to the future: the strong foundations we have put in place through 2020 will ensure the Group is able to take advantage of the numerous opportunities that will arise through the remainder of 2021 and beyond.

Andy Torrance
Executive Director and Chief Executive Officer

10 May 2021

What we do



A renaissance in angling is being driven by its socially distanced nature, a growing interest in the outdoors and health and general wellbeing benefits, as well as increased awareness through several popular television programmes featuring well known celebrities.

OUR PURPOSE

Inspiring everyone to get outdoors and enjoy an exceptional fishing experience

Our purpose is why we exist and helps us stay focused on our ambition.

We place great emphasis on creating a culture of supporting anglers and the future of angling. We want to play our part in looking after our planet, its environment and its people.

Our vision is to provide the encouragement, coaching and support so that our customers have everything they need to get the most from their fishing regardless of their background or ability.

OUR AMBITION

To become Europe's first choice omni-channel fishing tackle destination for all anglers, regardless of experience or ability

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

We have a long-term strategy to become the leading fishing tackle retailer in Europe by inspiring and delighting increasing numbers of customers, focusing on sustainable profitable growth and enhancing local fishing communities. We will grow revenue, increase market share and generate sustainable healthy profits.

We will continue to develop a market leading customer centric offering that delivers first class inspiration, advice, products and services through a convenient channel of our customers' choosing. We will always act responsibly to further the benefits and sustainability of fishing.

PURPOSE & AMBITION

OUR PURPOSE

Inspiring everyone to get outdoors and enjoy an exceptional fishing experience

OUR AMBITION

To become Europe's first choice omni-channel fishing tackle destination for all anglers, regardless of experience or ability

STRATEGIC PILLARS

Product authority

- Most comprehensive range for all major fishing disciplines
- Always delivering choice, value, quality and availability

Customer experience

The very best digital and physical retail interactions to:

- Drive conversion,
- Create loyal customers
- Prompt recommendations

Inspiration & support

- Making fishing accessible,
- Providing friendly advice, education and inspiration to all sections of the angling community

Responsibility

- Actively engaging the fishing community
- Promoting environmental best practices
- Best employers in our market

KEY ENABLERS

Our founding philosophies

Inspirational, passionate, trustworthy and genuine; our frame of reference for the business decisions we take each day.

Our colleagues' passion and experience

Crucial for inspiring anglers of all backgrounds and abilities to stretch themselves and seek more from their fishing.

Our contemporary digital technologies

Facilitate our growth, stand us apart and uniquely position us to grow market share.

Our value based, data-driven decision making

Underpins and directs all that we do, ensuring we maximise value for all stakeholders.

What we do

Our stakeholder business model

Stakeholder value creation

- Favourable market, customer and health awareness trends
- Continued strong year on year growth and improvements in key operational efficiencies
- Further organic growth opportunities in all channels and geographies
- Improving cash flows and continued investment in people, training, marketing, digital and physical infrastructure
- Selective acquisitions where strategically compelling

1

Colleagues
Development of Team AD colleagues continues to be a priority. Our customers benefit from happy, knowledgeable, confident colleagues. We continue to prioritise internal personal development and training programmes as well as accessing external training provision as appropriate. Every team member has at least two formal personal development reviews each year. All our colleagues have access to free personal counselling services and occupational health services.

2

Industry bodies
We continue to work with our industry bodies, particularly through the COVID-19 pandemic and Brexit transition. We are trade members of The Angling Trust, the Angling Trade Association and the European Fishing Tackle Trade Association with whom we work closely with on all matters related to promoting and protecting fishing as a pastime accessible to all.

3

Customers
We regularly seek feedback from our customers via online reviews as well as several more fulsome surveys. We aim to meet all our customers' needs with an increased focus on ensuring they have the information, inspiration, and support to meet their fishing goals.

4

Suppliers
We have recently reviewed our supplier strategy. We aim to foster successful long-term relationships with our key suppliers who align to our purpose and sustainability objectives, built on a foundation of trust.

5

Shareholders
We continue to focus on the creation of shareholder value, developing the business in line with our strategy of sustainable profitable growth.

6

Community
During the year we supported various local and national charities including the NHS. We are also supporting the Anglers Against Pollution campaign via our membership of the Angling Trust.

What we do
our market

Angling remains one of the UK's most popular and highly participated sports. A renaissance in market growth is being driven by its socially distanced nature, a growing interest in the outdoors and health and general wellbeing benefits, as well as increased awareness through several popular television programmes featuring well known celebrities.

The value of UK based fishing tackle sales was estimated to be around £550m per annum in 2018.

In January 2021, the Environment Agency (EA) announced a 17% increase in annual fishing licence sales in England and Wales, with a 25% increase in the youngest age group. There are now over 750,000 licensed anglers in England and Wales and the Environment Agency has increased its own target to achieve 1m licence holders by 2025. Not all fishing disciplines require an EA licence.

Management estimates that the two largest, similarly structured markets in mainland Europe, France and Germany, are each worth approximately £800m.

We believe our growth is outperforming the overall market as we continue to extend our customer reach, having served online an additional 174,000 new customers in FY21. Angling Direct is market leader in the UK with an estimated market share of approximately 12% and we estimate we are some 5 times larger than the next largest market participant.

The fishing tackle market is highly fragmented, characterised by smaller independent competitors and offers the opportunity for us to act as one of the primary consolidators in the market.

Whilst overall consumer spending remains uncertain, spending on outdoor, socially distanced, healthy pastimes has shown resilience, particularly during times of less international travel.

Past experience tells us that the relatively low cost, easy to access localised pastime of fishing proves resilient during recessionary periods.

Our brand is being considered by more consumers as we benefit from increasingly digitally engaged customers who research (and buy) online, engage on social media and utilise local bricks and mortar stores for deeper, inspiration advice and coaching.

750,000

Licence holders

There are now over 750,000 licensed anglers in England and Wales

What we do

Why we are different

As the largest specialist fishing tackle retailer in the UK, we understand that to achieve sustainable profitable growth our customers require excellent inspiration, service and support through the channel of their choosing. They look for a best in market, broad high-quality product range, efficient processes and competitive prices. They increasingly expect us to act responsibly to get the best outcomes for all of our stakeholders and the environment.

174,000

New customers

We served an additional 174,000 new customers in FY21

4.8/5

Feefo rating

Our Feefo rating is high

OUR PRODUCT AUTHORITY

We sell the most comprehensive range of fishing tackle and related products, both in our 39 Angling Direct retail superstores and also online via our four websites www.anglingdirect.co.uk, www.anglingdirect.de, www.anglingdirect.fr and www.anglingdirect.nl. We provide an incredibly large choice of fishing tackle products from the leading brands our customers love, catering for all major fishing disciplines. At the year-end we stocked over 20,000 different product lines from over 100 suppliers.

Our category management teams work increasingly collaboratively with our suppliers to ensure we only list high quality products. Our purchasing colleagues work to forecast purchasing volumes with the objective of ensuring maximum product availability, optimised across our stores and websites.

We have developed long-term supplier partnerships, being the largest UK retailer of many well-recognised brands. Additionally, we stock our own fishing tackle brand, Advanta, which is primarily focused at the enthusiast carp angler.

The Advanta product range matches the performance and quality of other fishing tackle products, whilst also offering great value for money.

We aim to offer the best value possible with our 'Price Checker' promise and through regular use of price monitoring software, we make sure that we are never knowingly under cut by our competitors. We match or beat our competitors prices to ensure that we provide the best price to our customers.

OUR INSPIRATION AND SUPPORT

Whether new or seasoned anglers, our customers require in-depth information, advice and tips in order to inspire them to get the most from their fishing. We provide customers with this across all of our channels by ensuring they can easily access help and support from industry leading knowledgeable store colleagues.

We now have at least two Angling Trust accredited fishing coaches within each of our store locations who can offer advice and also hold lessons at local angling destinations to give confidence to new anglers and help existing anglers improve their skills.

Additionally, we make available large amounts of digital material embedded within our websites, social media and ADTV, our YouTube channel. This includes features on the latest fishing product innovations, reviews of popular products and fishing locations, interviews with leading anglers and very popular educational 'how to' style QuickBite skill videos.

OUR CUSTOMER EXPERIENCE

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

All our stores are sited in easy to access locations with a high density of anglers based on licensing data. We design our processes for customers to experience a smooth and efficient transaction, whilst also enjoying the opportunity to interact with our colleagues who themselves are immersed in the local fishing scene.

Our stores and websites are designed for the angling community where anglers can both purchase fishing products and also interact with the angling community and improve their angling knowledge. We ensure that our stores and sites remain fresh, relevant and interesting for both new and existing customers. We regularly review product selection and promotional activity to ensure popular, fast moving and promoted products are presented in the most effective way.

For our country specific websites, our multilingual service teams provide social media, local marketing, telesales and high-quality customer service support.

Our Feefo rating is 4.8 out of 5.

OUR RESPONSIBLE LEADERSHIP

To be successful it is important for Angling Direct to demonstrate to all it's stakeholders that it credibly leads within its sector by acting responsibly in all aspects of it's operation and strategy but particularly towards the growth and sustainability of fishing as a pastime in the long term.

We aim to grow our colleague team with the optimum combination at all levels of angling specialists, drawn from within the sector; and experienced multi discipline retailer and commercial managers. Strong supportive relationships with our key suppliers are important to us as we seek to grow the fishing tackle market and our reach within it, for mutual value.

Our store teams connect locally with our customers through store led social media and manager specials. An increasing number of our stores now feature a Team AD Catchers Corner – a place for customers to take seat and a coffee and spend some time reviewing local fishing venues as well as chatting with store colleagues and other customers about their latest fishing experiences. They can also drop off their used fishing lines for recycling and take advantage of our reel re-spooling services.

Through our Trade membership of the Angling Trust, we are very proud to support their Anglers Against Pollution campaign by selling fundraising branded merchandise in our stores and online.

Chief Financial Officer's statement

Steve Crowe
Chief Financial Officer

"In FY21 the Group continued to generate strong revenue growth. The pace of growth in the online business increased 3-fold to 40%, influenced by the backdrop of COVID-19 impacting physical store trading restrictions."

Our focus at the start of the financial year was to continue to generate solid revenue growth while materially improving the profitability of the business through leveraging the previous investments made in both the online business and store portfolio. Whilst the onset of the COVID-19 pandemic initially challenged this ambition, as social and trading restrictions became further understood the Executive team recommitted to this objective of not letting FY21 become a stall year in the Group's strategic and financial progression. As a result of this focus, the Group has delivered on this objective with a resilient financial performance, moving back to profit alongside improved cash generation and a more robust and resilient balance sheet.

Financial highlights

In FY21 the Group continued to generate strong revenue growth. The pace of growth in the online business increased 3-fold to 40%, influenced by the backdrop of COVID-19 impacting physical store trading restrictions.

FY21 saw an increasing emphasis on margin development through greater focus on stock losses (shrinkage) and effective promotional activity.

Alongside the focus on these areas, the Group made significant progress in leveraging previous investments in its distribution capability, Kardex (semi-automated picking system), Epicor ERP and Magento 2 website development. During the period, the Group was also able to access government support in the form of the Coronavirus Job Retention Scheme ("CJRS") and Retail Hospitality & Leisure Grant Fund ("RHLGF") to compensate the Group for costs incurred when it was unable to trade across all channels. Profit after tax was £2.4m (FY20: loss £1.3m).

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 Brokers' market forecasts.

Note 7 to the consolidated financial statements provides more information and reconciliations relating to EBITDA on both a pre and post IFRS 16 basis. An explanation of the difference between the reported operating profit figure and adjusted EBITDA is shown opposite:

Financial highlights	2021 Post-IFRS 16	2021 Pre-IFRS 16	2020 Post-IFRS 16	2020 Pre-IFRS 16	Change % Post-IFRS 16	Change % Pre-IFRS 16
Revenue (£m)	67.6	67.6	53.2	53.2	27.1%	27.1%
EBITDA (£m)	5.7	4.0	0.7	(0.5)	767.7%	958.0%
Operating profit/(loss) (£m)	3.1	2.7	(1.2)	(1.3)	348.9%	310.9%
Profit/(loss) before tax (£m)	2.6	2.7	(1.5)	(1.2)	278.8%	321.8%
Basic earnings per share (pence)	3.33	–	(2.03)	–	264.0%	–

* Adjusted financial measures are defined on page 88 of 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.

Revenue	31 January 2021 £m	31 January 2020 £m
UK revenue	63.2	48.2
Germany, France and Netherlands revenue	2.9	2.1
Other countries revenue	1.5	2.9
	67.6	53.2
Retail stores revenue	32.3	27.9
Ecommerce revenue	35.3	25.3
	67.6	53.2

Another record year for revenue

Revenue grew 27.1% year on year with online sales increasing 39.9% and stores 15.5% in comparison to 13.6% and 41.3% respectively in FY20. UK online sales increased 61.5%, with the Group's native language website sites increasing 35.0%. The second half of FY21 proved more challenging for the native language sites with growth slowing to 20.0% from 50.7% in the first half, as the Brexit ports hiatus impacted customer delivery lead times and hence conversion of online traffic into orders.

The Group continues to focus on its online sales to international territories that deliver both strong sales growth and promising levels of profitability. Our international footprint is predominantly in mainland Europe and these international sales accounted for 12.4% of total online sales (FY20: 19.9%). Our German, French and Dutch websites, which make up the Group's core European markets, increased sales to these countries by 28.7%, 39.1% and 44.1% respectively. These three territories now represent 65.6% of total international sales (FY20: 42.3%). Our exit from the unprofitable Russian territory reduced sales by £0.6m year on year.

Stores were impacted by trading restrictions at a number of junctures during the financial year; despite this like-for-like store sales only modestly decreased by 7.7%. The increase in store sales was from our ten FY20 stores and the four new store openings in FY21 which contributed £10.2m (15.1%) to total revenue.

Our own brand products Advanta contributed 4.8% (FY20 2.8%) of total sales, £3.2m, during the year (FY20: £1.5m).

Gross margin

Our gross profit increased by 39.5% to £23.1m (FY20: £16.6m). Gross margin improved 300 bps to 34.2% (FY20: 31.2%) and the key underlying factors are explained below:

Legacy inventories

The new Executive team promoted excellence in thinking about how we range and buy ahead of fully implementing the strategic initiative of "category management" in late Q4 FY21. This alongside, as my financial report highlighted in FY20, clearing of legacy stock from acquired businesses, materially improved gross margin in the year.

Inventory losses

I highlighted in my first CFO statement in FY20 the historical challenges identified with the inventory management processes and resulting stock shrinkage which impacted margins during FY20. An increased emphasis on loss prevention alongside a new returns and faulty stock process in Q4 has substantially improved the impact of shrinkage on the Group. We expect to see further benefit of these investments in FY22.

Promotional activity

Historically the Group has relied upon blanket promotional and customer marketing activity. In FY21, as the Group became more confident in the development of its wider customer proposition, these blanket activities have been substantially reduced, materially benefiting the gross margin while maintaining revenue growth.

Category management range reviews

As I have highlighted above, in Q4 FY21 the Group formally implemented its category management approach to ranging and buying. As part of this launch a number of product lines have been identified, which it is highly probable will be exited from the business during FY22. In order to potentially exit these ranges quickly, it is also highly probable these identified ranges will be sold below their cost price. As a result, the FY21 results reflect this cost through a reduction in the inventory values for these stock lines. More detail is given in note 3 on significant judgements and estimates.

Other income

As highlighted above the Group was able to access direct government support to compensate for costs incurred whilst the business was unable to fully trade during the ongoing COVID-19 pandemic. The Group accessed £1.5m of support, £0.6m for RHLGF and £0.9m for CJRS. The Group claimed no CJRS monies post Q3 FY21 as the uncertain trading restrictions resulted in the Group using colleague time to re-train and embed process disciplines where appropriate.

Administrative expenses

Total administrative expenses increased by 23.3% to £18.2m (FY20: £14.7m) compared to a 27.1% increase in revenue. Much of the increase is sales volume driven and reflects the Group's broader organisational scale in terms of physical store footprint and investment in colleagues. Headcount cost has increased by 21.6% to £10.1m (FY20: £8.3m). The additional depreciation and amortisation charged mainly relates to new store leased assets which increased to £2.7m (FY20: £1.9m). In addition, increased investment in search engine optimisation and pay per click activity to boost UK online sales growth and further establish native language websites in three territories has resulted in a 41.7% increase in advertising expenses to £1.7m (FY20: £1.2m).

Operating profit and EBITDA

The Group moved back to profit at the profit before tax level with the ratio to sales improving from (2.8%) FY20 to 3.9%, gross margin representing 3% of the movement, cost base 1.5% and government support 2.2%. EBITDA improved 768% to £5.7m (FY20: £0.7m), as a ratio of sales 8.5% (FY20 1.2%) and on a pre IFRS 16 basis 958% to £4.0m (FY20: loss £0.5m), as a ratio of sales 5.9% (FY20: -0.9%).

Tax

The Group's effective tax rate was 9.1% (FY20: 11.5%). A reconciliation of the expected tax charge at the standard rate to the actual charge is shown below. All of 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 fixed assets and unapproved share options is received over a longer period than that for which the costs are charged to the financial statements. Tax relief for the exercised EMI options in the year benefitted the tax charge as no profit charge had been made for these based on their fair value at date of exercise pre floatation. The tax charge also benefited in the year as previously unrecognised losses and increased prior year losses were able to offset current year taxable profits.

Taxation	£m	%
Profit before tax	2.6	
Expected tax at UK standard rate of tax	0.5	19.0%
Share based payments	(0.2)	(6.1%)
Expenses not deductible for tax purposes	0.0	0.5%
Adjustments in respect of previous year's tax charge	(0.1)	(4.1%)
Effect of tax rate change on opening deferred tax balances	(0.0)	(0.2%)
Actual charge/effective tax rate	0.2	9.1%

Returns and dividends

Basic earnings per share ('EPS') is 3.33p (FY20: (2.03p loss)) as a result of the Group returning to a profit after tax for the period. The lower diluted earnings per share reflects the current LTIP share options in issue which would dilute the basic earnings per share.

There were no dividends paid, recommended or declared during the current and prior financial year. As discussed in the Directors' report, the Group is focused on carefully navigating COVID-19 and it is reinvesting all surplus cash resources back into the business. 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 2021. The dividend policy will be kept under review.

Financial impact of COVID-19

The impact of COVID-19 has resulted in significant uncertainty during the period and had a significant and unpredictable impact on each of our sales channels. The graph set out opposite shows the impact on the month of revenue growth or decline year on year by sales channel.

To mitigate the impact of reduced revenue early in the pandemic action was taken to preserve cash and reduce operating costs to protect earnings and liquidity. Measures taken included, but were not limited to, access to CJRS, deferment of VAT payments, increased supplier terms and reduction in capital expenditure and non-essential spend.

Statement of financial position

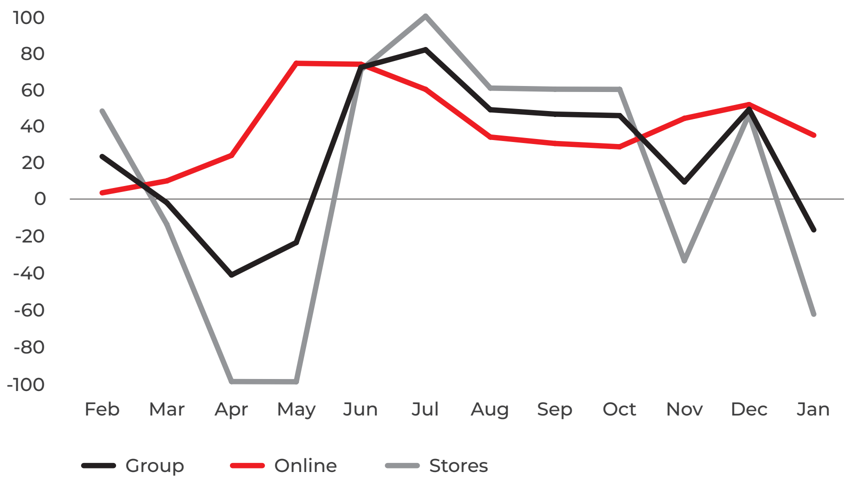
Our consolidated statement of financial position is robust. As at 31 January 2021 the Group had a net asset position of £33.1m (FY20: £25.5m) and a net current asset position of £20.2m (FY20: £12.8m).

The Group also had no external borrowing as at the reporting date and closed FY21 with a cash and cash equivalents position of £15.0m (FY20: £6.0m). Net debt* improved to (£3.9m) from £4.5m FY20 reflecting the strength of the earnings and cash generation in the period.

The key movements in the consolidated statement of financial position, largely reflect additional net current assets. The table below shows the key components with the key movements of note being reduction in inventory levels despite having four new stores in the estate as well as also building up our own branded stock, Advanta. Stock turn for the Group improved to 3.6x from 2.8x despite being unable to fully trade the store estate for over 1/3 of the annual trading days.

Right of use assets have grown modestly as we introduced four new stores into the estate, the increase largely off-set by a corresponding increase in the lease liabilities. Additional investment in our software and IT platforms of £338k was off-set by a corresponding depreciation charge as the business starts to reach a level of maturity on its investing profile. Refer to note 2 to the consolidated financial statements for our policy with respect to intangible assets.

Revenue growth (%)



Statement of financial position	31 January 2021 £m	31 January 2020 £m
Property, plant and equipment	6.0	5.6
IFRS 16 Right-of-use assets	10.9	10.5
Intangible assets	6.3	6.2
Total non-current assets	23.2	22.3
Stock	12.5	13.4
Cash	15.0	6.0
Other current assets	0.8	1.0
Total current assets	28.3	20.4
Trade payables	(6.7)	(6.4)
Lease liabilities	(1.4)	(1.2)
Other current liabilities	–	(0.0)
Total current liabilities	(8.1)	(7.6)
Lease liabilities	(9.8)	(9.3)
Other non-current liabilities	(0.5)	(0.3)
Total non-current liabilities	(10.3)	(9.6)
Net assets	33.1	25.5

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

Cash flow	31 January 2021 £m	31 January 2020 £m
Opening cash	6.0	13.5
Profit/(loss) for year	2.6	(1.5)
Movement in working capital	1.5	(1.5)
Depreciation and amortisation	2.7	1.9
Taxation refund	–	0.0
Other operating adjustments	0.1	0.1
Net cash from operating activities	6.9	(1.0)
Net cash from investing activities	(1.8)	(5.4)
Net cash from financing activities	3.9	(1.1)
Increase in cash in year	9.0	(7.5)
Closing cash	15.0	6.0

Cash flow and funding

During FY21 the Group improved the net cash used in operating activities to a £6.9m inflow (FY20: £1.0m outflow). Throughout the year the new Executive team has increased the focus on working capital and operating cash management, particularly in light of trading restrictions challenges with stock availability and certainty of supplier fulfillment dates.

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 £1.4m on additional property plant and equipment, primarily relating to opening four new stores and fully refurbishing two existing stores. The £1.4m additionally includes £0.1m reconfiguring the distribution centre to increase its capacity by c80%.

In the first half of FY21 the Group issued 11m new ordinary shares of 1p each raising £5.5m in gross proceeds. The placing was done at a time during the pandemic to provide further balance sheet strength for the business against the backdrop of a hugely uncertain trading environment. The placing ensured the Group had sufficient working capital to trade in the short term, as well as providing potential sources of capital for medium term expansion of the business. Given the strong trading during FY21 and the Group's robust financial position, the Board is deploying this cash on growth initiatives as we emerge from the pandemic. Net of costs the cash inflow was £5.1m.

Excluding the share placing the cash generation for the period was £3.9m with operating cash 2.3x investing and financing cash flows (excluding share placing) v (0.14x) in FY20.

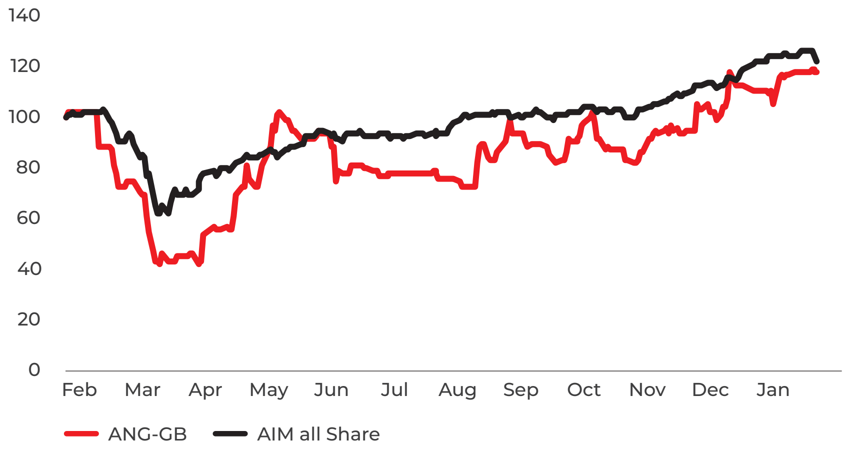
During the reporting period the Group had secured a short-term credit facility of £2.5m from NatWest with an expiry date of September 2020 to manage cash flow through the initial period of high uncertainty at the onset of the pandemic. This facility expired undrawn and had no financial covenants associated with its availability. During the period, the Group took the opportunity to defer VAT payments in line with HMRC guidance. By the period end all VAT payments had been made on the respective due dates.

Going concern and viability

At the Statement of Financial Position date, the Group had cash balances of £15.0m. The Directors consider the £15.0m enables them to meet all current liabilities as they fall due. Since the year end the Group has continued to trade in line with 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.

Share price performance



Long-term growth

The Group has generated consistent growth in the scale of its business and profits over recent years. A summary of the compound growth rates ("CAGR") over the past two full trading years in the key financial figures is as follows:

Long-term growth	2021 Post-IFRS 16	2021 Pre-IFRS 16	2019 Post-IFRS 16	2019 Pre-IFRS 16	Change % Post-IFRS 16	Change % Pre-IFRS 16
Revenue (£m)	67.6	67.6	42.0	42.0	26.8%	26.8%
EBITDA (£m)	5.7	4.0	1.1	0.3	127.3%	245.8%
Profit before tax (£m)	2.6	2.7	(0.4)	(0.3)	–	–
EPS (pence)	3.33	–	(0.76)	(0.55)	–	–

Share price performance

At the year end the market capitalisation was £61.0m compared to £43.3m at the previous year end. The graph opposite shows the total shareholder return performance compared to the AIM all share Index. The values indicated in the graph show the share price movement based on a hypothetical £100 holding of ordinary shares from 1 February 2020 to 31 January 2021.

FY22 outlook

FY21 was characterised by unprecedented trading conditions, condensing store trading periods and associated sales alongside strong online growth, which helped accelerate the execution of our strategic plan. In addition to an improvement in gross margins, we also benefited from significant levels of financial assistance from the UK Government which further benefitted Group net margins, alongside our plan to deliver sustained operational efficiencies.

We started FY22 with further enforced store closures for much of the first quarter. Uncertainties around our Far East supply chain and further post-Brexit trading restrictions also persist, in particular affecting our mainland European markets. Using our strong balance sheet, the Group has pre-emptively increased stock levels since the period end to mitigate any further supply chain disruption and product availability, allowing both our online and store operations to continue to trade effectively.

Following an exceptional period and emerging from the pandemic, some uncertainty remains, however, the Board is now seeing increasing levels of visibility in its markets. As such, the Board believes that the Group is well-placed to deliver profitable growth in revenues, albeit it is reasonable to expect that this will be at a lower rate than the prior year as trading conditions and sales mix begin to normalise.

The measures taken by the Group to drive continued gross margin enhancement and the more efficient cost base that will underpin this growth are also now well established. The Group took further financial assistance from the UK Government during the first quarter of FY22 but, on the basis that there are no further national lockdowns, we expect a much lower income from this source in the current year compared with FY21. We expect that the consequential impact on profitability will be partially mitigated by further underlying operational efficiency improvements.

Outside of COVID-19 we have continued to focus on building disciplined financial controls, achieving operational excellence, strengthening corporate governance, maintaining the robustness of the statement of financial position and capitalising on the renaissance of fishing as a pastime and our improved and evolving online and store customer offerings.

Steve Crowe
Chief Financial Officer

10 May 2021

Section 172(1) statement

Our stakeholders

Our Directors are informed and aware of their duties under section 172 of the Companies Act 2006 ('section 172') to act in the manner which would promote the success of the Group for the benefit of its shareholders. In doing this, section 172 requires Directors to have regard to the following matters along with other matters:

(a) The likely consequences of any decision in the long-term;

(b) The interests of the Group's employees;

(c) The need to foster the Group's business relationships with suppliers, customers and others;

(d) The impact of the Group's operations on the community and the environment;

(e) The desirability of the Group maintaining a reputation for high standards of business conduct; and

(f) The need to act fairly between members of the Group.

We believe that, to achieve our long-term growth strategy of being the largest retailer of angling products in Europe, we must consider what is important to our stakeholders. In the narrative and tables below, we articulate how we have addressed the requirements of section 172.

(a) The likely consequences of any decision in the long-term

We have considered the likely long-term consequences of our key decisions made during the financial year. Please refer to the following sections of the annual report:

- Key performance indicators (page 15)
- Chairman's statement (page 6)
- Chief Executive Officer's statement (page 14)
- Our business model (page 22)
- Principal risks and uncertainties (page 39)

(b) The interests of the Group's employees

Our stakeholders	How we engage	What matters	What the Board are doing
Employees **We consider our employees as our key asset and the face of our Group.** **We have a passionate, diverse and dedicated workforce.** **Effective communication is critical to our success and we are continually looking at ways to evolve our communications.**	We operate an open-door policy from the CEO downwards for all colleagues to always feel that they have a line to communicate. We actively encourage feedback across all levels and have sought to create more platforms to achieve this such as creating a leadership team with each member feeding back on behalf of their teams, improving communication and alignment across functions and operations. We have re-defined our onboarding process to engage and communicate effectively and at the earliest opportunity. Clearly defined, structured and visible Job descriptions and role structures through AD Connections, identifying clear competency requirements and development plans. We engage via our feedback and have recently upskilled our line managers and reformatted our one to one appraisal process (AD Connections) in Jan 2021. In addition, we allow our employees to "speak-up" by both formally and informally inviting candid feedback from peer employees, local area management and senior management. We are reviewing all our L&D operations and have made an effective switch to virtual courses and learning to promote best practices, provide information and support to our employees as well as in house tailored training. It is anticipated that due to the success of our virtual platform, we will continue to offer mixed options of virtual and face to face training. We have external occupational health support and two qualified mental health first aiders. The CEO publishes a monthly message to all colleagues.	Open and honest communication throughout the organisation. Various channels to provide feedback, raise concerns or seek advice on matters. Supporting colleagues throughout their employment journey. Feeling valued and celebrating successes with the teams. Opportunities for career development and progression. This includes the ability to deliver through having a clear understanding of the business aims and aligned personal development goals. Opportunities to innovate, share ideas and make a difference. Opportunities for personal development. Structured and functional systems and solutions. A sense of belonging to the team.	The Board has acknowledged that, throughout the past few years, supporting employees through social and mental health issues has not been a major focus. Colleague turnover and absence levels have remained consistent and well within target levels. However, even prior to such an unprecedented year, colleague communication and wellbeing became a much more focussed topic of discussion. This has resulted in engaging initially with a local provider Thriving Workplaces to complete a wellbeing survey and then working with the Stress Management Society to deliver workshops to our front line store managers. Our new Board approved Perkbox initiative also delivers a colleague assistance programme (CAP). Feedback from colleagues, through various platforms will be provided to and considered by the Board. This is to ensure that actions are taken to understand, support and protect our colleagues. We attract like-minded individuals, people who strive for the very best at all times. This continues to be a key area of focus for the Board. The Board has relaunched the development review process (AD Connections) which enables continuous appraisal and development of colleagues, clear pathways for progression and a structured succession plan. We have invested in systems, processes and training across various areas of our business to provide our employees with the tools and knowledge they need to carry out their role to the highest standards. Most recently, we have trained 80 of our colleagues to become level 1 accredited angling coaches. The frequency of "All colleague" CEO communication has increased throughout the pandemic to enable remote working and furloughed colleagues to continue to feel connected with the business and the wider AD team. Feedback on this has been extremely positive and the increased communications have been well received by all colleagues.

(b) The interests of the Group's employees (continued)

Our stakeholders	How we engage	What matters	What the Board are doing
	There are daily operations meetings to support employee interaction and facilitate feedback. Warehouse and store huddles are conducted daily to promote communication. Notice boards are utilised to communicate important items. Perkbox was launched in January 2021 providing a communication platform in addition to a colleague assistance platform, a recognition platform for all to use and discounts and offers.		Colleague related issues are elevated to the board via various channels including through the Executive team, formally through Company policy or directly to a board member. The CEO and CFO update the wider board members on employee activity and issues as part of the operational update, an agenda item at all scheduled board meetings. The CEO in turn feeds back to colleagues in his regular communications to all colleagues.

(c) The need to foster the Group's business relationships with suppliers, customers and others

Our stakeholders	How we engage	What matters	What the Board are doing
Customers **Our customers are the backbone of our business. Our continued growth and strong sales performance would not have been possible without giving consideration to our customers' needs both in-store and online.** **We understand our customers' needs and put great emphasis on customer satisfaction in order to drive the growth of our business.**	We engage with customers in the UK and Europe through an omni-channel retail approach. We encourage customer feedback through our feedback platform. We also engage with customers through social media (e.g. Facebook and YouTube). We provide a functional customer service team that includes professional angling coaches and a multilingual sales team to support in-store and online orders, including customer returns. Customers are able to call in, email or contact the team via live chat. Our ADTV and social media presence allows our customers the opportunity to learn and explore various techniques in their own time.	A wide range of products (in-store and online) that cater to the needs of the beginner through to the committed angler. Support to get the best from their purchase (e.g. information, education and coaching). Access to high quality products. Value for money. Excellent customer service.	A focus of the Board is to ensure that the Group is delivering customer needs in the most effective and efficient manner. The Board incorporates customer feedback along with other factors to pilot certain strategies and make changes to operational priorities. Various members of the Board engage in regular store visits and provide the opportunity for customer feedback when onsite, either direct or via email. All customer communications are acknowledged, noted and actioned as appropriate. Dilys Maltby was appointed to the Board. She brings international consumer brand expertise and will support the Board to ensure the customer experience is a key priority for the Group.
Suppliers **Our supply chain partners are integral to the performance of the Group and required to achieve our growth strategy. In addition to supplying our business with high quality products we consider our suppliers as key information providers and supporters of our wider business, offering advice and trade credit to support the cash flow and working capital of the Group.**	It is imperative that our suppliers have a thorough understanding of the Group's business model and strategy, helping us to maintain a smooth supply chain. The Group engages directly with the suppliers, through different platforms, face to face, online and telephone. Occasionally, the Group also visits the head-offices of suppliers and meets with key colleagues of our suppliers. Open days in stores outside of the pandemic restrictions have also been used as a medium to engage with our suppliers.	Effective communication and regular feedback to ensure a healthy supply chain. Timely payment of accounts. An open and honest relationship.	The Commercial Director has a standing routine session at the Board to update on supplier strategy as well as manufacturers of own brand product. The CEO receives regular updates from the Commercial Director and senior buyer. At management meetings, updates are provided on supplier relationships, product development and engagement. Board members periodically meet with key suppliers to ensure a close and functional relationship. All suppliers are currently paid to agreed terms. The Board have identified areas to improve our environmental impact, reducing the use of packaging whilst still maintaining the highest standards, and we will take this forward in future years. We have implemented energy saving measures, as described in the Directors' report, which will have long-term benefits to the Group.

(c) The need to foster the Group's business relationships with suppliers, customers and others (continued)

Our stakeholders	How we engage	What matters	What the Board are doing
Industry bodies **We actively engage with our industry bodies, primarily the Angling Trust, but in addition the Angling Trades Association and the European Fishing Tackle Trade Association. These relationships promote fishing as a pastime, the conservation of fisheries and their wider contribution to the environment.** **These interactions and relationships help us to maintain a reputation for having a broader purpose than the resale of fishing equipment.**	We hold regular meetings with Industry Bodies to discuss key issues and share and participate in key initiatives and improvements across the industry.	Constructive dialogue and actions which evidence to the angling community that Angling Direct is helping to shape and support the sustainability and growth of fishing as a pastime.	Details of a number of the Board sponsored Angling Trust collaborations are set out in the CEO statement.

(d) The impact of the Group's operations on the community and the environment

Our stakeholders	How we engage	What matters	What the Board are doing
Communities **We consider that the impact on our wider communities is a very important reason to deliver the best service and experience in the sector.** **During a year when fishing has been allowed as an activity over and above others, we recognise the benefit felt by our customers and strive to enhance that benefit through knowledge, experience and service.**	The Group has various angling projects throughout the country. Digital media is used to promote these. Grassroots investments in the angling community are important to the Group's success. Projects such as Fishing for Schools, National Fishing Month and the Angling Trust "Get into fishing" are examples of initiatives receiving the Group's support that allow us to engage with our communities. The Group has an extensive database of anglers and looks to utilise this to promote community awareness. We help promote angling in our communities, especially in the location of our stores. We aim to ensure that the Angling Direct purpose is well understood.	Our communities seek guidance, support and the very best experience available to them. This can be given by our employees or customers. Once taken up many anglers stay with the activity throughout their lives. To maintain this longevity our communities are always keen to share their various experiences, offer to help each other and offer feedback. Angling is a means of enhancing the lives of our customers and communities. This creates a further sense of community.	In April 2019, the Board appointed a Corporate Social Responsibility ('CSR') Manager. The Board promotes its community engagement through the Annual Report and website. The Board receives feedback from angling clubs, local store managers, sponsored anglers and directly through the Group's review software. The Board will react to this community feedback and action where necessary. The Board will always look to make the right choice for the Group and in doing so have consideration of the wider community (including consideration of feedback received). The Board believes in investing in the grassroots of the sector and enhancing a brand through influencers who support these values. The Board is supporting the roll out of Community areas within the Group's next phase of store openings.
The environment	The impact of the Group's operations on the environment is documented in this strategic report.	The desirability of the Group maintaining a reputation for high standards of business conduct	• We continuously work towards maintaining our reputation for high standards of business conduct. Please refer to the following sections of the annual report: • Chairman's statement (page 6) • Corporate governance report (page 50) • Sustainability, social and environmental responsibilities (page 45)

(e) The need to act fairly between members of the Group

Our stakeholders	How we engage	What matters	What the Board are doing
Investors **Our investors provide capital for growth and investment made into the Group is imperative to deliver the strategic growth plans.**	Investor Relations, including feedback via our brokers. Regular feedback received from investor teams. Structured reporting on results. Press releases.	Strategy of the Group and the execution of agreed plans. More specifically, understanding the balance of investment into stores vs online. Strong financial and operational performance of the Group to deliver high returns on investment. Capital allocation and cash flow to deliver the growth expected. The Group's financing, particularly in light of COVID-19.	The Board's attendance at the Annual General Meeting ('AGM') to meet and discuss all questions provided by shareholders is critical. Feedback from investor meetings is also shared regularly by the CEO, CFO and brokers. Investor opinion is incorporated when discussing and planning strategy, with a focus on managing growth, margin and return on capital. The Board is encouraging further development of the Group's segmental reporting for the FY22 year end. We keep the investor section of our website up to date to provide timely updates about Angling Direct and its activities. We manage our business practice, for example the exit from the unprofitable Russian market. Refer to the Directors' report on page 62 and the significant accounting judgements and sources of estimation uncertainty in note 3 to the consolidated financial statements for further detail on responses to the Group's financing with respect to COVID-19.

Principal risks and uncertainties

Risk management structure

The Board recognises that certain risks and uncertainties can deliver significant rewards and value for the prospects of the business, and as such require careful identification, evaluation, and management.

The Board takes overall responsibility for risk management, with a focus on evaluating the nature and extent of significant risks, and formulating mitigations around the risks required to be taken in order to deliver the strategic objectives. The Audit Committee has responsibility for overseeing the effectiveness of appropriate risk management processes and internal control systems. Further detail on this is set out in the Corporate Governance report.

The day-to-day identification, management and mitigation of risk is delegated to the Group's Operating Board. The Group continues to evolve its approach to risk and embedding a risk culture.

Risk appetite

The effectiveness of our risk management approach relies upon a culture of transparency and openness that is encouraged by the CEO and CFO. The Group's appetite for risk is considered low; whilst some risk is required in order to develop the business and invest in future growth, the Group has no appetite for major risks which cannot be effectively mitigated.

Assessment of principal risks

This section focuses on the principal risks and uncertainties facing the Group, which could in isolation or in aggregate impact delivery of the Group's strategic objectives.

"The Board recognises that certain risks and uncertainties can deliver significant rewards and value for the prospects of the business."

Key ▲ Increasing risk for the Group ◀▶ Risk remains unchanged for the Group ▼ Decreasing risk for the Group

Risk	Description	Mitigation	Changes in year
▲ **COVID-19**	COVID-19 has had a significant and enduring impact on people, societies, business and national economies. It is difficult to predict the level and shape of consumer demand post restrictions, and the short-term and permanent impact in different markets. COVID-19 has had a significant impact on retail and warehousing operations. Consumer confidence and disposable income may be lower and more difficult to forecast post-lockdown. Shopping trends may have accelerated post-lockdown. Operational capability and capacity could be impacted if our distribution center was forced to close. Supply chains and product availability could be adversely impacted.	The safety of our employees and customers has been and continues to be our priority. By quickly and effectively adapting our working practices, our distribution centre has remained open throughout the crisis. A large proportion of our own-brand products are sourced from China and, as we do every year, we built up stock ahead of Chinese New Year and had sufficient stock on-hand to manage until factories reopened. We continue to deepen our own brand range and volumes of orders. We hold significant other-brand stock orders and have maintained good availability across our ranges. We leverage our supplier relationships to seek greater transparency of order fulfillment levels and flex order volumes within other ranges as required.	The ongoing trading restrictions impacted on our store portfolio as referenced in the CEO report. Supply of imported branded goods remains challenging with longer lead times and lower certainty of supply. Engagement with store colleagues who were on furlough was a key area of focus. Early indications are that some of the shopping habits that consumers have displayed during lockdown, including channel shift to online, may accelerate post-lockdown. Angling Direct is now financially robust and well placed to benefit from the transition to a 'new normal'.
▲ **UK's decision to leave the EU/'BREXIT'**	Uncertainty in the UK and European economies beyond the end of the transition period on 31 December 2020, could potentially impact on consumer confidence and the ability of the Group to maintain sales growth in key strategic territories. Governments could influence cross-border controls, which could make it more difficult for us to move products across borders to customers. European competitors may gain an advantage over the Group if frictional duty/admin costs are imposed on UK imports into the EU, or currencies move adversely to the Group.	Our warehouse and distribution operations are all based in the UK. The investment into our Kardex stock picking system has increased capacity and means this can continue in the foreseeable future. Although there is current frictional increased costs with respect to providing our products from the UK to our European markets ongoing investigation is taking place with respect to distributing from an alternative location situated within the EU. Our purchasing risk from the EU is moderate with approximately 60% of branded goods shipping directly from Asia to the UK. Competitor activity and offerings are reviewed regularly to remain abreast of market developments and identify competitive advantages.	In Q4 FY21 reduced consumer confidence on certainty of fulfillment alongside increased free postage thresholds for our non-UK customers to mitigate frictional export costs have impacted online conversion levels on our native language websites. We continue to review this closely and have commenced targeted marketing activity alongside evaluating in-country fulfillment options.

Risk	Description	Mitigation	Changes in year
▼ **Rapid growth**	The Group's business has grown rapidly. Operations and practices adopted at earlier stages of the Group's development may be inappropriate for a business of an increased size and scale. The Group may need to expand and enhance its infrastructure and technology and improve its operational and financial systems and procedures and controls in order to be able to match its growth. The Group may face challenges in matching the pace of its expansion with corresponding improvements and enhancements in its systems, controls and procedures. The Group will also need to expand, train and manage its growing employee base.	The Plc and Operational Boards actively monitor and respond, so as to maintain systems and practices that are appropriate for the operations and scale of the Group. The Group continues to recruit into key management positions.	FY21 has been a period of consolidation with a high proportion of senior management time and software development resource dedicated to improving internal processes and controls, and overall Group resilience. These include: • investment in technology such as upgrading our internal server infrastructure and store site VPN security as well as upgrading the web platform not only to release UX benefits but also to deliver enhanced data security. • first full year post changes and additions to the Board as set out in the corporate governance report, which has broadened and deepened the skills of the Board. • introduction of an IT Technology Change Board to oversight data and technology roadmap, choices and execution. • the Group has expanded its Finance function providing greater capacity to support business decision making and better segregation of duties, further improving the control environment.
▲ **New jurisdictions** **New risk for FY21**	The Group's expansion into new jurisdictions may not be successful. Further expansion into markets outside the UK would expose the Group to a variety of risks, including different regulatory requirements, complications with staffing and managing foreign operations, variations in consumer behaviour, fluctuations in currency exchange rates, potential political and economic instability, potential difficulties in enforcing contracts and intellectual property rights, the potential for higher rates of fraud and adverse tax consequences. The Company has limited experience of the legal and regulatory regimes of jurisdictions outside the UK and their consequences for the Group's business. To the extent that the Group overestimates the potential of a new geographic market, incorrectly judges the timing of the development of a new geographic market or fails to anticipate the differences between a new geographic market and the UK, the Group's attempt to expand into new geographic markets may be unsuccessful.	The Board will routinely direct Management to seek professional input into any such major developments. Any future advances into Europe will continue to be in a measured capital efficient manner, with prudent investment post rigorous evaluation.	The impact of frictional carriage costs to fulfil customer orders outside of the UK as a result of the Brexit changes challenges the economics of fulfilling European customer orders from the UK in the medium term. In response to this challenge the Board has accelerated its plans to review in country fulfillment options to mitigate these costs and maintain the pace of growth in these key strategic markets.

Key ▲ Increasing risk for the Group ◀ ▶ Risk remains unchanged for the Group ▼ Decreasing risk for the Group

Risk	Description	Mitigation	Changes in year
▲ **Failure to comply with health and safety legislation**	Generally, non-compliance with applicable health and safety practices and regulations in any of our stores, distribution centre or offices could result in increased risk of accidents for our employees, customers, subcontractors or suppliers and adverse reputational and financial impacts. The health and safety of our stakeholders is critical.	The Board ensures that the Group health and safety strategy and compliance is delivered through the Operating Board lead for compliance. In particular, in addition to the COVID-19 specific response, the key mitigating controls around this risk that are relevant for the year in review are: • every store and warehouse employee receives health and safety training as part of their induction programme and ongoing re-fresher training; and • ongoing health and safety IOSH training of local business champions The Group is appropriately insured regarding its employees and customers with respect to products supplied.	The Group continues to focus on compliance with health and safety legislation and is working with relevant organisations, including conducting surveys at all sites, to ensure a high standard of compliance across the business.
◀ ▶ **Distribution centre/ warehousing**	Any disruption to the efficient operation of the distribution centre may have an effect on the Group's business. The distribution centre may suffer prolonged power or equipment failures, failures in its information technology systems or networks or damage from fires, floods, other disasters or other unforeseen events which may not be covered by or may exceed the Group's insurance coverage. The Group operates one distribution center and as reliant for any scale stock holding and picking.	The Group, in conjunction with its insurance broker, ensures sufficient and appropriate insurance cover is in place. This includes Business Interruption cover. The Group has an ongoing maintenance contract which supports its semi-automated picking system Kardex which has specified 24/7 SLA.	The Group is trialling fulfilling online orders directly from store both as an inventory maximisation opportunity where approximately 60% of Group stock is located, as well as an operational disaster recovery aspect.
◀ ▶ **Change to search engines' algorithms** **New risk FY21**	Changes to search engines' algorithms or terms of service could cause the Group's websites to be excluded from or ranked lower in natural search results. Search engines frequently modify their algorithms and ranking criteria to prevent their natural listings from being manipulated, which could impair the Group's 'Search Engine Optimisation' ('SEO') activities. If the Group is unable to recognise and adapt quickly to such modifications in search engine algorithms, the Group could suffer a significant decrease in traffic and revenue.	The Group will continue to operate search engine optimisation activities that adhere to search engine guidelines. The Group reviews its mix of organic and paid customer acquisition monthly to review its effectiveness of these channels.	The Groups online advertising spend reduced to 4.1% from 4.9% as the Group continues to optimise its paid v non-paid online advertising strategy.
◀ ▶ **Data security and IT reliability**	The Group relies heavily on its IT infrastructure and e-commerce system. If any one or more of its websites were to fail or be damaged this could impact the Group's ability to trade. If the Group's IT and data security systems do not function properly there could be website slowdown or unavailability, loss of data, a failure by the Group to protect the confidential information of its customers from security breaches, delays in transaction processing, or the inability to accept and fulfil customer orders, which could affect the Group's business.	The Group seeks to mitigate this risk by investing in IT infrastructure including robust cloud-based backup systems. The Group has a disaster recovery plan in place which has been designed to minimize the impact of data loss or corruption from hardware failure, human error, hacking or malware.	The Group continues to develop new ways to serve our customers and support our colleagues. Our information technology systems are paramount to this strategy. The recruitment of a new Head of IT was made in Q4 FY21 to further critically assess the robustness of our architecture and processes.

Risk	Description	Mitigation	Changes in year
Market recognition and competition	Developing and maintaining the reputation of, and value associated with, the Group's brands is of central importance to the ongoing success of the Group. Brand identity is a critical factor in retaining existing and attracting new customers. The Group is reliant on its natural search result rankings and paid advertising as it seeks to build market share and attract new customers. Any failure by the Group to offer high quality products across a range of disciplines, manufacturers and price points, excellent customer service and efficient and reliable delivery, could damage its reputation and brands and could result in the loss of customer confidence and a reduction in purchases. Unfavourable publicity concerning the Group could damage the Group's brands and its business. Adverse publicity of fishing as a pastime impacts the popularity of the activity as a pastime. Other platforms sell fishing equipment and fishing bait.	We differentiate ourselves through our blend of channels, broad appeal, true specialist expertise and industry leadership. Rigorous monitoring of customer feedback helps ensure issues are identified and rectified on a timely basis. Engaging dialogue with suppliers to develop increasing numbers of exclusive arrangements. Own-brand products are carefully selected and rigorously tested prior to initial order. The Group has a track record of successfully competing on a wide range of factors including quality and range of products, price, product availability, product information, convenience, delivery options and service.	See the "Our business model" section of the Chief Executive's statement which sets out how the Group continues to evolve its customer offering and remain the market leader in the UK.
Supply and sale of third-party branded products **New risk FY21**	The Group purchases products from a number of large global and domestic fishing equipment brand owners, and the Group's business depends on its ability to source a range of products from well-recognised brands on commercially reasonable terms. The relationships between the Group and the third-party brand owners are generally based on annual contracts that the Group seeks to renew each year. The third-party brand owners may cease selling products to the Group on terms acceptable to it, fail to deliver sufficient quantities of products in a timely manner, terminate their relationship with the Group and enter into agreements with the Group's competitors, or experience raw material or labour shortages or increases in raw material or labour costs. Any disruption to the availability or supply of products to the Group or any deterioration to the terms on which products are supplied to the Group could affect its business.	Whilst sales of third-party branded products accounted for approximately 95% of the Group's turnover in FY21 (FY20: 97%), the Directors do not consider that the Group is significantly reliant on any one or more major brand/brand owner. The Directors believe that the relative size of the Group, its purchase volumes and the strength of its relationship with the brand owners, built over a prolonged period in many cases, make it unlikely that any such arrangements would be terminated.	The gross margin remains key to the financial sustainability and growth of the business. Category management remains a key strategic pillar for developing the business and the strength of supplier relationships remains key to the Group.
Dependence on key personnel **New risk FY21**	The loss of any key individual or the inability to attract appropriate personnel could impact upon the Group's future performance. Should the Group fail to retain or attract suitably qualified and experienced personnel, it may not be able to compete successfully.	The Senior Management team is compensated through a combination of market-rate salaries and the Executive through one off longer-term share-based incentives to align their remuneration with the continued success of the Group. The Board continues to recruit into key management positions as and when positions are identified. An Operational Board meets on a regular basis to focus on all trading and commercial matters.	Remuneration committee have now commenced proactively benchmarking and reviewing Executive pay. Returning the Group to profit and resilience of the balance sheet has created the opportunity to broaden the Operating Board through recruitment of a Retail Director.

Key ▲ Increasing risk for the Group ◀▶ Risk remains unchanged for the Group ▼ Decreasing risk for the Group

Risk	Description	Mitigation	Changes in year
▼ **Inventory management**	The high volumes of stock which are purchased, held and sold creates multiple risks. These include obsolescence, faults, theft and damage – both when on hand and when being distributed.	The Group conducts regular quality control checks and stock counts at all its stores and the warehouse. Quality control checks are in place as part of the booking in process. The carrying value of the inventory is regularly reviewed and reduced to the lower of cost and net realisable value if overstated. Refer to the judgements and estimates section in note 3 to the consolidated financial statements for further detail on this process. As part of the wider insurance coverage of the Group, appropriate insurance is held in relation to stock held in our stores, warehouse and in transit.	New processes for stock returns and faulty goods implemented Q4 FY21 which has started to yield benefits. Loss prevention and Compliance colleague now reports to CFO as part of re-shaped leadership team.
▼ **Going concern, including liquidity and funding**	The on-going COVID-19 pandemic in all of the countries in to which we sell our products is having a significant impact on the Group. There is a risk that the Group cannot operate as a going concern. This going concern risk is driven by liquidity – i.e. the risk that the Group will have insufficient funds to meet its financial obligations as they fall due. There is a risk that the Group is not able to access funding, from third parties or government, to maintain the required liquidity to remain solvent.	Further details of mitigating actions with respect to the COVID-19 pandemic and liquidity are detailed in the CFO report. The Group maintains prudent levels of liquid funds to enable the business to continue to operate through moderate fluctuations in economic conditions or through a period of sustained disruption which could reasonably be estimated. Equity raise in FY21 continues to provide the Group with liquidity to maintain a robust balance sheet and drive growth. The Group's policy throughout the year has been to ensure that it has adequate liquidity to meet its liabilities when due by careful management of its working capital.	The level of cash headroom post the equity placing in June 2020 has enabled the Directors to trade the business through the pandemic without liquidity constraints materially impacting strategic decision making around inventory management and investing in colleagues and systems. Despite the pandemic, the Group generated cash (excluding the equity placing) providing confidence it can continue to trade effectively through the ongoing restrictions the pandemic has imposed commercially and socially.

Currency risk

In addition to the principal risks identified above, the Group is exposed to an element of currency risk. This risk is not considered to be a principal risk at this time. The Group's sales are mostly denominated in Pounds Sterling, however, the Group has approximately 4.7% of revenue denominated in Euros (FY20: 2%). The Group also sources some of its products from outside the UK where the principal currency of purchase is US Dollars (from our suppliers in Asia). This is regularly monitored and represents 3% of cost of sales for FY21.

These transactions may give rise to an exposure to exchange rate fluctuations between the Euro or the US Dollar and Pounds Sterling. The Board does not see this as a material risk to the business results, position or operations due to the minimal levels of sales and purchases the Group undertakes in foreign currency. Post the balance sheet date the Group has commenced a review of placing forward contracts for estimated dollar purchases 6 months forward.

Sustainability, social and environmental responsibilities

"Working with, for and on behalf of our community and partners, such as the Angling Trust, we are increasingly able to make a greater beneficial social and environmental impact."

Chairman's introduction

I am a dedicated angler, fishing is in my blood, and, like all anglers, I care about nature and the natural environment, not just the fish swimming in our waters, but in maintaining a habitable planet. As such when founding Angling Direct this passion was imbued into the very ethos and reasons to exist and remains so to this day. Anglers are the watchdog of the condition of our rivers and lakes. As the Group grows our voice carries more weight. Working with, for and on behalf of our community and partners, such as the Angling Trust, we are increasingly able to make a greater beneficial social and environmental impact.

We do not consider social and environmental aspects as "responsibilities", they are intrinsic to what we do and why. Protecting fish, combating pollution of waters, caring for the planet, about plastic waste,pollution and global warming, on behalf of the angling community yes, but also on behalf of every living creature on this planet. And, we are determined to do more, as must we all!

We continue to be involved in numbers of social and environmental projects and we are highlighting some below.

Of particular note for me is our increasing involvement with the Angling Trust not only in respect of getting more people to enjoy this great sport and its social and well being benefits, but also in our support of the Trust's "Anglers against Pollution" campaign.

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“We are committed to actively promoting, supporting and growing the angling community, particularly within the younger generation.

At Angling Direct, we take our responsibilities seriously and our sustainability approach is a key focus of our business.

We are committed to actively promoting, supporting and growing the angling community, particularly within the younger generation. We are keen to endorse evidence that angling is also a great way to improve mental health and physical well-being and it is our intention to continue to encourage more anglers into the community through coaching, angling and developing more grass roots initiatives. Whilst bankside activities were curtailed through social distancing restrictions in FY21, we look forward to actively running and supporting initiatives that get new anglers on to the bank in FY22.

For further details of our community activities, please visit our website, which also includes our modern-day slavery policy and gender pay reporting.

Our approach is built upon three key elements:

Caring for the Environment

By supporting the Anglers National Line Recycling Scheme with instore bins, we have so far recycled over 1.2m metres of old fishing line.

In July 2018 we achieved the ISO 14001 standard, and we will continue to focus on reducing our carbon footprint. For the first time our Streamlined Energy and Carbon Reporting statement can be found on page 48.

We have taken further steps to reduce our environmental impact within our supply chain by reducing the use of plastic packaging,

Caring for People

We are committed to creating an environment that people enjoy, and this commitment extends to all our customers, visitors and employees. People are our most important asset and enable the Group to deliver its strategy.

We have committed to several initiatives to promote equality and diversity within our organisation. The well-being of our colleagues is a key focus. We recognise that many live and breathe the passion of angling and are pursuing the career of their dreams. We have conducted mental health awareness training with all our key managers and made free counselling services available to all colleagues. We ensure every colleague receives at least two formal performance reviews throughout the year and have commenced regular colleague engagement surveys to ensure we remain responsive to the diverse needs of our team members.

Economic Viability

We have taken steps to ensure the economic sustainability of the Group, securing the future for our stakeholders, colleagues, and customers.

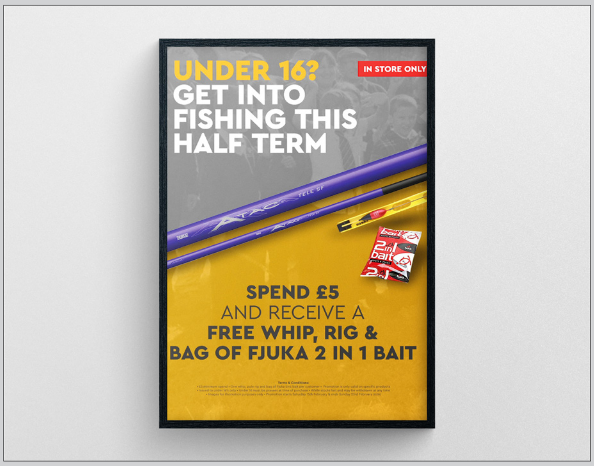
In July 2020, Angling Direct raised £5.1m net of fees from its shareholders to strengthen the Group’s balance sheet to offer protection against uncertainty created by COVID-19. As the Group grows, we create new jobs serving new anglers and customers in new catchments and channels, whilst providing a growing return to our shareholders.

re-using supplied goods cardboard packaging for outbound customers' orders, and converting our distribution centre lighting to all LED.

We have installed digital energy meters and controls within all of our store estate and continue to seek further opportunities to reduce energy consumption. We provide our customers with a fishing line recycling service in all our stores as well as offering to recycle any of their product packaging. We have commenced projects to electronically scan supplier invoices, further reduce our support centre landfill waste and review our vehicle fleet.

We are establishing several forums to listen and have two-way dialogue with various colleague groups.

During FY21 we continued with our initiative to issue free starter kits to the younger generation to encourage the take up of angling as an activity. So far we have issued over 12,000 free kits. During this period, we also held an auction to raise money for the NHS Charities Together to show support during the pandemic, in which the Group supplied 24 prizes and donated money. We have continued to support various charities throughout the year by donating vouchers to support their fund-raising activities. Our total charitable donations amounted to £21,000 in the year.



30%

Net asset growth

30% YOY net asset growth achieved

Streamlined Energy and Carbon Reporting ('SECR')

With effect from this year, the Company is required to report on energy consumption and Greenhouse Gas ("GHG") emissions and energy consumed, under the Streamlined Energy and Carbon Reporting regulations.

This work was already being carried out by the Group, in line with its strategy (see pages 45 to 47). The Company has appointed Enistic LTD to independently assess the business, using the methodology set out below, for the year ended 31 January 2021.

UK and offshore kWh and CO_2e Scope 1 emissions (direct)

Emissions from activities owned or controlled by your organisation that release emissions into the atmosphere. Examples of Scope 1 emissions include emissions from combustion in owned or controlled boilers, furnaces, vehicles; emissions from chemical production in owned or controlled process equipment.

Scope 2 emissions (indirect)

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

Scope 1

Energy type	Definition	Total volume (kwh)	Calculated emissions (tonnes of CO_2 e)
Gas	Emissions from combustion of gas	159,637	29
Transport	Emissions from combustion of fuel for transport purposes	446,833	101
Total		606,470	130

Scope 2

Energy type	Definition	Total volume (kwh)	Calculated emissions (tonnes of CO_2 e)
Electricity	Emissions from purchased electricity	2,118,267	494
Total		2,118,267	494

Emission type	Definition	Total volume (kwh)	Calculated emissions (tonnes of CO_2 e)
Scope 1 (direct)		606,470	130
Scope 2 (indirect)		2,118,267	494
Total		2,724,737	624

Intensity measurement	Turnover (£m)	Intensity ratio (tCO_2e/turnover £m)
Tonnes of CO_2e per total £m sales revenue	67.6	9.23

Quantification and reporting methodology

The organisation has taken guidance from the UK Government Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol – Corporate Standard, and from the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions. Energy usage information (gas and electricity) has been obtained directly from their energy suppliers and HH data, where available, for those supplies with HH meters. For supplies where there wasn't complete 12 month energy usage available, flat profile estimation techniques were used to complete the annual consumption (applicable only to the NHH and gas supplies). There were also supplies where billing information was not easily obtainable for this reporting year therefore the organisation utilised usage from previous years or profile based contract usage. Transport mileage and litres fuel usage data were provided for their fleet vehicles. The CO_2e emissions were calculated using the appropriate emission factors from the UK Government GHG conversion information and retained within the organisations Data File for reference where required.

Energy efficiency action

The Group is committed to responsible energy management and will practise energy efficiency throughout our organisation, wherever it's cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We have implemented the policies below for the purpose of increasing the businesses energy efficiency in the relevant financial year.

- Initiated sub-metering project to analyse energy consumption per physical location
- Moved to remote home working due to Covid-19 pandemic
- Implemented and encouraged use of video conferencing as opposed to business travel
- Undertaking a review of our LED lighting roll out
- Travel and client visits reduced due to Covid

Intensity ratio

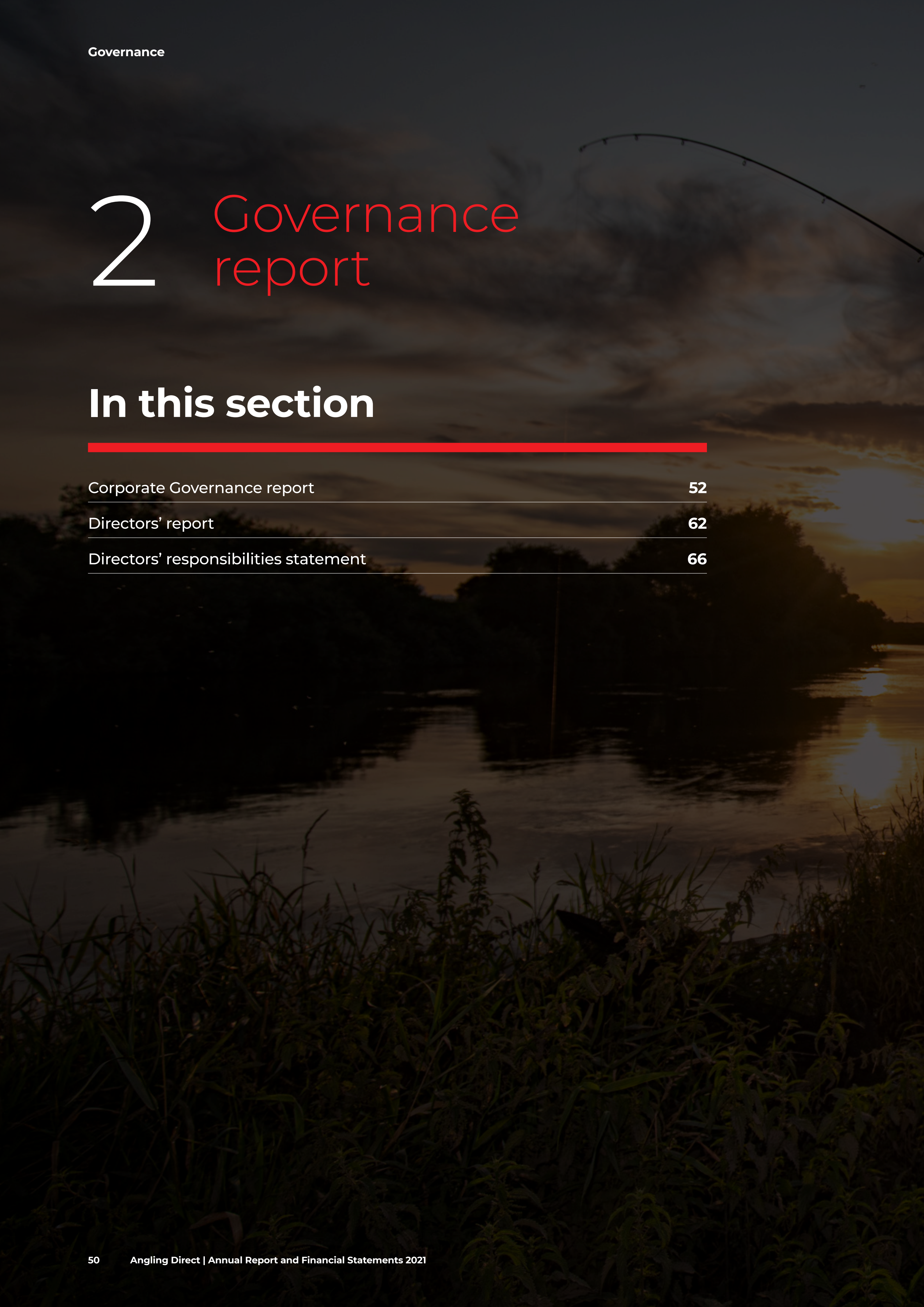
Intensity ratios compare emissions data with an appropriate business metric or financial indicator.

The organisation has chosen to use tonnes of CO_2e per £m Turnover for its Intensity Ratio. As this is the first year of reporting, there are no comparisons of change from previous years.

The strategic report on pages 2 to 49 have been approved by the board and signed on its behalf by

Andy Torrance
Executive Director and Chief Executive Officer

10 May 2021



2 Governance report

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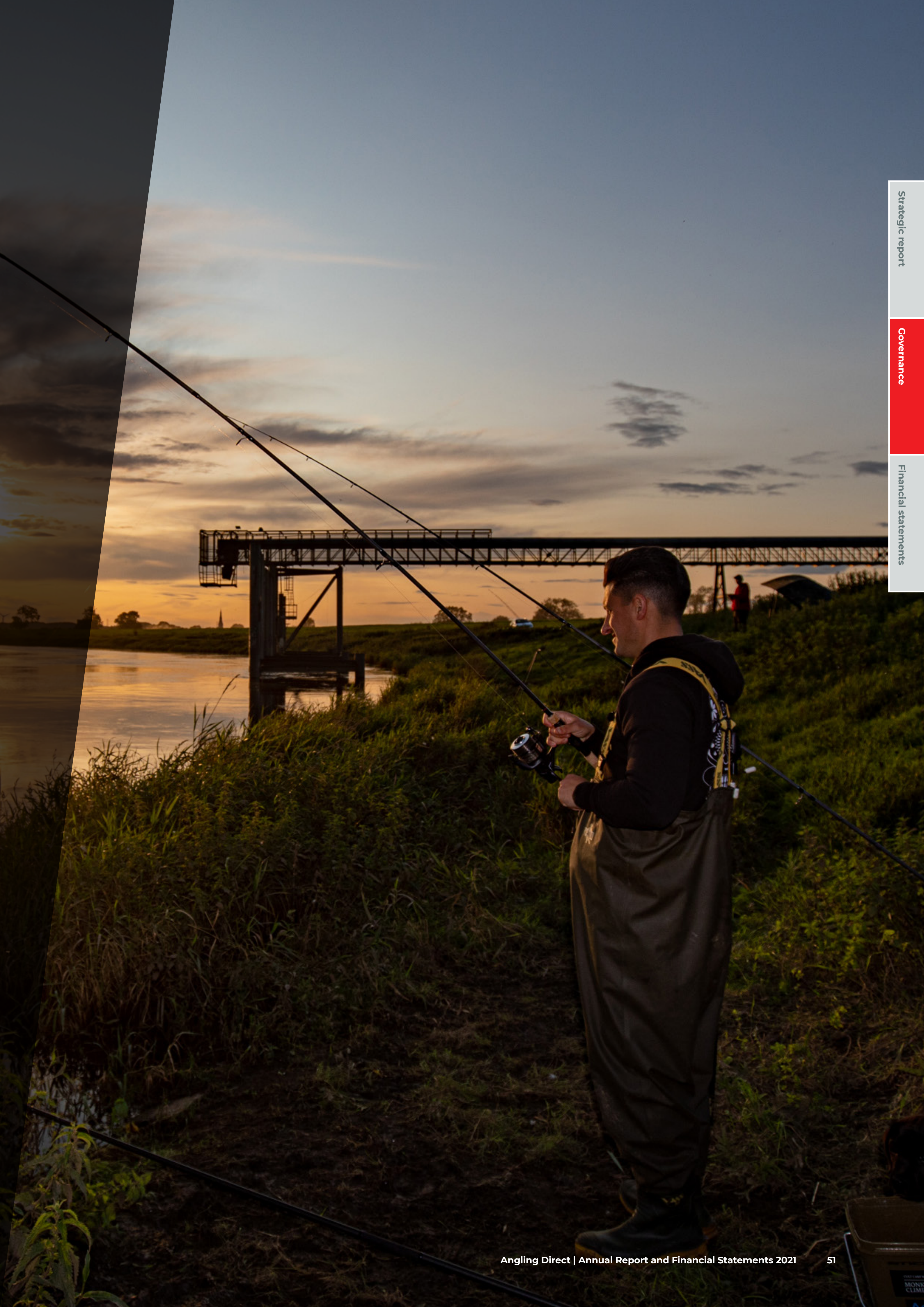

Corporate governance report

CHAIRMAN'S INTRODUCTION

It is the Board's responsibility to ensure that Angling Direct is managed for the long-term benefit of all shareholders. A corporate governance framework that is effective whilst dynamic is one of the foundations of a sustainable growth strategy and identifying, evaluating and managing risks and opportunities will underpin long-term value creation.

The Group continues to apply the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code'), a proportionate principles-based approach constructed around ten broad principles with accompanying guidance, and this aspect of our report outlines how the Group operates in each of these key areas.

It is the Board's responsibility to ensure that the Group has an effective corporate governance framework. To this end, the Board has increased its focus and determination to ensure that such a framework is of the highest possible standards, given the size and operations of the Company. A detailed and comprehensive training programme has been implemented for the Board to assist in achieving this goal.

Dilys Maltby was appointed to the Board as a Non-Executive director on 3 February 2020 providing a new set of expertise and skills to the Board. Andy Torrance (formerly a Non-Executive director) replaced Darren Bailey as CEO on 10 February 2020. Darren Bailey has remained on the Board as a Non-Executive director but will not be seeking re-election at the next Annual General Meeting of the Company. I have also decided that given the recent progress made, I will cease my Executive responsibilities and become Non-Executive Chairman after the next Annual General Meeting of the Company.

Martyn Page
Executive Chairman

10 May 2021

THE BOARD OF DIRECTORS AND COMMITTEES OF THE BOARD OF DIRECTORS

At present, the Board considers that its members are appropriate for the size of the Group and its listing status. The Group will not fully comply with the recommendations of the QCA Guidelines as the Board does not have, or need, a Nomination Committee at this time. As the Group grows, the Board will actively consider adding additional Directors.

Board membership

Name	Role	Classification	Membership during year to 31 January 2021	Membership at date of this annual report
Martyn Page	Chairman	Executive	No change	No change
Andy Torrance	CEO	Executive	Appointed February 2020	No change
Steven Crowe	CFO	Executive	No change	No change
Paul Davies	Director	Non-Executive	No change	No change
Dilys Maltby	Director	Non-Executive	Appointed February 2020	No change
Darren Bailey	Director	Non-Executive	Appointed February 2020	No change

Further details about the Board members are set out in the "Director profiles" section below.

Independence of Non-Executive Directors

The Non-Executive Directors are considered by the Board to be independent of management and free from any other business or other relationship which could materially affect their judgement.

Martyn Page, Executive Chairman had an approximate shareholding of 14.73% as at 31 January 2021. His shareholding is currently 14.25%. All shareholders are made aware of the shareholding of the Chairman. Martyn's role and shareholding are monitored on an on-going basis through ongoing dialogue between Paul Davies and N+1 Singer Advisory LLP.

With respect to Martyn Page, due to his more significant shareholding, a 'Relationship Agreement' was put in place between the Group, Martyn Page and Cenkos Securities PLC (the Company's previous Nominated Adviser, now N+1 Singer Advisory LLP). This agreement covers the Group being capable of carrying on its Business independently of a controlling shareholder and the members of the Shareholder Group. This agreement is used to guide the Board when ensuring independent decisions are made.

On the matter of independence, Darren Bailey also holds a shareholding of 3.87% having exercised share options which were awarded in his previous role as CEO of Angling Direct PLC.

Details of Directors' service contracts are given below.

Role of the Board

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

There is a clear division of responsibility at the head of the Group. The primary responsibility of the Chairman is to lead the Board effectively and to oversee the adoption, delivery and communication of the Group's corporate governance model. The CEO is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Business through the Operating Board.

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

All Directors are submitted for re-election after three years, subject to continued satisfactory performance. As per the Articles of Association, all Directors were re-elected at the 2018 Annual General Meeting ('AGM') and shall retire at least once every three years. All Directors had access throughout the year to the advice and services of the Company Secretary, Shona Wright, who is responsible for ensuring that Board procedures and applicable regulations under the Company's Articles of Association or otherwise are complied with.

In the furtherance of their duties or in relation to acts carried out by the Board or the Group, each Director has been informed that they are entitled to seek independent professional advice at the expense of the Group. The Group maintains appropriate cover under a Directors and Officers insurance policy in the event of legal action being taken against any Director.

The table below shows the number of Board, Audit Committee and Remuneration Committee meetings held in the period from the start of the financial year to the date of approval of the annual report. Due to the situation regarding COVID-19, the frequency of meetings increased, in addition most meetings were held virtually in line with government guidance. The table also shows the attendance of each Director.

Director	Role	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings
Martyn Page	Executive Chairman	17/18		2/3
Andy Torrance	CEO	16/18	1/3	
Steve Crowe	CFO	16/18	3/3	
Paul Davies	Non-Executive Director	17/18	3/3	3/3
Darren Bailey	Non-Executive Director	16/18		
Dilys Maltby	Non-Executive Director	15/18	2/3	3/3

The Board receives appropriate and timely information prior to each meeting. A formal agenda is produced for each meeting by the Company Secretary. Board papers are distributed several days before meetings take place. Any Director may challenge Group proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Group's management.

The Board is responsible for reviewing and approving the overall Group strategy, approving revenue and capital budgets, and for determining the financial structure of the Group including financing and dividend policy. Monthly results and variances from plans and forecasts are reported to the Board. Key Board activities carried out during the year included:

- COVID- 19 Business sustainability, continuity, scenario planning and reforecasting review and change of NOMAD to N+1 Singer;
- Additional share placing;
- International strategy;
- Review of all new store plans and roll-outs; and
- Regular review of the ongoing wider strategic objectives during the pandemic.

Board evaluation and training

The Board's members complement each other's knowledge, through sector experience, qualifications and skills. Every Board member has the appropriate time to discharge their duties and attend all designated meetings.

The Group's solicitors and NOMAD provide necessary knowledge and training to Directors when required. When a new Director joins the Group and where government restrictions allow, there is a full day of orientation wherein the Director is familiarised with the values, culture and ethics of the Group.

Board evaluation is conducted continuously and feedback encouraged and shared throughout the year, the Non-Executive Directors have specific terms of engagement, and their remuneration is determined by the Board. It is the Chairman's responsibility to assess the individual contributions of the members of the Board, considering effectiveness, commitment, and knowledge applicable to the business. There has been no independent or external evaluation of the Board's effectiveness during the period.

The Non-Executive Directors receive remuneration in the form of Director's fees.

Paul Davies holds 15,625 nominal trust shares. Darren Bailey who was appointed a Non-Executive Director on 10 February 2020 holds 2,988,125 shares amounting to 3.87% of the issued shares as at 31 January 2021. Dilys Maltby does not own any shares in the Group.

Shareholder communications

The Group recognises the importance of meeting the shareholders expectations and engages in managing those through formal meetings, informal communications and stock exchange announcements. The "Section 172 statement" which can be found within the strategic report summarises the general approach to shareholder engagement.

A range of corporate information (including all Group announcements) is also available to shareholders, investors and the public on the Group's corporate website, www.anglingdirect.co.uk/investors. The Board receives regular updates on the views of shareholders through briefings and reports from the CEO, CFO and the Group's Nominated Advisor and Broker. In addition, analysts' notes and brokers' briefings are reviewed.

On 25 March 2020, N+1 Singer was appointed by the Board as the Company's Nominated Adviser and Broker to further develop communications with shareholders.

Culture, environmental and social responsibilities, employees

The Board recognises its environmental and social responsibilities, and that of maintaining and improving the overall Group culture and employee relationships.

Culture

The Board aims for the Group to be considered as a well-respected ambassador for angling and it aims to promote angling in the wider community.

The Board believes that the promotion of a corporate culture based on sound ethical values and behaviours is essential to maximise shareholder value. Setting the example from top down, the Group inspires a community culture. It encourages openness amongst its employees. New creative ideas which improve the Group's performance and stakeholder experience are encouraged.

Environment and social

The Group aims to meet the expectations of its stakeholders, including society. This is why the communities are considered one of the Group's strategic pillars as described further in the strategic report. The Group also considers its role with respect to the environment and socially as detailed in the "Section 172 statement" and the "Social and environmental responsibilities" sections of the strategic report.

Employees

As set out in the Directors' report and "Section 172 statement" of the strategic report, the Group encourages its employees to understand all aspects of the Group's business and seeks to remunerate its employees fairly and flexibly where practicable. In house and external training courses are held throughout the year to develop the skills of employees.

Committees of the Board of Directors

The Board of Angling Direct PLC is committed to good corporate governance and accordingly applies the corporate governance guidelines of the QCA Code. The Board has established (a) an Audit Committee and (b) a Remuneration Committee, with formally delegated duties and responsibilities as described below.

(a) Audit Committee

Paul Davies – Chairman of the Audit Committee

Key Responsibilities

- reviewing and monitoring financial reporting;
- evaluating the internal control environment; and
- leading the relationship with the external auditors.

Committee composition during the year ended 31 January 2021:

Member	Attendance
Paul Davies	3/3
Dilys Maltby	2/3

Dilys Maltby was appointed to Audit Committee on 11 November 2020. Dilys attended one meeting in the period as a formal member of the committee.

Responsibilities and terms of reference

The Committee is responsible for ensuring that the financial performance of the Group is properly monitored and reported, for meeting with the external auditor and for reviewing its reports relating to financial statements and internal control matters. The CFO and the CEO (on agenda items of relevance) are invited to attend such meetings, but the Committee also meets with the auditor without the CEO and the CFO being present at least once annually. Other members of management are invited to present such reports as are required for the Committee to discharge its duties.

The agenda of each meeting is linked to the reporting requirements of the Group and the Group's financial calendar. Each Audit Committee member has the right to require reports on matters relevant to its terms of reference in addition to the regular items.

Summary of activity

In the year ended 31 January 2021 and up to the date of this report the actions taken by the Audit Committee to discharge its duties included:

- Reviewing the 2021 Annual Report and Financial Statements and the interim Report issued in July 2020 and October 2020, including significant financial reporting judgements contained therein. As part of these reviews the Committee received a report from the external auditor on its audit of the annual financial statements;
- Advising the Board that the Annual Report and Financial Statements is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- Reviewing the external auditor's audit planning document, with particular reference to the audit approach, planned materiality, significant risks as detailed in the independent Auditor's Report and the audit approach to these risks;
- Reviewing the external auditor's audit findings memorandum, noting conclusions in respect of identified audit risks, materiality of adjusted and unadjusted misstatements, control observations and suggested improvements in the disclosures provided in the Annual Report and Financial Statements;
- Considering papers prepared by the CFO to support the going concern basis of preparation especially during the early stages of the COVID-19 pandemic;
- Agreeing the fees to be paid to the external auditor for its audit of the 2021 financial statements; and
- Reviewing and monitoring the external auditor's independence and objectivity through regular meetings and conversations between the Committee Chairman, the Committee and members of the senior finance team, taking into account relevant regulations and ethical guidance.

Significant financial reporting risks and judgement areas considered

Stock valuations and Provisions

Due to the materiality of the stock balance to the financial statements, stock valuation is a key area of risk. Furthermore, work carried out to reduce the number of SKUs during the year as well as a detailed program implemented to reduce stock shrinkage has led to an increased risk of obsolete stock. The Committee has assessed the additional work carried out by both the Company's finance team and the external auditors to ensure that the stock value is fairly stated in the financial statements.

Management override

During the year, we have reviewed the appropriateness of controls around management override of controls, ensuring the controls in place are robust where appropriate recommending areas for improvement.

Going concern and viability assessment

The Committee reviewed and advised the Board on the Group's going concern statements included in this Annual Report and financial statements and the assessment reports prepared by management to support such statements. The current and anticipated impact of COVID 19 was considered as part of the review. The external auditor discussed the statements with the Committee and reviewed the conclusions reached by management regarding going concern.

External auditor

The external auditor was appointed with effect from the year ended 31 January 2018 giving a current tenure of four years. The appointment is reviewed and subject to a shareholder vote at the AGM on an annual basis. Details of the fees paid to Price Bailey during the financial year are set out below.

The Committee reviews the effectiveness of the external audit process, including discussing feedback from members of the senior finance team involved in the audit process.

Non-audit services are first considered by the CFO and, where appropriate, referred to the Committee. Any approvals would be provided on the basis of Group policy. In the year, no non-audit services were provided by the external auditor.

Approval

The members of the Audit Committee have reviewed the financial statements and the content of the Annual Report and Financial Statements to ensure that it is fair, balanced and understandable and, accordingly, the Audit Committee resolved to recommend that the Board makes the Directors' Responsibility statement set out on page 66.

Further details on the specific risks identified are covered in the "Risks and uncertainties" section of the strategic report and the judgements and estimates involved in the financial statements as detailed in note 3 to the consolidated financial statements.

External auditor and non-audit services

Fees in relation to services provided by the external auditor were:

	2021 £	2020 £
Audit fee	40,000	27,000
Non-audit fees	–	–
Total fees	40,000	27,000

(b) Remuneration Committee

As an AIM listed Group, the Group is not required to comply with the UK Corporate Governance Code nor Section 420 of the Companies Act 2006 regarding Directors' remuneration reports. The Group has however chosen to adopt a remuneration policy and provide Directors' remuneration within this section of the report in the interests of good governance

Paul Davies – Chairman of the Remuneration Committee

Key Responsibilities

- reviewing the remuneration packages of the Executive Directors and the Operating Board;
- making recommendations to the Board on the bonus scheme in place for the Chief Executive Officer, the Chief Financial Officer and the senior management team including, *inter alia*, the KPIs to be achieved and maximum levels of bonus payable to each member; and
- monitoring and reviewing the Group's remuneration policies at all levels of operations.

Committee composition during the year ended 31 January 2021:

Member	Attendance
Paul Davies	3/3
Dilys Maltby	2/3

Dilys Maltby was appointed to Remuneration Committee on 3 February 2020.

Remuneration Policy

The remuneration policy adopted by the Company is key to the success of the Angling Direct Group and therefore is the most critical part of the Remuneration Committee's role. The remuneration of the Chief Executive Officer, the Chief Financial Officer and the Operating Board is wholly designed to retain and incentivise the team and ensure that the Company achieves its ultimate objective in increasing shareholder value over the long term. With regard to the overall package offered to the team members, the objective is to retain and suitably motivate such team members to deliver performance in excess of market expectations. A competitive, but not excessive basic salary, together with a competitive bonus annual cash scheme are designed to drive and reward exceptional performance and align the interests of both management and shareholders.

Notwithstanding the one-off Long-Term Incentive Plan ('LTIP') plan to secure the new Executive team, as set out below, there is no wider long term incentive scheme in place for the Executive team or the Operating Board. This remains under review by the committee, acknowledging the need for the existence of such a scheme in the near term to incentivise and retain key personnel.

Performance and decisions taken in the year ended 31 January 2021

Salaries are reviewed annually and benchmarked against AIM companies of a similar size in the retail sector and with reference to the discounted options issued to the current Chief Executive Officer and Chief Financial Officer on 18 August 2020. Any changes are effective from 1 February of the following financial year.

The current Chief Executive Officer was appointed on 10 February 2020 and an annual salary of £185,000 was agreed. No changes to this salary were agreed during the year. The Chief Financial Officer joined the Company on 2 January 2020 on an annual salary of £150,000. No changes to this salary were made during the year.

A cash bonus scheme was introduced in April 2020 to incentivise the Operating Board of the Group. The CEO, the CFO and four members of the Operating Board were identified to participate in this bonus scheme. The scheme is based upon the Company exceeding market forecasts in four key performance indicators – turnover, gross margin percentage, EBITDA (pre IFRS 16 adjustments) and operating cash generation. An equal weighting is attached to all four key performance indicators. The maximum bonus payable to each member bonus scheme is capped at a percentage of basic salary as follows: CEO – 100%, CFO – 75% and Operating Board members at between 25% and 50%.

The results for the year ended 31 January 2021 shows that all four key performance indicators were delivered and the scale of outperformance delivered the maximum capped bonus for each scheme member. The liquidity forecasts of the Group, despite the ongoing pandemic resulted in the Remuneration committee approving these respective bonus payments in cash post the 31 January 2021 year end.

The Remuneration Committee approved a discretionary £10,000 ex gratia payment for services to the Executive Chairman in addition to his standard Directors salary.

Commercial changes

Following a review of salaries for similar sized AIM quoted companies, the Remuneration Committee has recommended to the Board that the basic salaries of the CEO and CFO are increased to £215,000 per annum and £175,000 per annum, respectively. It was further recommended that the basic salary of the Executive Chairman be increased to £65,000 per annum.

Following a review of the bonus scheme, it was decided to change one of the key performance indicators. A new key performance indicator to reflect the progress made to the development of the Angling Direct brand and wider organisations purpose is to replace the operating cash generation key performance indicator. No other changes to the bonus scheme are proposed.

Securing the services of the new CEO and CFO required the Group to give an undertaking on their joining to implement a LTIP which complemented the base salary and bonus earning potential. The structure of the LTIP was to scale the potential share price progression against the discounted value such an LTIP could offer to serve as a compelling retention mechanism for the new Executive team. The details and quantum of the LTIP awards are set out in more detail below. There are no performance conditions which attach to these options, they are subject to service conditions.

Directors' interests

The beneficial interests of the Directors in the share capital of the Group as at 31 January 2021 and 31 January 2020 were as follows:

	31 January 2020 Number of shares	31 January 2021 Number of shares	31 January 2021 % of issued share capital
Executive Directors			
Martyn Page	11,385,000	11,385,000	14.73%
Non-Executive Directors			
Darren Bailey	2,530,000	2,988,125	3.87%

The Directors' interests in share options as at 31 January 2021 are discussed below.

Non-Executive Directors' terms of engagement

The Non-Executive Directors have specific terms of engagement. Their remuneration is determined by the Board. If a Non-Executive Director undertakes additional assignments for the Group, a fee will be agreed by the Board in respect of each assignment.

Their fees are reviewed annually and set in line with prevailing market conditions and at a level which will attract and retain individuals with the necessary experience and expertise to make a significant contribution to the Group's affairs.

Aggregate Directors' remuneration

The normal remuneration arrangements for the Executive Directors is a basic salary, pension contributions, car allowance and private medical insurance. The remuneration paid to the Directors inclusive of employee benefits, in accordance with the service contracts, during the year ended 31 January 2021 was as follows:

	Salary and fees £	Benefits £	Bonus £	Pensions £	2021 total £	2020 total £
Executive						
Andy Torrance*	182,029	26,631	185,000	–	393,660	11,432
Martyn Page	60,000	17,419	–	4,800	82,219	64,844
Steven Crowe	150,000	11,491	112,500	12,000	285,991	12,500
Non-Executive						
Darren Bailey**	47,824	1,726	–	1,400	50,950	145,322
Paul Davies	35,000	–	–	1,050	36,050	35,992
Dilys Maltby	35,000	–	–	–	35,000	–

* Andy Torrance remuneration for year ended 31 January 2020 was all Non-Executive Director
** Includes handover period as outgoing CEO

The Directors have contracts with an indefinite term and a stated termination notice period, as detailed below.

	Date of appointment	Notice period
Executive		
Andy Torrance	04.10.2019	6 months
Martyn Page	06.04.2017	6 months
Steven Crowe	02.01.2020	3 months
Non-Executive		
Darren Bailey	01.05.1988	6 months
Paul Davies	09.06.2017	3 months
Dilys Maltby	03.02.2020	3 months

Share incentive plan

The Group had in place an HM Revenue and Customs ('HMRC') approved share option scheme. These have been granted to Darren Bailey and members of the Operating Board. This scheme reached maturity during the year and the options were exercised by all participants.

As set out above during the year the Company issued shares under a one off LTIP scheme for the incoming CEO and CFO.

The Group has adopted, with effect from admission to AIM, a share dealing code regulating share trading and the confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and persons closely associated with them), which contains provisions appropriate for a Group whose shares are admitted to trading on AIM (particularly relating to not dealing during closed periods) and which are in line with the requirements of the Market Abuse Regulation. The Group will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing code.

The details of the Directors' share options are as follows:

Executive	Scheme	1 February 2020	Awarded during period	Vested and exercised during the period	31 January 2021	Date granted
Andy Torrance	LTIP	–	810,000	–	810,000	18 August 2020
Steven Crowe	LTIP	–	666,666	–	666,666	18 August 2020
Darren Bailey	EMI	658,125	-	658,125	NIL	24 March 2017

The Directors' interests in share options as at 31 January 2021 are as follows:

Director	Number	Exercise price	Earliest Exercise date	Expiry date
Andy Torrance	540,000	22p per share	31 January 2023	18 August 2030
Andy Torrance	270,000	21p per share	31 March 2024	18 August 2030
Steven Crowe	444,444	22p per share	31 January 2023	18 August 2030
Steven Crowe	222,222	21p per share	31 March 2024	18 August 2030

Director profiles

Executive Directors

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

After joining the Group as a Non-Executive Director in October 2019, Andy became CEO in February 2020. Having previously held Chief Operating Officer ('COO') positions at Dunelm and Holland & Barrett, as well as a number of Executive roles during a 12-year tenure at Halfords, Andy has a wealth of specialist retail experience. Commercially astute with demonstrated leadership skills, Andy has successfully grown brands across multiple geographies, driving sales and delivering EBITDA growth by implementing customer centric omni-channel strategies. In his position as COO of Holland & Barrett, Andy had executive accountability for leadership, customer experience and store profit or loss in 1,064 stores in UK, Eire, The Netherlands, Belgium and Sweden.

Martyn Page
Executive Chairman

Martyn is a co-founder and major shareholder of the Group. Martyn founded Angling Direct in 1997 following the acquisition of Norwich Angling Centre. Alongside his Executive role at the Group, Martyn has worked as a corporate accountant for over 40 years. Experience includes advising and guiding companies from start-ups to UK and international operations with revenue in excess of several hundred million pounds. Martyn is a well-known angler, within the UK and internationally, and is an angling author, who is also involved in national committees and clubs working for the improvement of fisheries and education and promotion of angling. Martyn is one of the founder Directors of the Broads Angling Service Group CIC dedicated to protecting, maintaining and improving the Norfolk Broads.

Steven Crowe
Chief Financial Officer, ACA, BA (Hons)

Steven joined the Group in January 2020 with a proven background as a CFO and senior executive. He has a range of financial, commercial and strategic experience in both the private equity and blue-chip corporate environment. He has almost 25 years of relevant experience which commenced at PricewaterhouseCoopers. This experience included leading businesses in strategy, mergers & acquisitions ('M&A'), planning and reporting as well as driving major commercial and business change decisions and execution. All of these skills are key to his role within the Group. He also has a first-class record of building sustainable senior stakeholder relationships and developing high performance teams. These skills are crucial to his role. Steven's previous posts include COO at Verisk Claims, CFO at Validus IVC Ltd, Financial Planning and Analysis Director at Aviva General Insurance and M&A Director Aviva General Insurance.

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Non-Executive Directors

Darren Bailey
Non-Executive Director (former CEO)

Darren has over 30 years' experience working within the angling retail sector, beginning with his first role at Norwich Angling Centre in 1986. Darren progressed to management within the Group then, with the addition of other stores, to area management before being appointed CEO. Since stepping down as CEO of the Group, Darren continues to support the Board as a Non-Executive Director maintaining his valuable knowledge of the history of the Group within the Board.

Paul Davies
ACA, Non-Executive Director

Paul was appointed to the Board on 9 June 2017. Having previously qualified as a chartered accountant, his career includes working on a larger number of flotations and secondary fundraisings (both on AIM and the Full List) and small-cap M&A transactions.

Dilys Maltby
Non-Executive Director

The Board recognised that it needed to strengthen its consumer focus and brand awareness and appointed Dilys on 3 February 2020. Dilys is Senior Partner and co-founder of Circus, a boutique management consultancy which specialises in company purpose and propositions. Dilys will support the Board to ensure that customer and employee experience is a key focus. As a Practitioner, Dilys has led engagements for The Body Shop, The White Company, Covent Garden, Virgin Atlantic, Selfridges, John Lewis, Viacom, and Microsoft, amongst many others.

Directors' report

The Directors present their Annual Report and Financial Statements together with the audited consolidated financial statements for the year ended 31 January 2021.

Principal activity

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

Business review and future developments

The strategic report on pages 14 to 49 includes the Group's strategy, business model, and progress in the year under review and considers key risks and outlook. A review of the Group's current operations, future developments and financial review is covered in the "Chief Executive Officer's statement" and the "Chief Financial Officer's statement" contained within the strategic report. These include key performance indicators (pages 15 to 16) and principal risks and uncertainties pages 39 to 44).

Financial results

The Group's financial performance and position are set out in the consolidated financial statements on pages 74 to 102 and discussed in the Chief Financial Officer's statement on pages 28 to 33 of the strategic report.

Going concern and significant events after the reporting date

The impact of COVID-19 has been considered in detail throughout the annual report.

The strategic report sets out the Chairman's, CEO's and CFO's view of the developing situation and the impact on the Group's operations, financial performance and outlook as well as covering the risks involved in relation to the pandemic.

The Governance code requires the Board to assess and report on the prospects of the Group and whether the business is a going concern. In considering this requirement the Directors have taken into account the Group's forecast cash flows, liquidity and the expected operational activities of the Group.

As part of the going concern assessment, the Group continues on a monthly basis to model outcomes based on latest run rate data. As referenced in the judgements and estimates section of the Annual report the stress testing which would challenge the liquidity is outside what the Board believe to be a plausible likely scenario.

Having due regard to these matters and after making appropriate enquiries, the Directors have a reasonable expectation that the Group and the Company have adequate resources to remain in operation until at least twelve months after the approval of these financial statements. The Board has therefore continued to adopt the going concern basis in preparing the consolidated financial statements.

Dividends

The Board is focussed on carefully navigating COVID-19 and reinvesting all its surplus cash into the business to deliver on its strategic objectives. As a result of this, in the short term, the Directors do not recommend a dividend payment to be distributed for the year ended 31 January 2021 (2020: £nil). The ability of the Group to pay a dividend is also subject to constraints including the availability of distributable reserves and the Group's financial and operating performance. Distributable reserves are determined as required by the Companies Act 2006 by reference to a company's individual financial statements. The dividend policy will be kept under review.

Research and development

The Group invests in technology, including development of its ecommerce platforms. Where it is considered that an asset has been created which provides economic benefits extending to future financial periods, related costs are capitalised. The amount capitalised during the financial year is £338,000 (2020: £501,000). Further details on development of the ecommerce platforms are included in the strategic report.

Directors

The Directors who served on the Board and on Board committees during the year are:

Director	Position	Service in the year ended 31 January 2021
Martyn Page	Executive Chairman	Served throughout the year
Andy Torrance	Chief Executive Officer ('CEO')	Appointed CEO 10 February 2020, previously Non-Executive Director
Steven Crowe	Chief Financial Officer ('CFO')	Served throughout the year
Darren Bailey	Non-Executive Director	Stepped down from Executive CEO 10 February 2020
Paul Davies	Non-Executive Director	Served throughout the year
Dilys Maltby	Non-Executive Director	Appointed on 3 February 2020

Director profiles are included in the corporate governance report on page 60. As per the Articles of Association, all Directors were re-elected at the 2018 AGM and shall retire at least once every three years.

Directors' shareholdings

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

Substantial shareholdings

At 31 January 2021, the Group had been notified of the following shareholders whose investments amounted to more than 3% of the parent Company's ordinary share capital of 77,267,304 shares of 1 pence. See corporate governance report for details on how substantial shareholdings and potential conflicts of interest or exerting undue influence are considered.

Shareholder	Shareholding	% holding
Gresham House Asset Management	11,929,204	15.44
Mr M Page	11,385,000	14.73
Blackrock Investment Management	10,061,416	13.02
Mr W Hill	9,223,000	11.94
Canaccord Genuity Wealth Management	7,425,000	9.61
Business Growth Fund	6,325,000	8.19
Mr R Beaumont	3,290,000	4.26
Mr W Currie	3,000,000	3.88
Darren Bailey	2,988,125	3.87

Directors' remuneration

A full breakdown of the Directors' remuneration is provided in "Aggregate Directors' remuneration" section of the corporate governance report on page 58.

Charitable and political donations

During the year ended 31 January 2021, the Group made political donations totalling £nil (2019: £nil) and charitable donations amounting to £21,000 (FY20: £34,000).

Health and safety

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

Significant agreements

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

Risk management

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

Financial instruments

The Group's policy and exposure to financial instruments is explained in note 24 to the consolidated financial statements.

Employees

The Group is a committed equal opportunities employer and gives full and fair consideration to applications for employment, regardless of age, gender, colour, ethnicity, nationality, religious beliefs, transgender status or sexual orientation. Applications for employment by disabled persons are fully considered, bearing in mind the respective aptitudes and abilities of the applications concerned. All training, career development and promotion opportunities of a disabled person should, as far as possible, be identical to that of a person who does not have a disability.

The gender of the Group's employees as at 31 January 2021 was:

	Male	Female
Directors of the Group	5	1
Employees in other senior executive positions	3	1
Directors of subsidiary companies not included in above	1	–
Total senior managers other than Directors of the Group	4	1
Other employees of the Group	328	59

The Board takes into account employees' interests when making decisions, and suggestions from employees aimed at improving the Group's performance are welcomed. The Group has an Anti-bribery and Corruption Policy and Code of Conduct which explain the required levels of conduct and provide details on how employees may raise any concerns they have. Further details of engagement with employees is provided in the "Section 172 statement" of the strategic report.

Corporate responsibility

The Board monitors the significance of social, environmental, and ethical matters affecting the business of the Group on an on-going basis. The Group aims to positively engage with the local communities it serves and with stakeholders as appropriate. Further details of such activities which were carried out in the financial year are provided in the "Section 172 statement" of the strategic report.

Environment

The Board recognises that its activities can have an impact on the local environment. The Group's activities are carried out to achieve minimal environmental impact and recycle as much as it possibly can. The Group's impact on the environment is discussed further in the "Section 172 statement" of the strategic report and the Streamlined Energy and Carbon Report on pages 48 to 49.

Shareholders

The Board seeks to protect shareholders' interests and the Directors are always prepared, where practicable, to enter into dialogue with shareholders to promote a mutual understanding of the objectives of the Group. The Annual General Meeting provides the Board with an opportunity to meet and communicate with investors. Further details of the Group's engagement with its shareholders is provided in the corporate governance section on page 54 and in the "Section 172 statement" of the strategic report.

Qualifying third-party indemnity

The Group has provided an indemnity for the benefit of its current Directors which is a qualifying third-party indemnity provision for the purpose of the Companies Act 2006.

Suppliers

The Group recognises that the goodwill of its suppliers is important to its success and seeks to build and maintain this goodwill through fair dealings. The Group agrees terms of payment with suppliers at the start of business and then makes payments in accordance with contractual and other legal obligations. The Group has a prompt payment policy and seeks to settle all agreed liabilities within the agreed trading terms of its suppliers. The amount shown in the consolidated and Company statement of financial position in respect of trade payables at the end of the financial year represents 47 days of average daily purchases (FY20: 44 days). Further details of the Group's engagement with its suppliers is provided in the "Section 172 statement" of the strategic report.

Statement as to disclosure of information to auditor

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

Auditor

A resolution for the reappointment of Price Bailey LLP Chartered Accountants & Statutory Auditors as auditor of the Group is to be proposed at the forthcoming Annual General Meeting.

Andy Torrance
Executive Director and Chief Executive Officer

10 May 2021

Directors' responsibilities statement

The Directors are responsible for preparing the annual report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under the AIM rules of the London Stock Exchange they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards as adopted for use in the European Union (the 'EU') and IFRS Interpretations Committee interpretations (together 'EUIFRS') and applicable law and the parent Company financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice) ('FRS 101').

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether the Group financial statements has been prepared in accordance with IFRSs as adopted by the European Union and the Company financial statements in accordance with FRS 101;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and parent Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report and a Directors' report that complies with that law and those regulations.

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

We consider the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and parent Company's position and performance, business model and strategy.

Signed on behalf of the Board

Martyn Page
Executive Chairman

10 May 2021

3 Financial statements

In this section

Report of the independent auditors to the members of Angling Direct PLC

OPINION

We have audited the financial statements of Angling Direct PLC (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2021 which comprise the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2021 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and the parent company's ability to continue to adopt the going concern basis of accounting included a review of forecasts prepared by management and evaluating the key assumptions in the forecasts and using sensitivity analysis and considering whether the assumptions appear reasonable taking into account past performance and current conditions. As at 30 January 2021 the group had cash balances of £15.0m and we assessed whether this will be sufficient to enable the group to meet liabilities as they fall due, taking into account market conditions.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our approach to the audit

Key audit matters

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

Revenue recognition

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

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

Our procedures included:

- Detailed depth testing on a sample of transactions ensuring they had been accounted for correctly and that revenue is complete.
- Testing that cut off has been applied correctly and that income and associated direct costs have been recorded in the appropriate period and that adequate provisions have been made for goods returned post year end.

Inventories

The Group holds material inventory given the nature of the trade. The main risks are ensuring that the inventory is held at the appropriate value given that new ranges of fishing equipment are brought out regularly which could impact the value of older ranges, and that inventory exists.

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

Our procedures included:

- Attendance of a sample of year-end inventory counts carrying out sample counts and observing procedures.
- Testing of a sample of inventory items to purchase invoices and sales post year end to ensure appropriately recorded at the lower of cost or net realisable value.
- We reviewed a sample of inventory in transit at the year end to ensure recorded in the appropriate period. We also reviewed a selection of sales and purchases around the year end to ensure recorded in the appropriate period. Slow moving and obsolete inventory policies were reviewed, discussed with management and the provisions calculated by management were tested to supporting information.

Impairment of Goodwill

Goodwill is required to be assessed for impairment annually. There is a risk that the goodwill is subject to impairment.

Our procedures included:

- We assessed management's methodology of impairment review and accounting policy as set out in note 11 to ensure it was carried out as required under IAS36, "Impairment of Assets". We evaluated management's cash flow forecasts and the process by which they were drawn up. We assessed whether the cash flow forecasts were prepared taking into consideration the appropriate group of cash generating units.
- We considered the assumptions used by management including the discount rate and growth rates. We carried out sensitivity analysis. We also reviewed the appropriateness and completeness of disclosure shown in the notes to the accounts.

Our application of materiality

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

We based materiality on profit before tax of the Group and concluded materiality to be £260,000. We consider that profit before tax provides us with the most relevant performance measure to stakeholders of the entity given the stage of the Group's activity and growth.

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

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

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Directors' report have been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Strategic report
Governance
Financial statements

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the group and the parent company and the industry in which it operates and considered the risk of non-compliance with the applicable laws and regulations including fraud, in particular those that could have a material impact on the financial statements.

This included those regulations directly related to the financial statements, including financial reporting, tax legislation and distributable profits. In relation to the industry this included GDPR, employment laws and health and safety.

We assessed the control environment, IT systems in place and the design of the group's remuneration policies and key drivers for remuneration, bonus levels and performance targets.

The risks were discussed with the audit team and we remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified. These included the following:

Reviewing minutes of Board meetings and Audit Committee meetings, correspondence with their regulators, agreeing the financial statement disclosures to underlying supporting documentation, enquiries of management including those responsible for the key regulations for any instances of actual, suspected or alleged fraud or non-compliance.

To address the risk of management override of controls, we used data analytics to carry out testing of journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. We also assessed management bias in relation to the accounting policies adopted and in determining significant accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Paul Cullen FCCA
Senior Statutory Auditor

for and on behalf of Price Bailey LLP
Chartered Accountants & Statutory Auditors
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

10 May 2021

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 January 2021

	Note	2021 £'000	Consolidated 2020 £'000
Revenue from contracts with customers	5	67,581	53,181
Cost of sales of goods	8	(44,458)	(36,601)
Gross profit		23,123	16,580
Other income	6	1,540	–
Interest revenue calculated using the effective interest method		24	73
Expenses			
Administrative expenses		(18,183)	(14,747)
Distribution expenses		(3,424)	(3,061)
Finance costs	8	(434)	(325)
Profit/(loss) before income tax (expense)/benefit		2,646	(1,480)
Income tax (expense)/benefit	10	(241)	170
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Angling Direct PLC		2,405	(1,310)
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income for the year attributable to the owners of Angling Direct PLC		2,405	(1,310)
		Pence	Pence
Basic earnings per share	32	3.33	(2.03)
Diluted earnings per share	32	3.28	(2.03)

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

Consolidated statement of financial position

As at 31 January 2021

	Note	2021 £'000	Consolidated 2020 £'000
Non-current assets			
Intangibles	11	6,251	6,216
Property, plant and equipment	12	6,019	5,593
Right-of-use assets	13	10,910	10,480
Total non-current assets		23,180	22,289
Current assets			
Inventories	14	12,481	13,453
Trade and other receivables	15	623	509
Prepayments		245	474
Cash and cash equivalents		14,996	5,978
Total current assets		28,345	20,414
Current liabilities			
Trade and other payables	16	6,741	6,430
Lease liabilities	17	1,358	1,182
Income tax		–	17
Total current liabilities		8,099	7,629
Net current assets		20,246	12,785
Total assets less current liabilities		43,426	35,074
Non-current liabilities			
Lease liabilities	17	9,773	9,334
Restoration provision	18	277	249
Deferred tax	19	258	–
Total non-current liabilities		10,308	9,583
Net assets		33,118	25,491
Equity			
Share capital	20	773	646
Share premium	21	31,037	26,017
Reserves	22	75	–
Retained profits/(accumulated losses)		1,233	(1,172)
Total equity		33,118	25,491

The financial statements of Angling Direct PLC (company number 05151321 (England and Wales)) were approved by the Board of Directors and authorised for issue on 10 May 2021. They were signed on its behalf by:

Andy Torrance
Executive Director and Chief Executive Officer

10 May 2021

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

Consolidated statement of changes in equity

For the year ended 31 January 2021

Consolidated	Share capital £'000	Share premium account £'000	Retained profits/(accu-mulated losses) £'000	Total equity £'000
Balance at 1 February 2019	646	26,017	138	26,801
Loss after income tax benefit for the year	–	–	(1,310)	(1,310)
Other comprehensive income for the year, net of tax	–	–	–	–
Total comprehensive income for the year	–	–	(1,310)	(1,310)
Balance at 31 January 2020	646	26,017	(1,172)	25,491

Consolidated	Share capital £'000	Share premium account £'000	Share–based payment reserve £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2020	646	26,017	–	(1,172)	25,491
Profit after income tax expense for the year	–	–	–	2,405	2,405
Other comprehensive income for the year, net of tax	–	–	–	–	–
Total comprehensive income for the year	–	–	–	2,762	2,405
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 20)	127	–	–	–	127
Share premium, net of transaction costs (note 21)	–	5,020	–	–	5,020
Share–based payments (note 22)	–	–	75	–	75
Balance at 31 January 2021	773	31,037	75	1,233	33,118

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

Consolidated statement of cash flows

For the year ended 31 January 2021

Cash flows from operating activities	Note	2021 £'000	Consolidated 2020 £'000
Profit/(loss) before income tax (expense)/benefit for the year		2,646	(1,480)
Adjustments for:			
Depreciation and amortisation		2,662	1,887
Share-based payments		75	–
Net movement in provisions		18	81
Interest received		(24)	(70)
Interest and other finance costs		434	325
		5,811	743
Change in operating assets and liabilities:			
Increase in trade and other receivables		(114)	(143)
Decrease/(increase) in inventories		972	(2,678)
Decrease/(increase) in prepayments		229	(152)
Increase in trade and other payables		407	1,552
Decrease in other provisions		–	(73)
		7,305	(751)
Interest received		24	70
Interest and other finance costs		(424)	(325)
Income taxes refunded		–	53
Net cash from/(used in) operating activities		6,905	(953)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		–	(2,475)
Payments for property, plant and equipment	12	(1,382)	(2,474)
Payments for intangibles	11	(338)	(501)
Payment of contingent consideration	25	(48)	–
Net cash used in investing activities		(1,768)	(5,450)
Cash flows from financing activities			
Proceeds from issue of shares and premium		5,147	–
Repayment of lease liabilities	31	(1,266)	(1,160)
Net cash from/(used in) financing activities		3,881	(1,160)
Net increase/(decrease) in cash and cash equivalents		9,018	(7,563)
Cash and cash equivalents at the beginning of the financial year		5,978	13,541
Cash and cash equivalents at the end of the financial year		14,996	5,978

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

Notes to the consolidated financial statements

31 January 2021

NOTE 1. GENERAL INFORMATION

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

Angling Direct PLC is a listed public company limited by shares, incorporated and domiciled in England and Wales within the United Kingdom. Its registered office and principal place of business is:

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

A description of the nature of the Group's operations and its principal activities are included in the Directors' report which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 10 May 2021. The Directors have the power to amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period with the following standards and amendments applied for the annual reporting period commencing 1 January 2020:

- *Amendments to References to Conceptual Framework in IFRS Standards*
- *Definition of Material (Amendments to IAS 1 and IAS 8)*
- *Definition of a Business (Amendments to IFRS 3)*
- *Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)*

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS' or 'IFRSs') as adopted for use in the European Union (the 'EU') and IFRS Interpretations Committee interpretations (together 'EUIFRS') and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Angling Direct PLC as at 31 January 2021 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The financial statements are presented in Pound sterling, which is Angling Direct PLC's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The Group reviews the situation and would consider committing to forward contracts should it make commercial sense to do so. The Group had not entered into any forward contracts at the balance sheet date.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods promised.

Sale of goods

The Group's revenue mainly comprises the sale of fishing equipment in store and online ('E-commerce'). Revenue is recognised at the point in time when the customer obtains control of the goods. Customers obtain control of the goods when they are delivered to and have been accepted at their premises, or have taken possession in store.

It is the Group's policy to sell its products to the customer with a right of return within 30 days. Accumulated experience is used to estimate and provide for the returns, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they are received.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at the transaction price and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 60 days.

The Group has applied the simplified approach to measuring expected credit losses on trade receivables, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are initially recognised at fair value and subsequently remeasured at amortised cost, less any allowance for expected credit losses.

Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'weighted average cost' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings improvements	10% on reducing balance
Plant and equipment	10% on cost
Motor vehicles	10% on cost
Computer equipment	33% on cost

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life between 3 to 5 years.

Impairment of non-financial assets

Goodwill is not subject to amortisation and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. The pre-tax discount rate is an estimation of the group's cost of capital, inclusive of its ROU lease obligations. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise of the fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group made 3 such adjustments during the year.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Property, plant and equipment” policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Restoration provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises which is reviewed at each reporting date. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Employee benefits

The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to the Statement of profit or loss and other comprehensive income.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Angling Direct PLC, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Value-Added Tax ('VAT') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated VAT, unless the VAT incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of VAT receivable or payable. The net amount of VAT recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of VAT recoverable from, or payable to, the tax authority.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand pounds, or in certain cases, the nearest pound.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards that have recently been issued or amended but are not yet mandatory are outlined below. These Accounting Standards have not been early adopted by the Group for the annual reporting period ended 31 January 2021 and they are not expected to have a significant impact on the Group's financial statements but remain under review.

- *Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)*
- *Annual Improvements to IFRS Standards 2018–2020*
- *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)*
- *Reference to the Conceptual Framework (Amendments to IFRS 3)*
- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1)*
- *IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts*
- *COVID-19-Related Rent Concessions (Amendment to IFRS 16)*

NOTE 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing these consolidated financial statements, Management is required to make judgements, estimates and assumptions concerning the future that affect the application of accounting policies and carrying amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and are reviewed on an ongoing basis.

Actual results could differ from these estimates and any subsequent changes are accounted for with an effect on income at the time such updated information becomes available. Judgements cover situations where Management has had to exercise judgement in situations where a different judgement might have led to a different accounting treatment.

The most critical accounting policies in determining the financial condition and results of the Group are those requiring the greatest degree of subjective or complex judgements and estimation. During the year, Management reassessed the critical estimates and critical judgements which has resulted in the obsolescence of inventory no longer being considered critical and additional areas being added to this disclosure.

The judgements that have the most significant effect on the amounts recognised in the consolidated financial statements and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities are discussed below.

Critical accounting judgements:

Critical judgements, apart from those involving estimations, that are applied in the preparation of the consolidated financial statements are discussed below:

Going concern including liquidity

In the light of the ongoing COVID-19 pandemic, Management has considered whether any adjustments are required to reported amounts in the financial statements. As at the 31 January 2021 reporting date, all of the Group's stores remained closed following Government policy to limit social interaction. The Group's stores reopened on 12 April 2021 having been closed since 5 January 2021. The Group's webstores, however, have continued to trade and the distribution centre has remained open throughout the pandemic with encouraging levels of trade. The Group continues to adopt the going concern basis in preparing these financial statements.

In making this judgement, as set out on page 62 of the Directors' report, the Directors have reviewed the future viability and going concern position of the Group for the foreseeable future. Generally, the Group's business activities and the factors likely to affect its future development, performance and position are set out in the strategic report on page 21. The financial position of the Group and its cash flows are described in the "Chief Financial Officer's statement" on page 28. In addition, the Group's policies and processes with respect to risk management can been seen in the "Principal risks and uncertainties" section on page 39 and the "Risk management and internal controls" in the corporate governance section on page 55.

The evolving situation with respect to COVID-19 does not give rise to a material uncertainty around going concern, and Management are satisfied that the mitigating factors are sufficient to address severe but plausible downside scenarios and support the going concern judgement. The Directors have prepared cash flow forecasts for a period of 12 months from the reporting date which cover various scenarios. Severe and remote scenarios challenge the liquidity of the Group, such a scenario would require no trading of stores for the next twelve months with no remedial actions on the cost base or additional government support beyond the business rates reliefs announced in March 2021, as well as maintaining current capital expenditure plans. The Board considers this scenario extremely remote. Two-year forecasts to 31 January 2023 demonstrate modest positive cash generation. A two-year period is deemed appropriate as the Group has no longer term debt obligations save for IFRS 16 lease obligations.

In terms of mitigating actions during the COVID-19 pandemic and liquidity, the Group has moved swiftly to preserve capital and improve cash flow. The Group successfully raised £5.5m gross proceeds from a share placing in June 2020 and in addition also welcomed the wide-ranging financial support measures introduced by the UK Government to protect businesses and employees. The Board has taken the decision to use the reliefs extended, including furloughing employees, business rates reliefs, retail property grants as well as the deferral of VAT liabilities (fully settled at the balance sheet date) to reduce cash outflows and provide the Group with additional liquidity during uncertain trading periods.

One operating segment

Management has assessed the operations of the Group across retail stores and online and across different countries and determined that at this stage of the Group's development they share similar economic characteristics, products, customers and supply chain operations. The Group's Chief Operating Decision Maker ('CODM') has been identified as the Board of Directors. Management has therefore made a judgement that the Group is considered to be one operating segment in line with the way the Group is managed and assessed by the CODM.

Impairment of goodwill – assessed on one cash generating unit

Upon assessing impairment of goodwill judgement is involved in determining the cash generating unit ('CGU') for allocation of the goodwill. Goodwill is allocated and tested for impairment considering the total Group as one CGU. This is because the Group is the level at which management monitors goodwill.

Leases – discount rate

Under IFRS 16, the Group recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. Management have made a judgement to use a portfolio approach when estimating an incremental borrowing rate.

The incremental borrowing rate is determined on a portfolio basis, the most significant portfolio being the leases of the retail stores. Judgement has been used to determine that a portfolio basis is appropriate considering the similar risk profile of the stores across the various locations in the UK. As the Group has not had any significant borrowings in recent years, judgement was also applied to determine the incremental borrowing rate to be used. A rate of 4% has been determined which is based on external benchmarking and consideration of the Groups historical and anticipated borrowings. If the incremental borrowing rate was to be increased to 5% the lease liability would increase by £0.5m as at 31 January 2021.

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Refer to note 13 for additional disclosures relating to leases held by the Group.

Key sources of estimation uncertainty:

The key assumptions about the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are detailed below.

Lease term

Management exercises judgement in determining the likelihood of exercising break or extension options in determining the lease term.

When determining the lease term in accordance with IFRS 16 paragraphs 18–21, management has applied the following policy for all leases:

a. For properties in contract, the lease term has been determined as to the end of the contractual lease term.

b. For properties out of contract and therefore occupied on a rolling basis, the Group treats these as short-term leases. The Group has 2 properties out of contract at the balance sheet date.

c. For properties where the contractual lease term is ending within 24 months, the Group determines the likelihood of the extension of the lease and remeasures the lease in accordance with IFRS 16. The Group has no such leases at the balance sheet date.

Refer to note 13 for additional disclosures relating to leases held by the Group.

Impairment of goodwill

Determining whether goodwill and other intangibles are impaired requires an estimation of the value in use of the CGU to which goodwill and other intangible assets have been allocated. The value in use calculation requires estimation of future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

The goodwill is tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount is less than its carrying value in accordance with the accounting policy stated in note 2.

Goodwill acquired through business combinations has been allocated to the Group as a whole as a CGU. Judgement is required as to whether E-commerce sales (and associated costs) could be attributable to stores for the purposes of impairment testing when calculating the value in use of acquired goodwill. Whilst management believes that a proportion of E-commerce sales could be attributed to stores, the basis of attribution was difficult to determine due to the interdependency of E-commerce and in-store sales and insufficient evidence to reliably estimate this. For this reason, the CGU for goodwill is deemed to be the cashflows of the entire Angling Direct Group. The recoverable amount is based on a value-in-use calculation using the discounted cash flow method. The value-in-use calculation is made using pre-tax budgeted EBITDA projections based on the Group's internal forecasts for one year, extrapolated to five years.

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

Impairment of property, plant and equipment and right-of-use assets

As part of the Group's continuous review of the performance of their property, plant and equipment and right-of-use assets, management identifies if any indicators of impairment are present by reviewing budgeted performance by store. Where there are indicators of impairment, management performs an impairment test. The Group treats each store as a separate CGU for impairment testing of property, plant and equipment and right-of-use assets. Recoverable amounts for CGUs are the higher of fair value less cost of disposal, and value-in-use. Value-in-use is calculated using the discounted cash flow method based on internal EBITDA projections and estimated long-term growth rates to the end of the estimated lease term (refer to lease term estimate above). This discount rate used in this calculation was the Group's Weighted Average Cost of Capital ('WACC') of 10.6%. Fair value is determined with the assistance of independent professional valuers where appropriate.

The key estimates and sensitivities are disclosed further in note 13.

Inventory provisions

Two types of inventory provisions have been considered to determine whether they contain significant estimation; an inventory existence and completeness provision ("shrink provision") and an inventory valuation provision ("obsolescence provision").

Upon review, Management has determined that the estimates of inventory obsolescence do not involve assumptions or uncertainties about the future that have a significant risk of resulting in a material adjustment to the carrying amount of inventory within the next year. There are two key reasons for this:

- the flexibility and transparency that the Group's ERP system, Epicor, enables the Group to evaluate, at an inventory line level, the holding, ageing and valuation of inventory. Management regularly reviews the net realisable value of inventory held; and
- a key control as part of Epicor and the review is that prices, which are set centrally, are not set below cost in the system.

Notwithstanding the above, during Q4 2021 Management undertook a review of all stock lines within the business and aligned to its strategic objective of implementing for the first time category management within its ranging and purchasing decision making identified a number of stock lines it was highly probably the Group would exit from in FY22. A provision of £0.3m (FY21 £0m) has been made in respect of such stock lines. The provision value was based upon contemporary selling prices having tested a cohort of these identified stock lines over the FY21 festive period.

In terms of inventory existence and completeness, a shrink provision is recorded, £16,000 as at 31 January 2021 (2020: £34,000) which includes estimates of the level of inventory that may not exist as at the reporting date due to theft, damage, loss or booking in errors. The Group operates a continuous rolling inventory count system where all inventory is counted at least three times a year, the provision recorded is in relation to the inventory that has not been physically counted at the reporting date. Store managers also have regular internal audits on the accuracy of these checks. Historical information based on the results of these checks has been used to estimate an average inventory shrinkage cost to inventory holding value that is applied as at the reporting date to determine an appropriate provision to be held that captures the risk of inventory existence being overstated or inventory not being complete. Although the provision itself is not considered material as at the 31 January 2021, estimation uncertainty is considered significant due to the levels of inventory held by the Group throughout the period, and recent changes to inventory management processes. As a result the estimates in this provision are reviewed by Management on a regular basis.

Useful lives of depreciable assets

Estimates have been made in respect of useful economic lives of property, plant and equipment and intangibles, which determine the amount of depreciation and amortisation charged in profit or loss. Uncertainties in these estimates relate to the technological obsolescence that may change the utility of software, plant and machinery and computer equipment and could result in a material change to the amount of depreciation and amortisation recognised. These estimates are reviewed annually at the reporting date based on the expected utility of the assets.

Further detail on useful life estimates is included in the accounting policy note 2.

NOTE 4. OPERATING SEGMENTS

Identification of reportable operating segments

The Group operates in one segment being the retail of fishing tackle under the single brand of Angling Direct. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The operating segment information is the same information as provided throughout the consolidated financial statements and is therefore not duplicated.

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

Revenue by geographical area has been disclosed in note 5. All non-current assets are located in the UK.

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

NOTE 5. REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue

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

	2021 £'000	Consolidated 2020 £'000
Route to market		
Retail store sales	32,259	27,935
E-commerce	35,322	25,246
	67,581	53,181
Geographical regions		
United Kingdom	63,206	48,164
Germany, France and Netherlands	2,868	2,124
Other countries	1,507	2,893
	67,581	53,181
Timing of revenue recognition		
Goods transferred at a point in time	67,581	53,181

NOTE 6. OTHER INCOME

	2021 £'000	Consolidated 2020 £'000
Net foreign exchange gain	13	–
Government grants	1,527	–
Other income	1,540	–

As a result of the economic impacts of the Covid-19 pandemic, a number of government programmes have been 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'. Refer to note 2 for the relevant accounting policy.

During the year to 31 January 2021, the Group recognised an amount totalling £917,000 receivable under the UK Government's Coronavirus Job Retention Scheme and an amount totalling £610,000 receivable under the UK Government's Retail Hospitality and Leisure Grant Fund.

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.

	2021 £'000	Consolidated 2020 £'000
EBITDA reconciliation		
Profit/(loss) before income tax expense post IFRS 16	2,646	(1,480)
Less: Interest income	(24)	(73)
Add: Interest expense	434	325
Add: Depreciation and amortisation	2,662	1,887
EBITDA post IFRS 16	5,718	659
Less: costs relating to IFRS 16 lease liabilities	(1,737)	(1,123)
EBITDA pre IFRS 16	3,981	(464)

NOTE 8. EXPENSES

	2021 £'000	Consolidated 2020 £'000
Profit/(loss) before income tax includes the following specific expenses:		
Cost of sales		
Cost of inventories as included in 'cost of sales'	44,458	36,601
Depreciation		
Land and buildings improvements	18	22
Plant and equipment	674	447
Motor vehicles	3	2
Computer equipment	213	148
Land and buildings right-of-use assets	1,309	1,002
Plant and equipment right-of-use assets	57	56
Motor vehicles right-of-use assets	80	65
Computer equipment right-of-use assets	5	6
Total depreciation	2,359	1,748
Amortisation		
Software	303	139
Total depreciation and amortisation*	2,662	1,887
Finance costs		
Interest and finance charges paid/payable on lease liabilities	424	325
Interest and finance charges on restoration provision	10	–
Finance costs expensed	434	325
Net foreign exchange loss		
Net foreign exchange loss	–	25
Leases		
Short-term lease payments	25	35
Low-value assets lease payments	15	18
	40	53

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

NOTE 9. STAFF COSTS

	2021 £'000	Consolidated 2020 £'000
Aggregate remuneration:		
Wages and salaries	9,140	7,557
Social security costs	772	602
Other pension costs	234	183
Total staff costs	10,146	8,342

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

	2021	Consolidated 2020
Stores	264	228
Warehouse	50	54
Administration	45	43
Marketing	21	19
IT and web	13	12
Management	9	8
Other	5	5
Average number of employees	407	369

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

NOTE 10. INCOME TAX EXPENSE/(BENEFIT)

	2021 £'000	Consolidated 2020 £'000
Income tax expense/(benefit)		
Deferred tax – origination and reversal of temporary differences (Note 19)	258	(190)
Current tax adjustment recognised for prior periods	(17)	20
Aggregate income tax expense/(benefit)	241	(170)
Numerical reconciliation of income tax expense/(benefit) and tax at the statutory rate		
Profit/(loss) before income tax (expense)/benefit	2,646	(1,480)
Tax at the statutory tax rate of 19%	503	(281)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non qualifying depreciation	–	18
EMI share scheme exercised	(161)	–
Non-deductible expenses	12	54
Deferred tax rate change	(5)	(1)
Recognition of previously unrecognised tax losses	(41)	–
	308	(210)
Current year temporary differences not recognised	–	20
Adjustment recognised for prior periods	(17)	20
Unrecognised losses prior year	(50)	–
Income tax expense/(benefit)	241	(170)

	2021 £'000	Consolidated 2020 £'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	–	241
Potential tax benefit at statutory tax rates @ 19% (2020: 17%)	–	41

The adjustment recognised for prior periods relates to the re-estimation of the 2021 losses carried forward amount of £2,331,000 to £2,591,000.

NOTE 11. INTANGIBLES

	2021 £'000	Consolidated 2020 £'000
Non-current assets		
Goodwill – at cost	5,802	5,802
Less: Impairment	(182)	(182)
	5,620	5,620
Software – at cost	1,104	766
Less: Accumulated amortisation	(473)	(170)
	631	596
	6,251	6,216

Reconciliations

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

	Goodwill £'000	Software £'000	Total £'000
Consolidated			
Balance at 1 February 2019	4,614	234	4,848
Additions	–	501	501
Additions through business combinations	1,006	–	1,006
Amortisation expense	–	(139)	(139)
Balance at 31 January 2020	5,620	596	6,216
Additions	–	338	338
Amortisation expense	–	(303)	(303)
Balance at 31 January 2021	5,620	631	6,251

Impairment testing

Goodwill is allocated to the Group's cash-generating unit ('CGU').

The Directors consider Angling Direct PLC to represent a singular cash-generating unit as the cashflows of the assets of goodwill are not independent of other cashflows of the Group.

The recoverable amount of the CGU was determined based on a value-in-use calculation. Cash flow projections used in the value-in-use calculation were based on financial budgets approved by management covering a one year period with extrapolation to year five using estimated growth rates stated below. Cash flows beyond five years are based on an estimated long term average growth rate of 1%.

Management determined budgeted gross margins based on expectations of market developments. The growth rates used were based on consumer price index ('CPI') plus a margin. The discount rates used were pre-tax and reflected specific risks relating to the CGUs.

Key assumptions used for value-in -use calculations:

	2021 %	2020 %
Budgeted gross margin	35.3%	33.4%
Five year compound revenue growth rate	9.6%	8.9%
Pre-tax discount rate	10.7%	10.6%

Based on the assessment, no impairment charge is required. Management have performed a number of sensitivity tests on the above rates and note that there are no impairment indicators arising from this analysis. The recoverable amount exceeded the carrying amount by £22,829,000.

Sensitivity

As disclosed in note 3, the Directors have made judgements and estimates in respect of testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. Sensitivity analysis has been performed on the value-in-use calculations. Holding all other variables constant, the following represents the effect of reasonably possible changes in key assumptions.

i. the application of a 1.0% increase in discount rate from 10.7% to 11.7% would not result in impairment.

ii. reducing the five year revenue compound growth rate by 100 bps would not result in impairment.

iii. reducing the five year revenue compound growth rate by 150 bps would result in impairment.

NOTE 12. PROPERTY, PLANT AND EQUIPMENT

	2021 £'000	Consolidated 2020 £'000
Non-current assets		
Land and buildings improvements – at cost	1,002	1,002
Less: Accumulated depreciation	(287)	(269)
	715	733
Plant and equipment – at cost	6,411	5,286
Less: Accumulated depreciation	(1,685)	(1,012)
	4,726	4,274
Motor vehicles – at cost	15	15
Less: Accumulated depreciation	(8)	(5)
	7	10
Computer equipment – at cost	1,271	1,062
Less: Accumulated depreciation	(700)	(486)
	571	576
	6,019	5,593

Reconciliations

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

	Land and buildings improvements £'000	Plant and equipment £'000	*Motor vehicles £'000*	*Computer equipment £'000*	*Total £'000*
Consolidated					
Balance at 1 February 2019	755	2,231	12	434	3,432
Additions	–	2,325	–	290	2,615
Additions through business combinations	–	165	–	–	165
Depreciation expense	(22)	(447)	(2)	(148)	(619)
Balance at 31 January 2020	733	4,274	10	576	5,593
Additions	–	1,126	–	208	1,334
Depreciation expense	(18)	(674)	(3)	(213)	(908)
Balance at 31 January 2021	715	4,726	7	571	6,019

Refer note 13 for impairment testing.

NOTE 13. RIGHT-OF-USE ASSETS

	2021 £'000	Consolidated 2020 £'000
Non-current assets		
Land and buildings – long leasehold – right-of-use	15,003	13,144
Less: Accumulated depreciation	(4,610)	(3,300)
	10,393	9,844
Plant and equipment – right-of-use	575	575
Less: Accumulated depreciation	(166)	(109)
	409	466
Motor vehicles – right-of-use	269	246
Less: Accumulated depreciation	(187)	(107)
	82	139
Computer equipment – right-of-use	59	59
Less: Accumulated depreciation	(33)	(28)
	26	31
	10,910	10,480

The Group leases land and buildings for its offices, warehouses and retail outlets under agreements of between two to fifteen years with, in some cases, options to extend. For properties where the contractual lease term is ending within 24 months, the group determines the likelihood of the extension of the lease and remeasures the lease in accordance with IFRS 16. The group has no such leases at the balance sheet date. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases motor vehicles under agreements of three years, plant equipment under of five years and computer equipment under agreements of four years.

The Group leases office equipment under agreements of less than two years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Refer note 8 for details on interest on lease liabilities and other lease payments;

Refer note 17 for lease liabilities at 31 January 2021; and

Refer to statement of cash flows and note 24 for repayment of lease liabilities.

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 2019	5,385	522	80	37	6,024
Additions	3,881	–	124	–	4,005
Additions through business combinations	1,580	–	–	–	1,580
Depreciation expense	(1,002)	(56)	(65)	(6)	(1,129)
Balance at 31 January 2020	9,844	466	139	31	10,480
Additions	1,214	–	23	–	1,237
Remeasurement	644	–	–	–	644
Depreciation expense	(1,309)	(57)	(80)	(5)	(1,451)
Balance at 31 January 2021	10,393	409	82	26	10,910

Impairment testing

Property, plant and equipment and right-of-use assets ('ROU') are allocated to each individual cash-generating unit, for which the Directors consider to be each individual store.

Each CGU is reviewed for indicators of impairment through current and budgeted trading performance. Where indicators of impairment existed a recoverable amount of the CGU was determined based on a value in use calculation. Cash flow projections used in the value in use calculation were based on financial budgets approved by management covering a one year period extrapolated to year 5 or the end of the lease to which the ROU related.

Cash flows to evaluate value in use included the lease rentals in respect of the associated ROU assets and the recoverable amount was reviewed against the carrying value of the property, plant and equipment and net book value of the ROU asset net of the remaining lease liability.

Two stores were identified with impairment indicators as at 31 January 2021 (2020: two).

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

	2021 %	2020 %
Compound revenue growth rate	8.90%	8.90%
Pre-tax discount rate	10.70%	10.60%

Based on the assessment, no impairment charge is required. Management have performed a number of sensitivity tests on the above rates and note there are no impairment indicators arising from this analysis. The recoverable amounts exceeded the carrying amount by £19,000 for store A, and £59,000 for store B.

Sensitivity

As disclosed in note 3, the Directors have made judgments and estimates in respect of testing of property, plant and equipment and ROU. Should these judgements and estimates not occur the resulting property, plant and equipment and ROU may decrease. Sensitivity analysis has been performed on the value-in-use calculations. Holding all other variables constant, the following represents the effect of reasonably possible changes in key assumptions.

Store A:

i. the application of a 1.0% increase in discount rate from 10.7% to 11.7% would not result in impairment.

ii. reducing the compound revenue growth rate by 100bps would not result in impairment.

iii. reducing the compound revenue growth rate by 330bps would result in impairment.

Store B:

i. the application of a 1.0% increase in discount rate from 10.7% to 11.7% would not result in impairment.

ii. reducing the compound revenue growth rate by 100bps would not result in impairment.

iii. reducing the compound revenue growth rate by 360bps would result in impairment.

NOTE 14. INVENTORIES

	2021 £'000	Consolidated 2020 £'000
Current assets		
Finished goods – at cost	12,481	13,453

Inventories have been reduced by £0.3m as a result of a product ranging exercise to remove certain product lines from the Group. This write-down to reflect net realisable value of these product lines was recognised as an expense during the year.

NOTE 15. TRADE AND OTHER RECEIVABLES

	2021 £'000	Consolidated 2020 £'000
Current assets		
Trade receivables	99	178
Other receivables	524	331
	623	509

NOTE 16. TRADE AND OTHER PAYABLES

	2021 £'000	Consolidated 2020 £'000
Current liabilities		
Trade payables	3,287	4,824
Accrued expenses	1,462	725
Refund liabilities	102	11
Social security and other taxes	537	345
Contingent consideration (note 25)	–	50
Other payables	1,353	475
	6,741	6,430

Refer to note 24 for further information on financial instruments.

NOTE 17. LEASE LIABILITIES

	2021 £'000	Consolidated 2020 £'000
Current liabilities		
Lease liability	1,358	1,182
Non-current liabilities		
Lease liability	9,773	9,334
	11,131	10,516

Refer to note 24 for information on the maturity analysis of lease liabilities. Details of finance costs are included within note 8.

NOTE 18. RESTORATION PROVISION

	2021 £'000	Consolidated 2020 £'000
Non-current liabilities		
Restoration provision	277	249

Restoration

The provision represents the present value of the estimated costs for future restoration of the premises leased by the Group at the end of the respective lease terms. The provision therefore includes estimates associated with the timing of future closures of premises and the costs of restoration prior to return to the lessor. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at each reporting date. The discount rate applied to future cash outflows is 4%.

Movements in provisions

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

	Restoration provision £'000
Consolidated – 2021	
Carrying amount at the start of the year	249
Additional provisions recognised	18
Unwinding of discount	10
Carrying amount at the end of the year	277

NOTE 19. DEFERRED TAX

	2021 £'000	Consolidated 2020 £'000
Non-current liabilities		
Deferred tax liability comprises temporary differences attributable to:		
Property, plant and equipment	561	426
Tax losses	(218)	(355)
IFRS 16 transitional adjustment	(71)	(71)
Unapproved share options issued	(14)	–
Deferred tax liability	258	–
Movements:		
Opening balance	–	190
Charged/(credited) to profit or loss (note 10)	258	(190)
Closing balance	258	–

NOTE 20. SHARE CAPITAL

	2021 Shares	2020 Shares	*2021 £'000*	*Consolidated 2020 £'000*
Ordinary shares of £0.01 each – fully paid	77,267,304	64,621,993	773	646

Movements in ordinary share capital

	Date	Shares	*£'000*
Details			
Balance	1 February 2019	64,621,993	646
Balance	31 January 2020	64,621,993	646
Issue of shares	17 June 2020	6,500,000	65
Issue of shares	1 July 2020	4,500,000	45
Exercise of options	17 July 2020	1,645,311	17
Balance	31 January 2021	77,267,304	773

During the year, the Company issued 11m new Ordinary shares of 1p each. 6.5m of these shares were issued on 17 June 2020 with a further 4.5m on 1 July. The shares were fully paid up and issued at a placing price of 50p, a 49p premium per share. The gross proceeds of the total placing totalled £5.5m. £5.4m has been transferred to the share premium account net of direct transaction costs of £0.4m.

On 17 July 2020, 1,645,311 options under the EMI Share option Scheme were exercised at 1p per option. £16,453 has been credited to the share capital account. There was no share premium arising on this transaction.

Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

NOTE 21. SHARE PREMIUM

		Consolidated
	2021 £'000	2020 £'000
Share premium account	31,037	26,017

Movements in share premium account

Detail	Date	*£'000*
Balance	1 February 2019	26,017
Balance	31 January 2020	26,017
Issued during the year	17 June 2020	5,020
Balance	31 January 2021	31,037

NOTE 22. RESERVES

		Consolidated
	2021 £'000	2020 £'000
Share-based payments reserve	75	–

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:

	Share-based payments £'000
Balance at 1 February 2019	–
Balance at 31 January 2020	–
Options granted	75
Balance at 31 January 2021	75

NOTE 23. DIVIDENDS

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

NOTE 24. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not currently use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of foreign exchange and other price risks, and ageing analysis for credit.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group's sales are denominated in British Pounds Sterling ('GBP'), however, the Group sources some of its products from outside the UK where the principal currency of purchase is United States Dollars ('USD'). This may give rise to an exposure to exchange rates between the USD and GBP. This is regularly monitored and the Company may use forward contracts to fix exchange rates for future purchases to mitigate the risk against currency fluctuations.

THE CARRYING AMOUNT OF THE GROUP'S FOREIGN CURRENCY DENOMINATED FINANCIAL ASSETS AND LIABILITIES, AT AMORTISED COST, AT THE REPORTING DATE WERE AS FOLLOWS:

Consolidated	2021 £'000	Assets 2020 £'000	2021 £'000	Liabilities 2020 £'000
US dollars	126	33	–	–
Euros	212	173	396	410
	338	206	396	410

Consolidated – 2021	strengthened % change	£'000 strengthened Effect on profit before tax	£'000 strengthened Effect on equity	weakened % change	£'000 weakened Effect on profit before tax	£'000 weakened Effect on equity
US dollars	10%	13	2	(10%)	(13)	(2)
Euros	10%	(18)	(3)	(10%)	18	3
		(5)	(1)		5	1

Consolidated – 2020	strengthened % change	£'000 strengthened Effect on profit before tax	£'000 strengthened Effect on equity	weakened % change	£'000 weakened Effect on profit before tax	£'000 weakened Effect on equity
US dollars	10%	3	1	(10%)	(3)	(1)
Euros	10%	(23)	(5)	(10%)	23	5
		(20)	(4)		20	4

Price risk

The Group is not exposed to any significant price risk.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk management

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via a diversification of bank deposits, and are only with major reputable financial institutions.

The Group's cash balances were held with Standard and Poors "A" rated entities.

The Group faces low credit risk as customers typically pay for their orders in full on collection or shipment of the product. There are a small number of insurance accounts with insurance companies that have 45-day terms (0.3% of 2021 revenue – 2020: 0.7%).

Funds lodged with Paypal, Stripe, Klarna and Hitachi Retail Finance totalled £446,000 on 31 January 2021 (2020: £253,000) and are included in trade and other receivables. Credit risk in relation to cash held with financial institutions is considered low risk, given the credit rating of these organisations.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2021		1 year or less £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Remaining contractual maturities £'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	–	3,287	–	–	–	3,287
Other liabilities	–	1,992	–	–	–	1,992
Interest-bearing – variable						
Lease liability	4.00%	1,765	1,792	4,538	4,971	13,066
Total non-derivatives		7,044	1,792	4,538	4,971	18,345

Consolidated – 2020		1 year or less £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Remaining contractual maturities £'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	–	4,824	–	–	–	4,824
Other liabilities	–	881	–	–	–	881
Interest-bearing – variable						
Lease liability	4.00%	1,580	1,637	4,480	4,849	12,546
Total non-derivatives		7,285	1,637	4,480	4,849	18,251

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

NOTE 25. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Consolidated – 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Contingent consideration	–	–	–	–
Total liabilities	–	–	–	–

Consolidated – 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Liabilities				
Contingent consideration (financial liabilities measured at fair value through income statement) note 16*	–	50	–	50
Total liabilities	–	50	–	50

* Contingent consideration was subject to a six month payment profile and was subject to adjustment for final values of stock levels at completion. The final balance of £48,000 was paid in November 2020 to clear the liability.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

NOTE 26. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

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

	Consolidated 2021 £'000	2020 £'000
Short-term employee benefits	1,417	657
Post-employment benefits	–	15
Share-based payments	75	–
	1,492	672

Key management includes Directors (Executives and Non-Executives) and key heads of departments. Directors' remuneration is disclosed in the corporate governance section of the annual report.

NOTE 27. AUDITOR REMUNERATION

During the financial year the following fees were paid or payable for services provided by Price Bailey LLP, the auditor of the Company, and its associates:

	Consolidated 2021 £'000	2020 £'000
Audit services		
Audit or review of the financial statements	40	27

NOTE 28. CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 January 2021 and 31 January 2020.

NOTE 29. RELATED PARTY TRANSACTIONS

Parent entity

Angling Direct PLC is the parent entity.

Key management personnel

Disclosures relating to key management personnel are set out in note 26.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated 2021 £'000	2020 £'000
Payment for goods and services:		
Payment for services (rented property) to other related party (Hillages Ltd) (a)	149	165
Payment for services (holidays acquired through competition prizes) to other related party (Sportquest Holidays Ltd) (b)	–	9
Payment for services (electricity charges) to other related party (Contex Builders Ltd) (c)	1	1
Payment for services (rent and costs) to other related party (Wroxham Angling Ltd) (d)	–	2
Payment for services (payroll and taxation services) to other related party (M&A Partners) (e)	12	10

(a) D I Bailey, W P F Hill and M G Page are directors of Hillages Ltd.
(b) Hillages Ltd is a shareholder on Sportquest Holidays Ltd.
(c) D I Bailey is a director of Contex Builders Ltd.
(d) W P F Hill is a director of Wroxham Angling Ltd.
(e) M Page was a partner of the business (M&A Partners).

There are sales of goods made between the parent company to its subsidiaries as part of the distribution of goods process where such sales are eliminated on consolidation.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

NOTE 30. INTERESTS IN SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries held by the Company in accordance with the accounting policy described in note 2:

Name	Principal place of business/Country of incorporation	Principal activities	Proportion held %
H L & S Ltd	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Ceased trading on 31 January 2021	100.00%
J Simpson (Angling) Ltd	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Dormant	100.00%
Climax Fishing Tackle Ltd	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Dormant	100.00%
Fosters Fishing Ltd	2d Wendover Road, Rackheath Ind Est, Rackheath, Norwich, NR13 6LH, United Kingdom.	Non-trading	100.00%

NOTE 31. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Consolidated	Lease liability £'000
Balance at 1 February 2019	6,091
Net cash used in financing activities	(1,160)
Acquisition of leases	5,585
Balance at 31 January 2020	10,516
Net cash used in financing activities	(1,266)
Acquisition of leases	1,237
Remeasurement of leases	644
Balance at 31 January 2021	11,131

NOTE 32. EARNINGS PER SHARE

	Consolidated 2021 £'000	2020 £'000
Profit/(loss) after income tax attributable to the owners of Angling Direct PLC	2,405	(1,310)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	72,226,957	64,621,993
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	1,049,867	–
Weighted average number of ordinary shares used in calculating diluted earnings per share	73,276,824	64,621,993

	Pence	Pence
Basic earnings per share	3.33	(2.03)
Diluted earnings per share	3.28	(2.03)

1,645,311 options over ordinary shares were excluded from the 2020 diluted earnings calculation as they were anti-dilutive for the year.

NOTE 33. SHARE-BASED PAYMENTS

The Company had an Enterprise Management Incentive ('EMI') Share Option Scheme that entitles the holders to purchase shares in the Company with the options exercisable at the price determined at the date of granting the option. The terms and conditions of the grants active in the year are as follows; there is a three year vesting period, the holder must be an employee committed to at least 25 hours work per week and must not either solely or together with any associate have a material interest in the Company, and all options are to be settled by the issue of shares. The fair value of options under the scheme were valued using the Black Scholes option pricing model. The remaining options under this scheme were exercised during the year.

On 18 August 2020, the Group granted options to the Chief Executive Officer Andrew Torrance and the Chief Financial Officer Steven Crowe. The share-based payment of £75,000 was recognised as expense in the statement of profit or loss and other comprehensive income.

Set out below are summaries of options granted under the plan:

2021 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/03/2017 *	24/03/2027	£0.010	1,645,311	–	(1,645,311)	–	–
18/08/2020 **	18/08/2030	£0.220	–	984,444	–	–	984,444
18/08/2020 ***	18/08/2030	£0.210	–	492,222	–	–	492,222
			1,645,311	1,476,666	(1,645,311)	–	1,476,666

* EMI
** LTIP (1)
*** LTIP (2)

2020 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/03/2017 *	24/03/2027	£0.010	1,645,311	–	–	–	1,645,311
			1,645,311	–	–	–	1,645,311

* EMI

The weighted average share price during the financial year was £0.58 (2020: £0.69).

The weighted average share price at the date of exercise was £0.52.

The weighted average exercise price for options at the beginning of the year was £0.010, exercised in the year was £0.010, outstanding at the end of the year was £0.217. There were no options exercisable on 31 January 2021.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 9.54 years (2020: 7.15 years). The options have a contractual life of 10 years and have a three year vesting period, cannot be exercised until 31 January 2023 LTIP(1) and 31 March 2024 LTIP(2).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, were as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/08/2020	18/08/2030	£0.512	£0.220	42.400%	–	0.010%	£0.303
18/08/2020	18/08/2030	£0.512	£0.210	42.400%	–	0.070%	£0.320

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

NOTE 34. EVENTS AFTER THE REPORTING PERIOD

The consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt around the world, and its impact on the Group, if any, has been reflected in its published results to date. Whilst it would appear that control measures and related government policies, including the roll out of the vaccine, have started to mitigate the risks caused by COVID-19, it is not possible at this time to state that the pandemic will not subsequently impact the Group's operations going forward. The Group now has experience in the swift implementation of business continuation processes should future lockdowns of the population occur, and these processes continue to evolve to minimise any operational disruption. Management continues to monitor the situation both locally and internationally.

No other matter or circumstance has arisen since 31 January 2021 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.

Company statement of financial position

As at 31 January 2021

	Note	2021 £'000	2020 £'000
Non-current assets			
Intangibles	2	6,251	6,216
Property, plant and equipment	3	6,019	5,558
Right-of-use assets	4	10,840	10,378
Investments in subsidiaries	5	5	5
Total non-current assets		23,115	22,157
Current assets			
Inventories	6	12,482	13,179
Trade and other receivables	7	623	509
Prepayments		245	474
Cash and cash equivalents		14,996	5,978
Total current assets		28,346	20,140
Current liabilities			
Trade and other payables	8	6,746	6,489
Lease liabilities	9	1,319	1,182
Income tax		–	17
Total current liabilities		8,065	7,688
Net current assets		20,281	12,452
Total assets less current liabilities		43,396	34,609
Non-current liabilities			
Lease liabilities	9	9,722	9,206
Restoration provision	10	270	241
Deferred tax	11	258	–
Total non-current liabilities		10,250	9,447
Net assets		33,146	25,162
Equity			
Share capital	12	773	646
Share premium	13	31,037	26,017
Reserves	14	75	–
Retained profits/(accumulated losses)		1,261	(1,501)
Total equity		33,146	25,162

The Company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account. In 2021, the profit for the year amounted to £2,762,00 (2020: loss of £1,501,000).

The financial statements of Angling Direct PLC (company number 05151321 (England and Wales)) were approved by the Board of Directors and authorised for issue on 10 May 2021. They were signed on its behalf by:

Andy Torrance
Executive Director and Chief Executive Officer

10 May 2021

Company statement of changes in equity
31 January 2021

	Share capital £'000	Share premium account £'000	Accumulated losses £'000	Total equity £'000
Balance at 1 February 2019	646	26,017	–	26,663
Loss after income tax benefit for the year	–	–	(1,501)	(1,501)
Other comprehensive income for the year, net of tax	–	–	–	–
Total comprehensive income for the year	–	–	(1,501)	(1,501)
Balance at 31 January 2020	646	26,017	(1,501)	25,162

	Share capital £'000	Share premium account £'000	Share-based payment reserve £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2020	646	26,017	–	(1,501)	25,162
Profit after income tax expense for the year	–	–	–	2,762	2,762
Other comprehensive income for the year, net of tax	–	–	–	–	–
Total comprehensive income for the year	–	–	–	2,762	2,762
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 12)	127	–	–	–	127
Share premium, net of transaction costs (note 13)	–	5,020	–	–	5,020
Share-based payments (note 20)	–	–	75	–	75
Balance at 31 January 2021	773	31,037	75	1,261	33,146

NOTE 1. ACCOUNTING POLICIES

The Company financial statements comprise the separate financial statements of Angling Direct PLC.

Basis of preparation

These financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' and the Companies Act 2006.

As permitted by FRS 101, the Company has taken advantage of all of the disclosure exemptions available to it, including (where applicable): statement of cash flows, new Accounting Standards not yet mandatory, presentation of comparative information for certain assets, impairment of assets, capital risk management, financial instruments, fair value measurement, key management personnel, related party transactions, business combinations, revenue, share-based payments and leases.

The accounting policies applied in the preparation of these Company financial statements are the same as those set out in note 2 to the consolidated financial statements with the addition of the following:

Investments

Investments in subsidiaries are stated at initial cost plus any subsequent contributions, less accumulated impairment.

Amounts owed by subsidiaries

Amounts owed by subsidiaries can be called upon on short notice, or are repayable on demand.

NOTE 2. INTANGIBLES

	2021 £'000	2020 £'000
Non-current assets		
Goodwill – at cost	5,802	5,802
Less: Impairment	(182)	(182)
	5,620	5,620
Software – at cost	1,104	766
Less: Accumulated amortisation	(473)	(170)
	631	596
	6,251	6,216

Reconciliations

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

	Goodwill £'000	Software £'000	Total £'000
Balance at 31 January 2020	5,620	596	6,216
Additions	–	338	338
Amortisation expense	–	(303)	(303)
Balance at 31 January 2021	5,620	631	6,251

Company law requires goodwill to be written off over a finite period. Non-amortisation of goodwill, in accordance with International Financial Reporting Standards, is a departure from the requirements of company law for the overriding purpose of giving a true and fair view. If this departure from company law had not been made, the profit for the financial year would have been reduced by amortisation of goodwill. However, the amount of amortisation cannot reasonably be quantified other than by reference to an arbitrary assumed period for amortisation.

Impairment testing

Goodwill is allocated to the Company's cash-generating unit ('CGU').

The Directors consider Angling Direct PLC to represent a singular cash-generating unit as the cashflows of the assets of goodwill are not independent of other cashflows of the Company.

The recoverable amount of the CGU was determined based on a value-in-use calculation. Cash flow projections used in the value-in-use calculation were based on financial budgets approved by management covering a one year period with extrapolation to year five using estimated growth rates stated below. Cash flows beyond five years are based on an estimated long term average growth rate of 1%.

Management determined budgeted gross margins based on expectations of market developments. The growth rates used were based on consumer price index ('CPI') plus a margin. The discount rates used were pre-tax and reflected specific risks relating to the CGUs.

Key assumptions used for value-in-use calculations:

	2021 %	2020 %
Budgeted gross margin	35.3%	33.4%
Five year compound revenue growth rate	9.6%	8.9%
Pre-tax discount rate	10.7%	10.6%

Based on the assessment, no impairment charge is required. Management have performed a number of sensitivity tests on the above rates and note that there are no impairment indicators arising from this analysis. The recoverable amount exceeded the carrying amount by £22,829,000.

Sensitivity

As disclosed in note 3 to the consolidated financial statements, the Directors have made judgements and estimates in respect of testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. Sensitivity analysis has been performed on the value-in-use calculations. Holding all other variables constant, the following represents the effect of reasonably possible changes in key assumptions.

i. the application of a 1.0% increase in discount rate from 10.7% to 11.7% would not result in impairment.

ii. reducing the five year revenue compound growth rate by 100 bps would not result in impairment.

iii. reducing the five year revenue compound growth rate by 150 bps would result in impairment.

NOTE 3. PROPERTY, PLANT AND EQUIPMENT

	2021 £'000	2020 £'000
Non-current assets		
Land and buildings improvements – at cost	1,002	1,002
Less: Accumulated depreciation	(287)	(269)
	715	733
Plant and equipment – at cost	6,240	5,113
Less: Accumulated depreciation	(1,514)	(873)
	4,726	4,240
Motor vehicles – at cost	15	15
Less: Accumulated depreciation	(8)	(5)
	7	10
Computer equipment – at cost	1,224	1,015
Less: Accumulated depreciation	(653)	(440)
	571	575
	6,019	5,558

Reconciliations

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

	Land and buildings improvements £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2020	733	4,240	10	575	5,558
Additions	–	1,126	-	208	1,334
Depreciation expense	(18)	(640)	(3)	(212)	(873)
Balance at 31 January 2021	715	4,726	7	571	6,019

NOTE 4. RIGHT-OF-USE ASSETS

	2021 £'000	2020 £'000
Non-current assets		
Land and buildings – long leasehold – right-of-use	14,694	12,835
Less: Accumulated depreciation	(4,371)	(3,093)
	10,323	9,742
Plant and equipment – right-of-use	575	575
Less: Accumulated depreciation	(166)	(109)
	409	466
Motor vehicles – right-of-use	269	246
Less: Accumulated depreciation	(187)	(107)
	82	139
Computer equipment – right-of-use	59	59
Less: Accumulated depreciation	(33)	(28)
	26	31
	10,840	10,378

Reconciliations

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

	Land and buildings improvements £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2020	9,742	466	139	31	10,378
Additions	1,214	–	23	–	1,237
Remeasurement	644	–	–	–	644
Depreciation expense	(1,277)	(57)	(80)	(5)	(1,419)
Balance at 31 January 2021	10,323	409	82	26	10,840

NOTE 5. INVESTMENTS IN SUBSIDIARIES

	2021 £'000	2020 £'000
Non-current assets		
Investments in subsidiaries	5	5

A detailed list of subsidiaries is detailed within note 30 to the consolidated financial statements.

NOTE 6. INVENTORIES

	2021 £'000	2020 £'000
Current assets		
Finished goods – at cost	12,482	13,179

In addition, inventories have been reduced by £0.3m as a result of the Q4 category management review. This write-down was recognised as an expense during the year.

NOTE 7. TRADE AND OTHER RECEIVABLES

	2021 £'000	2020 £'000
Current assets		
Trade receivables	99	178
Other receivables	524	331
	623	509

NOTE 8. TRADE AND OTHER PAYABLES

	2021 £'000	2020 £'000
Current liabilities		
Trade payables	3,287	4,824
Amounts owed to group undertakings	5	59
Accrued expenses	1,462	725
Refund liabilities	102	11
Social security and other taxes	537	345
Contingent consideration*	–	50
Other payables	1,353	475
	6,746	6,489

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

NOTE 9. LEASE LIABILITIES

	2021 £'000	2020 £'000
Current liabilities		
Lease liability	1,319	1,182
Non-current liabilities		
Lease liability	9,722	9,206
	11,041	10,388

Within non-current liabilities are lease liabilities falling due after 5 years totalling £4,971,000 (2020: £4,849,000).

NOTE 10. RESTORATION PROVISION

	2021 £'000	2020 £'000
Non-current liabilities		
Restoration provision	270	241

Restoration

The provision represents the present value of the estimated costs for future restoration of the premises leased by the Company at the end of the respective lease terms. The provision therefore includes estimates associated with the timing of future closures of premises and the costs of restoration prior to return to the lessor. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at each reporting date. The discount rate applied to future cash outflows is 4%.

Movements in provisions

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

2021	Restoration provision £'000
Carrying amount at the start of the year	241
Additional provisions recognised	19
Unwinding of discount	10
Carrying amount at the end of the year	270

NOTE 11. DEFERRED TAX

	2021 £'000	2020 £'000
Non-current liabilities		
Deferred tax liability comprises temporary differences attributable to:		
Property, plant and equipment	561	426
Tax losses	(218)	(355)
IFRS 16 transitional adjustment	(71)	(71)
Unapproved share options issued	(14)	–
Deferred tax liability	258	–
Movements:		
Opening balance	–	190
Charged/(credited) to profit or loss	258	(190)
Closing balance	258	–

NOTE 12. SHARE CAPITAL

	2021 Shares	2020 Shares	2021 £'000	2020 £'000
Ordinary shares of £0.01 each – fully paid	77,267,304	64,621,993	773	646

Movements in ordinary share capital

Details	Date	Shares	*£'000*
Balance	1 February 2019	64,621,993	646
Balance	31 January 2020	64,621,993	646
Issue of shares	17 June 2020	6,500,000	65
Issue of shares	1 July 2020	4,500,000	45
Exercise of options	17 July 2020	1,645,311	17
Balance	31 January 2021	77,267,304	773

During the year, the Company issued 11m new Ordinary shares of 1p each. 6.5m of these shares were issued on 17 June 2020 with a further 4.5m on 1 July. The shares were fully paid up and issued at a placing price of 50p, a 49p premium per share. The gross proceeds of the total placing totalled £5.5m. £5.4m has been transferred to the share premium account net of direct transaction costs of £0.4m.

On 17 July 2020, 1,645,311 options under the EMI Share option Scheme were exercised at 1p per option. £16,453 has been credited to the share capital account. There was no share premium arising on this transaction.

NOTE 13. SHARE PREMIUM

	2021 £'000	2020 £'000
Share premium account	31,037	26,017

Movements in share premium account

Detail	Date	*£'000*
Balance	1 February 2019	26,017
Balance	31 January 2020	26,017
Issued during the year	17 June 2020	5,020
Balance	31 January 2021	31,037

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

NOTE 14. RESERVES

	2021 £'000	Consolidated 2020 £'000
Share-based payments reserve	75	–

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.

NOTE 15. DIVIDENDS

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

NOTE 16. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

NOTE 17. AUDITOR REMUNERATION

The auditor's remuneration for audit and other services is disclosed within note 27 to the consolidated financial statements.

NOTE 18. CONTINGENT LIABILITIES

The Company had no material contingent liabilities as at 31 January 2021 and 31 January 2020.

NOTE 19. RELATED PARTY TRANSACTIONS

Transactions with related parties

The following transactions occurred with related parties:

	2021 £'000	2020 £'000
Payment for goods and services:		
Payment for services (rented property) to other related party (Hillages Ltd) (a)	149	165
Payment for services (holidays acquired through competition prizes) to other related party (Sportquest Holidays Ltd) (b)	–	9
Payment for services (electricity charges) to other related party (Contex Builders Ltd) (c)	1	1
Payment for services (rent and costs) to other related party (Wroxham Angling Ltd) (d)	–	2
Payment for services (payroll and taxation services) to other related party (M&A Partners) (e)	12	10

(a) D I Bailey, W P F Hill and M G Page are directors of Hillages Ltd.
(b) Hillages Ltd is a shareholder on Sportquest Holidays Ltd.
(c) D I Bailey is a director of Contex Builders Ltd.
(d) W P F Hill is a director of Wroxham Angling Ltd.
(e) M Page was a partner of the business (M&A Partners).

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2021 £'000	2020 £'000
Current payables:		
Payables to subsidiaries	5	59

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

In addition to the rented services, the Group provided Hillages Limited with some bookkeeping services and hosted the accounts software on its onsite servers during the year and in prior periods.

NOTE 20. SHARE-BASED PAYMENTS

The Company had an Enterprise Management Incentive ('EMI') Share Option Scheme that entitles the holders to purchase shares in the Company with the options exercisable at the price determined at the date of granting the option. The terms and conditions of the grants active in the year are as follows; there is a three year vesting period, the holder must be an employee committed to at least 25 hours work per week and must not either solely or together with any associate have a material interest in the Company, and all options are to be settled by the issue of shares. The fair value of options under the scheme were valued using the Black Scholes option pricing model. The remaining options under this scheme were exercised during the year.

On 18 August 2020, the Group granted options to the Chief Executive Officer Andrew Torrance and the Chief Financial Officer Steve Crowe. The share-based payment of £75,000 was recognised as expense in the statement of profit or loss and other comprehensive income.

Set out below are summaries of options granted under the plan:

2021 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/03/2017 *	24/03/2027	£0.010	1,645,311	–	(1,645,311)	–	–
18/08/2020 **	18/08/2030	£0.220	–	984,444	–	–	984,444
18/08/2020 ***	18/08/2030	£0.210	–	492,222	–	–	492,222
			1,645,311	1,476,666	(1,645,311)	–	1,476,666

* EMI
** LTIP (1)
*** LTIP (2)

2020 Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/03/2017 *	24/03/2027	£0.010	1,645,311	–	–	–	1,645,311
			1,645,311	–	–	–	1,645,311

* EMI

The weighted average share price during the financial year was £0.58 (2020: £0.69).

The weighted average share price at the date of exercise was £0.52.

The weighted average exercise price for options at the beginning of the year was £0.010, exercised in the year was £0.010, outstanding at the end of the year was £0.217. There were no options exercisable on 31 January 2021.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 9.54 years (2020: 7.15 years). The options have a contractual life of 10 years and have a three year vesting period, cannot be exercised until 31 January 2023 LTIP(1) and 31 March 2024 LTIP(2).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, were as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
18/08/2020	18/08/2030	£0.512	£0.220	42.400%	–	0.010%	£0.303
18/08/2020	18/08/2030	£0.512	£0.210	42.400%	–	0.070%	£0.320

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

NOTE 21. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

Company directory

Directors	M G Page – Executive Chairman
	D I Bailey – Non-Executive Director (stepped down from the Chief Executive Officer role on 10 February 2020)
	D P R Davies – Independent Non-Executive Director
	A Torrance – Executive Director and Chief Executive Officer (appointed on 10 February 2020 and was previously a Non-Executive Director appointed on 4 October 2019)
	S Crowe – Executive Director and Chief Financial Officer
	D Maltby – Independent Non-Executive Director (appointed on 3 February 2020)
Company secretary	S Wright
Registered office	2d Wendover Road, Rackheath Industrial Estate, Rackheath, Norwich, Norfolk NR13 6LH
Auditor	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House, Cambridge Business Park, Cambridge, Cambridgeshire CB4 0WZ
Solicitors	Leathes Prior 74 The Close, Norwich, Norfolk NR1 4DR Marriott Harrison LLP 11 Staple Inn, Holborn, London WC1V 7QH
Website	www.anglingdirect.co.uk
Nominated advisor and broker	N+1 Singer Advisory LLP 1 Bartholomew Lane, London EC2N 2AX
Company registrars	Share Registrars Limited The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR

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