Crawshaw Group Plc

Annual Report
52 weeks ended 28 January 2018

Our Business at a Glance

Our locations

Number of stores

52

Our stores are located across Yorkshire, Lincolnshire, Nottinghamshire, Derbyshire, the North West and the Midlands.

Average number of employees during the year

662

The average number of employees in the year was 2% higher than the prior year due to the increased number of outlets.

New factory shops
Existing factory shops
All other stores

Store locations – high street

Ashton Under Lyne	The Arcades
Barnsley	Barnsley Market
Belle Vale	Belle Vale Shopping Centre
Birchwood	Birchwood Shopping Centre
Birkenhead	Grange Precinct
Blackburn	Railway Road
Bolton	Newport Street
Burnley	Charter Walk Shopping Centre
Bury	Millgate Centre
Castleford	Carlton Street
Chesterfield	Pavements
Chorley	Chorley Market
Derby	Westfield
Doncaster	Frenchgate
Gainsborough	Market Square
Grimsby	Top Town
Huddersfield	New Street
Hull	Whitefriargate
Hull	Bransholme
Hyde	Market Place
Leeds	Leeds Market
Leeds	Bramley
Leeds	Merrion Centre
Leicester	Cheapside
Lincoln	Lincoln Market
Loughborough	Market Place
Manchester	Arndale Centre
Mansfield	Westgate
Pocklington	Market Place
Retford	Carolgate
Rochdale	Yorkshire Street
Rotherham	Howard Street
Salford	Salford Shopping Centre
Sheffield	The Moor
Southport	Marble Place Shopping Centre
St Helens	Church Square Centre
Stockport	Mersey Square
Stretford	Arndale Centre
Wakefield	The Ridings Centre
Warrington	Market Gate
Widnes	Albert Road
Worksop	Priory Centre

Store locations – factory shops

Astley	Fresh Meat Factory Shop
Barnsley	Upper New Street
Gorton	Hyde Road
Leeds	Hunslet
Liverpool	Rice Lane
Rotherham	Hellaby Factory Shop
Scunthorpe	Warren Road
Sheffield	Crystal Peaks
West Bromwich	Dudley Street
York	Clifton Moor

We provide unrivalled knowledge of meat with over 60 years' experience. We source only from the best suppliers and all our meat is quality assured. At the end of the year under review we had 52 retail outlets across the North, North West and the Midlands.

Vision

Providing safe, good quality fresh meat for the value conscious consumer.

Awards and accreditation

6 gold awards by BPEX for pork product excellence.

Shop food hygiene

The environmental health rating range is from 0-5.
We have 32 shops on 5 stars (which is classed as very good) and 12 shops on 4 stars (which is classed as good).

We have also been recognised as the only independent butchers in the UK to have a Primary Authority for environmental health related matters, who have endorsed our retail procedures.

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Chairman's Statement

We continue to work through a period of transition as we re-balance the portfolio away from its historical dependence on high streets and towards the factory shop model which underpins the long-term profitability of the business.

Results and strategy

This was a challenging period for the Group, with initial sales momentum in H1 subsiding in a more challenging consumer environment in H2 with sterling devaluation driving increases to buying prices impacting the profitability of the business.

Group revenue increased by 1%, with £3.6m of additional sales from new and annualising factory shops offsetting the -5.4% reduction in LFL sales[4] and lower sales from the high street stores which are not yet included within our LFL definition.

Group margin of 42.0% (2017: 43.5%) was impacted by 1.5% from sterling devaluation. The investment in value of 1% we noted in our half year results was partially offset by the benefits from our strategic partnership with 2Sisters Food Group.

As a consequence of the impact from sterling devaluation noted above and the costs of operating more stores, adjusted EBITDA reduced to -£0.4m (2017: £1.3m). The EBITDA performance for the Group was -£0.8m (2017: £0.1m) reflecting spend on pre-opening costs of £0.4m (2017: £1.2m). This spend was reduced significantly year on year in line with fewer new store openings and the simpler opening requirements of factory shops with a lower headcount dedicated to the new store openings programme.

We finished the year with 52 trading stores, opening 5 new factory shops in the period and closing 2 underperforming high street units. The factory shop rollout continues to perform well, with further improvements in the capital investment[5] per unit further reduced from £150k to an average of £130k per unit, and operating performance giving a cash payback on investment of c.1-year.

The business recorded an underlying Operating Loss before tax of £2.0m (2017: underlying Operating Loss of £1.1m) as a result of the decline in EBITDA performance. We report a statutory loss before tax of £13.5m, which includes a one off non cash goodwill impairment charge of £10.6m (2017: nil) and exceptional costs of £0.8m (2017: £0.1m). The impairment was recognised following our annual goodwill assessment where, when the impact on future cash flows of sterling depreciation and wage inflation are taken into account, the goodwill balance was no longer supported.

It is worth noting that this assessment specifically excludes the expected growth from new stores, in line with the relevant accounting standard.

Cash

The business continues to have sufficient headroom in its cash balances following the share placement in the year, with no debt and cash on hand of £4.7m at the balance sheet date. The primary purpose of the funding is to continue the successful factory shop rollout, but we will of course balance our investment in growth with maintaining a strong balance sheet.

Outlook

We continue to work through a period of transition as we re-balance the portfolio away from its historical dependence on high streets and towards the factory shop model which, as we have noted in previous updates, underpins the long-term profitability of the business. Our focus during this transitional period is two-fold; 1) continuing to rollout our successful factory shop; and 2) increasing the profitability of the high street stores.

We have a number of opportunities and initiatives currently in trial in our high street stores which we believe will improve the performance of this estate and we have a robust pipeline of factory shop opportunities from which we expect to deliver 5-10 new stores openings in the next 12 months.

In addition, we expect a new leadership team to bring new ideas and energy which will help us to drive improved performance in both factory shop and high street store profitability in this challenging environment.

Jim McCarthy
Chairman
24 April 2018

Total sales

£44.6m

Sales growth full year 2017/2018

+1.0%

Trading performance highlights

- **Group revenue up 1% to £44.6m (2017: £44.2m).**
- **Gross margin of 42.0% (2017: 43.5%).**
- **EBITDA[1] loss of -£0.8m (2017: profit of £0.1m).**
- **Adjusted EBITDA[2] -£0.4m (2017: £1.3m).**
- **Underlying Operating Loss[3] of £2.0m (2017: £1.1m underlying Operating Loss).**
- **Statutory loss before tax of £13.5m (2017: loss before tax £1.4m) due to a one off non cash impairment charge of £10.6m and £0.8m exceptional costs.**
- **Cash balances of £4.7m at 28 January 2018 (£2.1m at 29 January 2017).**

[1] EBITDA is defined by the Group as Operating profit/loss before impairment charge, tax, exceptional items, depreciation, amortisation, profit/(loss) on disposal of assets, net finance costs and share based payment charge attributable to the LTIP Growth Share Scheme.
[2] Adjusted EBITDA is defined by the Group as Operating profit/loss before impairment charge, tax, exceptional items, depreciation, amortisation, profit/(loss) on disposal of assets, net finance costs, share based payment charges attributable to the LTIP Growth Share Scheme and Accelerated Opening Costs. Accelerated opening costs are defined by the Group as the overhead investment in people, processes, systems and new store pre-opening costs i.e. costs directly associated with our accelerated store opening programme. In the period these costs amounted to £0.4m (2017: £1.2m) resulting in an adjusted EBITDA of -£0.4m (2017: £1.3m).
[3] Underlying Operating Loss is defined by the Group as Operating profit/loss before impairment change, exceptional items and share based payment charges attributable to the LTIP Growth Share Scheme.
[4] LFL stores are defined as stores which have been trading for 2 full years at the start of the financial year under review.
[5] Capital investment is defined by the Group as fixed asset additions.

Chief Executive Officer's Review

Factory shops are becoming an increasingly important part of the business, contributing 22% of sales for the full year.

Performance and operational review
We have come to the end of what was a very challenging year on the high street, with sales coming in below our expectations. We have seen a further deterioration in the performance of our high street stores, but have made some significant steps forward on our plans to transition our retail model away from the high streets and towards our successful factory shop concept. As expected, we have seen a further deterioration in the performance of our legacy high street stores.

Revenue
Group revenue for the year under review increased by 1% to £44.6m, an increase of £0.4m. Within that, the 7 new factory shops opened across FY 17 and FY 18 contributed an additional £3.6m year on year whilst the 5.4% decline experienced by the LFL stores and a reduction in sales in the non-LFL high street stores led to a £3.1m sales reduction.

The trading activities and initiatives started in FY 17 as part of our recovery plan were continued into this financial year and continued to show positive results, with LFL performance improving from -5.2% in Q1 to -3.2% in Q2. Our trading momentum slowed through Q3 and into Q4 with LFL sales of -4.0% and -9.0% respectively as we were unable to achieve the same level of customer number increases than in the previous year when our recovery plan actions were initially launched. As a result, we re-based our promotional plan to offer a smaller selection of deeper discounted products and introduced a lower priced multibuy range into a number of test stores. Whilst these initiatives were well received by existing store customers and have been an integral part of the successful launch of the new factory shops in the year, they are yet to gain sufficient traction by attracting new customers in our high street stores.

Strategic partnership
During the year, we entered into a Strategic Supply Partnership with 2Sisters Food Group (2S) which enabled the business to access significant volumes of poultry products at a cost advantage to previous supply routes. The relationship has continued to progress with the product assortment allowing us to mitigate some of the impact of sterling devaluation on buying prices and offer customers new products at fantastic price points. There have been some operational challenges in recent months as 2S addressed some well-documented internal challenges, we remain convinced of the strategic rational of the partnership with the business benefitting from UK supply of whole birds, drumsticks and added value breaded chicken product.

Growth plan – factory shops
Our growth plan re-started part way through the financial year with 5 new factory shop units opening between May and November 2017. We continue to be very pleased with the performance of these units which, following further reductions in capital investment requirements to an average of £130k per store, deliver a cash payback on investment of c.1-year.

As we have previously noted, the new factory shops continue to perform well despite the weak consumer environment through a combination of the value offered to customers and their ease of access. We have also had some success on new store launches following social media campaigns which have promoted the stores with targeted competitions and offers. As a result, the new factory shops have an average of 4,000 followers on Facebook with whom we are able to directly communicate new deals and offers. In addition, the bigger footprint of these stores has allowed us to increase the number of fresh meat products we present to customers, with a new 'Lean Protein' range and 'Easy Meals for 2' range being the latest innovations introduced into these stores. We are also in the process of trialling new products within the meal-solutions category.

Factory shops are becoming an increasingly important part of the business, contributing 22% of sales for the full year, increasing to 26% through Q4 when the 5 new shops were all trading.

High street
Despite the success of the new factory shops, the performance of the business overall has been behind our expectations as a result of the deterioration in high street store sales and profitability. As noted above, we have sought to trade our way to an improved performance through changes to the offer which are yet to gain the required traction. As a result, our focus has evolved to reviewing the productivity of the estate overall through a combination of sales driving and cost saving initiatives.

As part of this review, we have identified 2 stores where we took the decision to close as they were making a trading loss which was greater than their fixed property costs.

2Sisters Food Group strategic partnership

- **Transformative partnership with 2Sisters Food Group commenced 25 May 2017.**
- **Core supply routes now well established.**
- **Between 20% and 50% of fresh meat now sourced from 2Sisters.**
- **Framework in place delivering continuous change in our selection of top quality product to our customers at a significant discount.**

Total number of stores

52

Number of factory stores to date

10

Factory stores planned for 2018/2019

5–10

Sales from factory stores

22%

We believe that the majority of our high street stores are capable of generating a significantly improved return by changing the balance of where certain tasks are carried out across the business. Following the central investment in automated cutting and packing lines, we have created a central production capability at our Hellaby Factory.

Central production – strategic development
The strategic development of our central production is enabling us to re-engineer the store labour model to reduce store-based headcount and re-focus the remaining work content from production to customer service. This activity is currently being trialled across 8 stores in Q1 FY 19 with an expectation of rollout across the full estate from Q2 onwards. In addition to providing a boost to high street profitability, this development in our business model will also allow us to improve the economics of our factory shops. Furthermore, this central investment provides the capability to service the wholesale and catering butchery supply routes in the future.

Summary
Whilst we are disappointed with the financial results for FY 18, we are pleased with the continued success of the factory shops strategy and firmly believe the significant productivity improvements across the business will improve profitability. We remain fully committed to the business and the strategic initiatives that are currently in flight and will support the new leadership team during the smooth transition to ensure business continuity. I would like to take this opportunity to thank all colleagues, customers, suppliers and shareholders for their support during my three years as CEO and wish the business much success in the future.

Noel Collett
Chief Executive Officer
24 April 2018

Chief Financial Officer's Review

The Board has re-iterated its commitment to a strong balance sheet with priority being given to improving cash generation of the core business.

Cash on hand

£4.7m

Creditor days

47

Adjusted EBITDA

(£0.4m)

Underlying loss before tax

(£2.0m)

Presentation of results
To present a clear view of performance of the Group, we present an Underlying Operating (Loss)/Profit number and an Adjusted EBITDA number. The Underlying Operating (Loss)/Profit number adds back share based payment charges, exceptional costs and any asset impairment charges to give a clear view of underlying Group performance. The Adjusted EBITDA number further excludes depreciation, amortisation and accelerated opening costs to give a clear view on the underlying trading performance of the Group.

We define accelerated opening costs as the investments in people, processes and systems in the year to provide direct support for our accelerated opening programme. In the year, these costs amounted to £0.4m (2017: £1.2m) and are analysed by component of spend in the table below.

The management team historically used Adjusted EBITDA as the primary performance measure to understand business performance without the distortive impact of costs being incurred to facilitate store rollout. As the growth plan has transitioned to factory shops which are capable of being opened with a lower dedicated central cost, this measure will no longer be used in assessing performance in future accounting periods with EBITDA becoming the primary internal performance measure.

Underlying Operating Loss and Adjusted EBITDA

	2018 £'000	2017 £'000
Operating Loss after impairment charge	**(13,535)**	(1,413)
Share Based Payment Charge	**92**	217
Exceptional Items	**819**	63
Impairment of Goodwill	**10,590**	—
Underlying Operating Loss	**(2,034)**	(1,133)
Depreciation and Amortisation	**1,186**	1,237
Accelerated Opening Costs	**399**	1,171
Adjusted EBITDA	**(449)**	1,275

The Operating Loss in the year of £13.5m includes exceptional items of £0.8m and an impairment of goodwill of £10.6m. The exceptional items are made up of deal fees relating to the share placing and the supply agreement with 2Sisters and a provision to cover the cost of closing 2 underperforming High Street units. As part of our annual goodwill assessment, forecast future cash flows were adjusted to take into account the impacts of sterling depreciation on buying prices and expected wage inflation. This assessment specifically excludes any future new stores (as required by IAS 36) and as a result the goodwill balance was found to be impaired which has been reflected in these financial statements.

Accelerated opening costs

	2018 £'000	2017 £'000
Salaries	**290**	878
New store pre-opening costs	**109**	189
Consultancy (property/recruitment/other)	**—**	45
Other	**—**	59
Total	**399**	1,171

The level of accelerated opening costs has reduced significantly year on year in line with fewer stores being opened in the financial year under review (5 new stores opened FY 18, 11 new stores opened FY 17) and the simpler opening requirements of factory shop stores allowing us to reduce the number of dedicated central roles.

We now expect the level of accelerated opening costs to remain at this run rate and therefore, as these costs will no longer distort the performance of the Group, we will no longer present accelerated opening cost numbers in future reporting periods.

Loss Before Tax "PBT" and Earnings Per Share "EPS"
The Group delivered a loss before tax of £13.5m (2017: £1.4m loss) as a result of the goodwill impairment charge. The Loss Before Tax number includes an IFRS 2 shared based payment charge of £0.1m (2017: £0.2m). This translated to a negative EPS at (12.950) pence per share (2017: negative 1.535 pence per share).

Operational overheads
Operational overheads are defined as the administrative expenses of the Group less accelerated opening costs, exceptional costs, impairment, depreciation, amortisation and share based payments as this gives a clearer reflection on the underlying operational costs performance of the Group. On this basis, the ratio of overhead costs as a % of sales has increased to 43% (2017: 41%). This reflects the impact of specific cost inflation on wages and the impact of lower sales on a relatively fixed overhead cost base.

Operational overheads

	2018 £'000	2017 £'000
Administrative expenses	**21,710**	20,715
Accelerated opening costs	**(399)**	(1,171)
Depreciation and amortisation	**(1,186)**	(1,237)
Share based payment	**(92)**	(217)
Exceptional costs	**(819)**	(63)
Operational overheads	**19,214**	18,027
Operation overheads % of sales	**43%**	41%

Cash flow
We have closed the year with £4.7m of cash on the balance sheet (2017: £2.1m) following raising new share capital in the early part of the financial year which was used to re-start the growth programme and funded the operating cash outflow experienced by the business in the period. The Board has re-iterated its commitment to a strong balance sheet with priority being given to improving cash generation of the core business.

Summary
It has been a year another year of considerable change and challenge with a recovery in trading momentum in H1 and the transformational supply agreement and share placing allowing us to re-start a factory shop based opening programme. Despite challenging trading conditions and deterioration in trading performance in H2, the share capital raised in the period resulted in a year end cash on hand position of £4.7m. The Board are committed to maintaining a strong balance sheet and are appropriately balancing productivity improvements and further investments in growth.

Alan Richardson
Chief Financial Officer
24 April 2018

Strategy and Business Model

Our mission: to use our expertise to source, prepare, produce and retail quality fresh meat products at a price and a service level that continues to delight our customers.

Principal activities
The principal activity of the Group continues to be the operation of a chain of meat focused retail food stores. The Group operates from a head office and distribution centre in Rotherham, plus 52 retail locations across Yorkshire, Lincolnshire, Nottinghamshire, Derbyshire, the North West and the Midlands.

Business model
Our management team have extensive experience in sourcing quality meat products from tried and tested local and international suppliers at the lowest possible prices. Whilst we do buy longer term to ensure that we have a core range of products, we pride ourselves on identifying key lines in the spot market that offer value to our customers.

We have our own distribution centres where we control additional processing and logistics as well as the production of our own award winning sausages, beef burgers, beef mince and grill sticks.

Our retail outlets are manned with skilled butchers who are happy to help customers with advice on choosing the right product, in the right quantities as well as how to cook it.

Our product range is split into two distinct areas:

Traditional raw meat

We have a wide range of products sold either (i) loose in a serve over counter for the traditional experience or (ii) as multi buy packs on supermarket style multi deck counters which have all been cut and packaged in store.

57%

Hot and cold cooked food

Freshly prepared roast chickens, gammon and pork joints, hot roast sandwiches, shop cooked curries and casseroles, chicken and chips as well as other traditional deli products.

43%

Operational strategy
The Board is focused on growing the business through identifying new profitable store locations and investing resources in a controlled expansion programme, whilst ensuring the core business continues to deliver quality products and excellent customer service at competitive prices.

- New store locations are regularly reviewed for suitability to grow/replace our existing retail estate.
- New products are researched, tested and trialled frequently.
- Customer feedback is sought and reviewed on an ongoing basis.
- Key price points from competitors are monitored regularly.
- Our food safety management systems are continually reviewed and updated to ensure our procedures are in line with the highest standards.

As raw meat is a traded commodity, the business operates in an environment where input prices can fluctuate based on worldwide natural and economic factors such as a growing world population, climate change, exchange rates and changing dietary habits.

The Company's purchasing and sales strategy is designed to minimise these risks by ensuring (i) we sell a broad range of products and (ii) we use a broad range of tried and tested suppliers across the globe rather than relying on any specific supplier or region.

Food safety
We protect our customers and our brand by sourcing quality products with full traceability. Further to this we invest continually to ensure our food safety management systems are implemented, delivered and audited at every location.

As the only independent retail butchers chain in England to have Primary Authority, we continue to work with the Environmental Health department at Wakefield Council. This gives each of our locations, our staff and our customers a level of consistency in food safety matters as we are all working to the same standards and interpretations of the regulations.

Crawshaws continue to recognise the importance of food safety and positive consistent progress has continued and our Hygiene Ratings. 62% of the business are on 5 stars (Very good) and 23% on 4 (Good). Our factories have also consistently maintained standards whilst increasing throughput to match the increases in sales.

There continues to be ongoing investment in training which has not only provided legal compliance but has equipped Managers with further knowledge and confidence to maintain food safety. Customer feedback also indicates consistent quality control and that they are happy that their needs are being met.

The maintenance and continued development of the Company Food Safety Management System has been fundamental in maintaining standards across the Company. Whilst the Company will continue to face challenges, including changes in legislation, we are focused on maintaining food safety on a consistent basis.

The focus on origin and traceability of products will continue to be managed as we recognise this as being essential if we are to meet the requirements of our customers and continue to supply safe and legal products.

KPIs and Risk Management

Key performance indicators

The performance of the business is regularly monitored against Key Performance Indicators (KPIs). Most of the KPIs identified below are discussed in more detail in the Chairman's Statement.

Revenue

£44.6m

2018	**£44.6m**
2017	£44.2m

After trade discounts and excluding VAT

Gross profit

42.0%

2018	**42.0%**
2017	43.5%

Gross profit as a percentage of revenue

Adjusted EBITDA[1]

(£0.4m)

2018	**£(0.4m)**
2017	£1.3m

Adjusted pre tax (loss)/profit before interest, taxation, depreciation and amortisation

EBITDA[2]

(£0.8m)

2018	**£(0.8m)**
2017	£0.1m

Pre tax profit/(loss) before interest, *taxation, depreciation and amortisation*

Underlying Operating Loss[3]

(£2.0m)

2018	**(£2.0m)**
2017	(£1.1m)

Operating Loss before *exceptional costs and share* based payments

EPS

(12.950p)

2018	**(12.950p)**
2017	(1.535p)

Loss after tax divided by the average *number of shares in issue*

Operational overheads %[4]

43.0%

2018	**43.0%**
2017	41.0%

Total operational overheads as a percentage of revenue

[1] Adjusted EBITDA is defined by the Group as profit/loss before tax, exceptional items, depreciation, amortisation, profit/(loss) on disposal of assets, net finance costs, share based payment charges attributable to the LTIP Growth Share Scheme and Accelerated Opening Costs. Accelerated Opening Costs are defined by the Group as the overhead investment in people, processes, systems and new store pre-opening costs i.e. costs directly associated with our accelerated store opening programme. In the period these costs amounted to £0.4m (2017: £1.2m) resulting in an adjusted EBITDA of -£0.4m (2017: £1.3m).

[2] EBITDA is defined by the Group as profit/loss before tax, exceptional items, depreciation, amortisation, profit/(loss) on disposal of assets, net finance costs and shared based payment charge attributable to the LTIP Growth Share Scheme.

[3] Underlying Operating Loss is defined by the Group as Operating Profit before exceptional items and share based payment charges attributable to the LTIP Growth Share Scheme.

[4] Operational overheads are defined as the administrative expenses of the Group less accelerated opening costs, exceptional costs, asset impairments, depreciation and amortisation and share based payments which give a clearer reflection on the underlying operational costs performance of the Group.

The principal risks and uncertainties affecting the Group include the following:

EU trade deals and exchange rates post BREXIT
The Group sources approximately half of the meat volumes sold through the business from the EU. Any changes to the tariff free trade across current members of the EU will require us to review our sourcing model. All purchases of goods are made in sterling. Both short-term volatility and long-term re-basing of international currency markets will have an impact on raw material prices. The flexibility to source globally provides a level of mitigation to this risk.

Raw material availability and prices
The Group monitors raw material sources on a global basis and either contracts to buy a set volume of goods for a set price for delivering on a specific date or contracts to buy a set volume of goods at a set price over a short time period, typically from 2 to 4 weeks.

Customer loss and competition
There is an ongoing risk of customer loss from enhanced competition. The Group's strategy is to maintain customer loyalty through: 1) offering consistently high quality products at consistently low prices, 2) offering customers even greater value through a rolling cycle of deeply discounted promotional offers and; 3) delivering superior service and product expertise at all times. Competitor price points are reviewed regularly to make sure customers can rely on us to be significantly cheaper than our competitors.

Food safety
Compliance with legislation is continually assessed with a rolling monthly internal Food Safety compliance audit in each store augmenting the annual Environmental Health Office inspections. Any performance exceptions are discussed as a matter of course at the monthly PLC Board meeting.

Environmental risks
The Group places considerable emphasis upon environmental compliance in its business and not only seeks to ensure ongoing compliance with relevant legislation but also strives to ensure that environmental best practice is incorporated into its key processes.

Major disruption/disaster
Business continuity planning is reviewed regularly.

The effect of legislation or other regulatory activities
The Group monitors forthcoming and current legislation.

Shrinkage
All retailers are exposed to customer and employee theft. The Group has a zero tolerance to theft and we continually review internal systems and controls. We maximise the use of CCTV surveillance in store and aim to prosecute where relevant.

Our 2018 Strategic Report from pages 2 to 9 has been reviewed and approved by the Board of Directors on 24 April 2018.

Alan Richardson
Chief Financial Officer
24 April 2018

Board of Directors

Jim McCarthy
Chairman

Age 61

Appointment Jim was appointed to the Group as Chairman in April 2017.

Jim has more than forty years of retail experience. He is currently Chairman of discount retailer UP Global Sourcing Holdings plc and Chairman of Wynnstay Group Plc, an AIM listed company. He was previously CEO of T&S Stores Plc for eight years before selling the business to Tesco Plc for c.£500m, then became the Managing Director of Convenience at Sainsbury's, and most recently was the CEO of leading value retailer Poundland Group plc for ten years. Under Jim's leadership, Poundland's EBITDA grew from c.£7m in 2006 to c.£57m in 2016, before the business was sold to Steinhoff International in the same year for c.£750m.

Noel Collett
Chief Executive Officer

Age 43

Appointment Noel joined Crawshaws as CEO in March 2015.

Noel spent over 16 years with Lidl, the German Discounter. Noel has held a number of key senior leadership roles in the UK and Germany, and for the 12 years before joining Crawshaws served as Lidl's Chief Operating Officer for the UK business. He has been widely credited as an instrumental figure in transforming Lidl from a low-cost brand to a high- quality retailer during a decade of rapid sales growth.

Alan Richardson
Chief Financial Officer

Age 41

Appointment Alan joined Crawshaws as the Chief Financial Officer in September 2015.

Alan spent 5 years at Morrisons, most recently as Finance Director Retail & Logistics. Previous to that, Alan spent 8 years at Asda in various senior finance roles following his qualification as a Chartered Accountant at KPMG.

Mark Naughton-Rumbo
Non-Executive Director

Age 57

Appointment Mark was appointed to the Group in October 2011.

Mark qualified as a Chartered Accountant with Ernst & Whinney in 1984 and since that time has held a number of key directorships in public and private SME companies in the retail sector. He has achievements in strategic development and implementation, experience of managing businesses in extremely challenging economic circumstances, delivering business turnaround and profitable growth. He is currently Group CFO of Anthony Nicholas Group, an Irish based fine jewellery and watch business operating in the UK and Ireland retail sectors.

Stephen Henderson
Non-Executive Director

Age 59

Appointment Stephen joined the Crawshaw Board in May 2017.

Stephen is currently the CFO for Boparan Private Office and a Director of Invest Co 1. He was previously CFO of Boparan Holdings Limited until 2014 and prior to that held a number of senior finance roles at Northern Foods plc, including acting as CFO of Northern Foods when it was acquired by Boparan Holdings Limited in 2011.

Noel Collett and Alan Richardson have notified the Board of their intention to step down from their positions of Chief Executive Officer and Chief Financial Officer respectively. A process is underway to identify their replacements.

Company Secretary
Alan Richardson

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04755803

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Directors' Report

The Directors present their Annual Report on the affairs of the Group together with audited financial statements for the 52 weeks ended 28 January (2017: 52 week period).

Crawshaw Group Plc ('the Company') is a public limited company incorporated and domiciled in the United Kingdom and under the Companies Act 2006.

The address of the Company's registered office is Crawshaw Group Plc, Unit 4, Sandbeck Way, Hellaby Industrial Estate, Rotherham S66 8QL.

The Company has its primary listing on AIM, part of the London Stock Exchange.

The Group financial statements were authorised for issue by the Board of Directors on 24 April 2018.

Further information on the activities of the business, the Group strategy and an indication of the outlook for the business are presented in the Chairman's Statement, the CEO's Statement and the Strategy and Business Model sections of the report.

Results and dividends
Reported under IFRS the Group loss before taxation is (£13.5m) (2017: £1.4m loss). After a taxation credit of £0.3m (2017 credit: £0.2m) the Group loss for the year is £13.2m (2017: £1.2m loss).

The Directors do not propose payment of a final dividend.

Substantial shareholdings
At 12 March 2018, the Directors had been notified of the following interests, of 3% and over, in the Company's issued ordinary share capital:

Unaudited Shareholder	Number of ordinary shares	%
Invest Co 1 Limited	33,594,490	29.72
Schroder Investment Management	15,000,000	13.27
Columbia Threadneedle Investment	7,849,523	6.94
Unicorn Asset Management	7,276,875	6.44
Hargreave Hale	6,731,071	5.96
D Rose, J Rose & J Rose Scudamore	5,241,547	4.64
Living Bridge	4,461,015	3.95
Hargreaves Lansdown Asset Mgt	3,698,225	3.27
Mr John Kelly	3,571,762	3.16
Ruffer	3,500,000	3.10

Directors' Report continued

Directors and their interests
The following Directors held office during the Year ended 28 January 2018 and subsequently:

Noel J Collett
Mark Naughton-Rumbo
Alan Richardson
Richard S Rose (resigned 28 June 2017)
Kennedy McMeikan (resigned 28 June 2017)
Jim McCarthy (appointed 26 April 2017)
Stephen Henderson (appointed 26 May 2017)

The interests of the Directors in the ordinary shares of the Company are shown below:

Unaudited	1 March 2018 Number of 5p ordinary shares	1 March 2017 Number of 5p ordinary shares
Noel J Collet	—	—
Mark Naughton-Rumbo	**54,456**	54,456
Alan Richardson	—	—
Richard S Rose	—	5,241,547
Kennedy McMeikan	**330,000**	180,000
Jim McCarthy	**190,000**	—
Stephen Henderson	**200,000**	—

The interests of the Directors in options to acquire shares are shown below:

Unaudited	1 March 2018 Number of 5p ordinary shares	1 March 2017 Number of 5p ordinary shares
Noel J Collet	—	—
Mark Naughton-Rumbo	—	—
Alan Richardson	—	—
Richard S Rose	—	—
Jim McCarthy	—	—
Kennedy McMeikan	—	—

Financial instruments
The Company's financial risk management objectives can be found in notes 19 and 20 to the financial statements.

Creditor payment policy
The Group agrees payment with its trade creditors and other suppliers on an individual contract basis at the time the goods and services are ordered rather than following a standard code. The policy is to abide by the agreed terms once satisfied that the goods or services have been provided in accordance with the contract terms and conditions. The Group's average creditor payment period at 28 January 2018 was 47 days (2017: 58 days).

Employee involvement
The Board recognises that the Group's performance and success is directly related to our ability to attract, train and motivate high calibre employees. We place considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various financial and economic factors affecting the performance of the Group.

Key risks of material misstatement
The Directors believe that the key risks of material misstatement in relation to these financial statements are the recoverability of the Group's non-current assets and the recoverability of the parent company's investment in subsidiaries. These risks are considered in note 1, 'Critical accounting judgements and key sources of estimation uncertainty' section on page 29.

Going concern
The principal risks and uncertainties facing the Group are set out on page 09. For the purposes of their assessment of the preparation of the Group's accounts on a going concern basis, the Directors have considered the current cash position, current trading and forecasts of future trading including working capital and investment requirements. These have been sensitised to take account potential risks and uncertainties.

This assessment showed the Group to have a headroom throughout the forecast period which the Directors believe is sufficient to manage the Group's business risks and successfully execute the growth strategy for at least the next 12 months.

During the year the Group met its day-to-day general corporate and working capital requirements through existing cash resources. At 28 January 2018 the Group had cash on hand of £4.7m (2017: £2.1m).

Accordingly, the adoption of the going concern basis in preparing the financial statements remains appropriate.

Disclosure of information to auditors
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor
A resolution to re-appoint KPMG LLP as auditors and to authorise the Directors to determine their remuneration will be put to the members at the forthcoming Annual General Meeting.

By order of the Board.

A Ri 24/4/2018

Alan Richardson
Company Secretary
24 April 2018

Unit 4, Sandbeck Way
Hellaby Industrial Estate
Rotherham
South Yorkshire
S66 8QL

Company Number: 04755803

Report of the Remuneration Committee

Compliance

This report by the Remuneration Committee, on behalf of the Board, contains full details of the remuneration of each Director during the period under review.

Directors' remuneration policy

The Committee aims to ensure that the remuneration packages offered are competitive and are designed to attract, retain and motivate executives of the right calibre.

Emoluments of the Directors

For the 52 weeks to 28 January 2018

	Salaries and fees £'000	Benefits excluding pension £'000	Pension contributions £'000	Compensation for loss of office £'000	Total £'000
N J Collett	326	8	—	—	334
M Naughton-Rumbo	20	—	—	—	20
A Richardson	137	—	—	—	137
R S Rose (resigned 28 June 2017)[1]	25	3	—	—	28
K McMeikan (resigned 28 June 2017)[1]	10	—	—	—	10
J McCarthy[2]	58	—	—	—	58
S Henderson[2]	16	—	—	—	16
	592	**11**	**—**	**—**	**603**

[1] From start of year until date of resignation.
[2] From date of appointment until 28 January 2018.

Emoluments of the Directors

For the 52 weeks to 29 January 2017

	Salaries and fees £'000	Benefits excluding pension £'000	Pension contributions £'000	Compensation for loss of office £'000	Total £'000
K P Boyd (resigned 6 January 2017)	104	3	7	17	131
N J Collett	326	8	—	—	334
M Naughton-Rumbo	20	—	—	—	20
A Richardson	137	—	—	—	137
R S Rose (resigned 28 June 2017)	60	6	—	—	66
K McMeikan (resigned 28 June 2017)	14	—	—	—	14
	661	**17**	**7**	**17**	**702**

Pensions

No pension contributions are made on behalf of the Executive Directors. The Non-Executive Directors' emoluments are not pensionable.

Directors' service contracts

All Director service contracts are terminable on six months' notice.

Directors' share options

As at 28 January 2018, the Directors hold no shares under option.

Long Term Incentive Plan (LTIP)

Shares were granted under the Crawshaw Group plc Long-Term Incentive Plan on 24 April 2015. The shares are 'growth shares' in a subsidiary, Crawshaw Butchers Ltd, but have value linked to the market capitalisation of Crawshaw Group plc. Shareholders are entitled to a maximum pool of 10% of the growth in value of the market capitalisation of Crawshaw Group over the hurdle rate, where the hurdle rate is set as a premium of 15% to market capitalisation immediately prior to the award of the shares.

The Directors participating in the scheme at the date of this report and their respective entitlement to the growth in value of market capitalisation of Crawshaw Group plc above the hurdle rate are as follows:

- Noel Collett, 5.00%
- Alan Richardson, 0.49%

There are specific trigger points governing when the participants can exercise their options and how the fair value of the awards have been calculated which are set out in note 17 of the accounts.

Noel Collett and Alan Richardson have notified the Board of their intention to step down from their positions of Chief Executive Officer and Chief Financial Officer respectively. Their participation in this scheme will end when their employment terminates.

This report was approved by the Board on 24 April 2018 and signed on its behalf by:

Mark Naughton-Rumbo
Chairman of the Remuneration Committee
24 April 2018

Statement of Directors' Responsibilities in Respect of the Annual Report

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. As required by 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 by the EU (IFRSs as adopted by the EU) and applicable law and have elected to prepare the parent Company financial statements on the same basis.

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 their profit or loss for that period. In preparing each of the Group and parent Company 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 they have been prepared in accordance with IFRSs as adopted by the EU;
- 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 parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its 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 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report

to the members of Crawshaw Group plc

1. Our opinion is unmodified

We have audited the financial statements of Crawshaw Group plc ("the Company") for the year ended 28 January 2018 which comprise the Consolidated Statement of Comprehensive Income, Balance Sheets, Statements of Changes in Shareholders' Equity, Cash Flow Statements, and related notes, including the accounting policies in note 1.

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 28 January 2018 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU);
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview		
Materiality: group financial statements as a whole	£300k (2017:£300k) 0.7% (2017: 0.7%) of revenue	
Coverage	100% (2017:100%) of group revenue	
Risks of material misstatement		**vs 2017**
Recurring risk:	Recoverability of Group's non-current assets and of parent's investment in subsidiaries	◄►

2. Key audit matters: our assessment of risks of material misstatement

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

In arriving at our audit opinion above, the key audit matter was as follows:

	The risk	Our response
Recoverability of Group's non-current assets and of parent's investment in subsidiaries (Group: £8.8million 2017: £19.9m Parent: £10.6 million; 2017: £16.8 million) *Refer to pages 31 and 32 (accounting policy) and pages 38 and 39 (financial disclosures).*	**Forecast-based valuation** During the current year, the Group faced a reduced expectation of future cash flows following the challenging trading conditions driven by cost pressures, due to sterling devaluation, increasing buying prices and wage cost inflation. The market capitalisation of the Group has also declined. This has led to a reappraisal of the group's future prospects and an impairment review was carried out. As a result, the Group has fully impaired goodwill of £10.6m and recognized an impairment loss of £6.5m in respect of parent's investment in subsidiaries. The estimated recoverable amount of Group's non-current assets and parent's investment in the associated subsidiaries is based on the discounted cash flow model and is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows. As such, there is a risk that the impairment calculated by management is over or under stated.	Our procedures included: **Historical comparisons:** assessing the reasonableness of the budgets by considering the historical accuracy of the previous forecasts; **Our sector experience:** assessing whether assumptions used, in particular those relating to forecast revenue and profit margins, reflect our knowledge of the business and industry, including known or probable changes in the business environment; **Benchmarking assumptions:** with the assistance of our own valuation specialists, challenging the key inputs used in the Group's calculation of the discount rate by comparing it to externally derived data, including available sources for comparable companies; **Sensitivity analysis:** performing sensitivity analysis on the assumptions noted above; and **Assessing transparency:** assessing whether the Group's disclosures about the impairment test and resulting impairment loss appropriately reflected the risks inherent in the valuation of Group's non-current assets and parent's investment in subsidiaries.

3. **Our application of materiality and an overview of the scope of our audit**

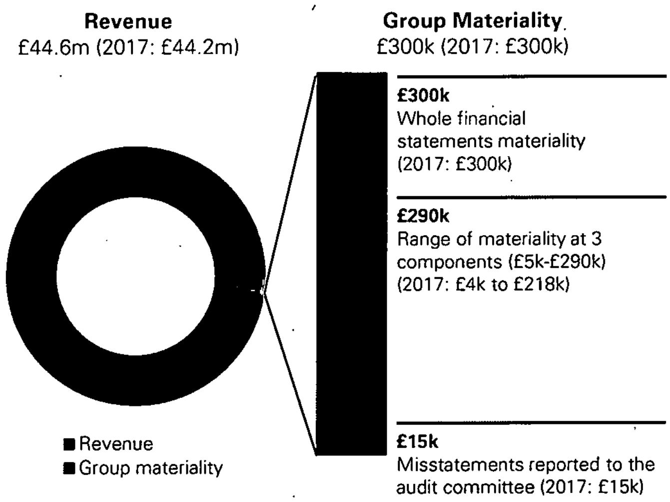
Materiality for the group financial statements as a whole was set at £300k, determined with reference to a benchmark of group revenue of £44.6m, of which it represents 0.7% (2017: 0.7%).

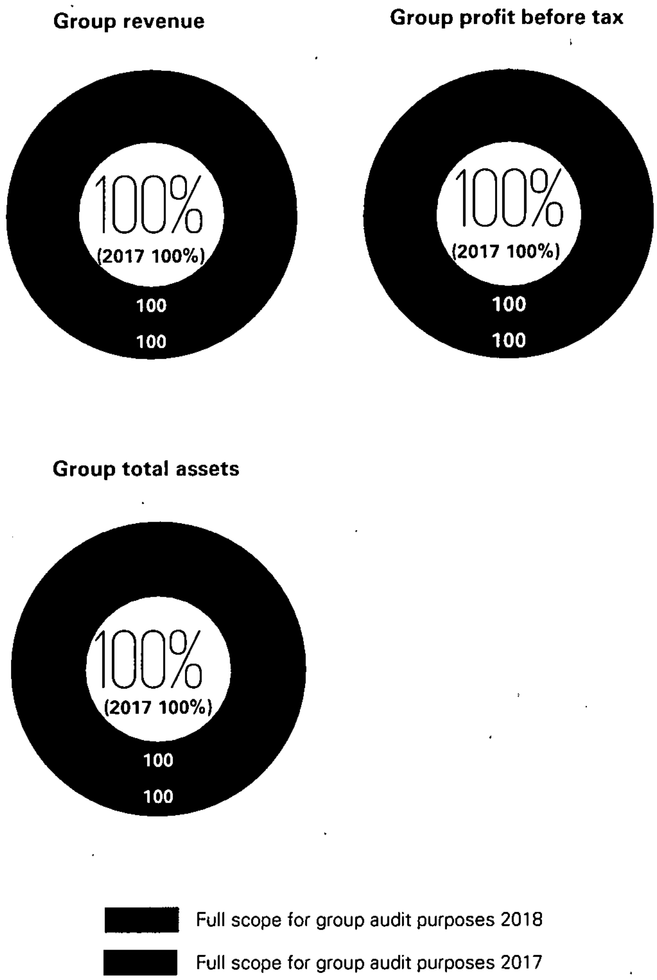
Materiality for the parent company financial statements as a whole was set at £175k (2017: £190k), determined with reference to a benchmark of company total assets, of which it represents 1% (2017: 1.0%).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £15k, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 3 (2017: 3) reporting components, we subjected 3 (2017: 3) to full scope audits for group purposes. All reporting components were audited by the Group team. The parent company audit was performed by the Group team.

The components within the scope of our work accounted for the percentages illustrated opposite.





4. **We have nothing to report on going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

5. **We have nothing to report on the other information in the Annual Report**

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

— we have not identified material misstatements in the strategic report and the directors' report;

— in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

— in our opinion those reports have been prepared in accordance with the Companies Act 2006.

6. **We have nothing to report on the other matters on which we are required to report by exception**

Under the Companies Act 2006, we are required to report to you if, in our opinion:

— adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

— the parent Company financial statements are not in agreement with the accounting records and returns; or

— certain disclosures of directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7. **Respective responsibilities**

Directors' responsibilities

As explained more fully in their statement set out on page 20, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Group and 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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

8. **The purpose of our audit work and to whom we owe our responsibilities**

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.

Claire Needham
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

25 April 2018

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 28 January 2018

	Note	**28 January 2018 £'000**	29 January 2017 £'000
Revenue		**44,559**	44,228
Cost of sales		**(25,825)**	(24,983)
Gross profit		**18,734**	19,245
Other operating income	2	**31**	57
Administration expenses		**(21,710)**	(20,715)
Operating loss before impairment charge		**(2,945)**	(1,413)
Operating loss before impairment charge analysed as:			
EBITDA[1]		**(848)**	104
Exceptional items	24	**(819)**	(63)
Depreciation and amortisation	3	**(1,186)**	(1,237)
Share based payment charge		**(92)**	(217)
Operating loss before impairment charge		**(2,945)**	(1,413)
Impairment charge		**(10,590)**	—
Operating loss after impairment charge		**(13,535)**	(1,413)
Finance income	6	**9**	23
Finance expenses	6	**(4)**	(4)
Net finance income		**5**	19
Share of profit of equity accounted investees (net of tax)	11	**9**	12
Loss before income tax		**(13,521)**	(1,382)
Income tax credit	7	**279**	167
Total recognised loss for the period		**(13,242)**	(1,215)
Comprehensive loss for the period		**(13,242)**	(1,215)
Attributable to:			
Equity holders of the Company		**(13,242)**	(1,215)
Basic loss per ordinary share		**(12.950)p**	(1.535)p
Diluted loss per ordinary share		**(12.950)p**	(1.535)p

[1] EBITDA is defined by the Group as the Operating profit/(loss) before impairment charge, tax, exceptional items, depreciation, amortisation, profit/(loss) on disposal of assets, net finance costs and share based payment charge attributable to the LTIP growth share scheme.

The Company is taking advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual income statement.

Balance Sheets

At 28 January 2018

	Note	**Group 2018 £'000**	Group 2017 £'000	**Company 2018 £'000**	Company 2017 £'000
ASSETS					
Non current assets					
Property, plant and equipment	9	**8,338**	8,847	**—**	—
Intangible assets – goodwill and related acquisition intangibles	10	**319**	10,969	**—**	—
Investment in equity accounted investees	11	**125**	125	**—**	—
Investments in subsidiaries	12	**—**	—	**10,549**	16,789
Total non current assets		**8,782**	19,941	**10,549**	16,789
Current assets					
Inventories	14	**1,375**	1,469	**—**	—
Trade and other receivables	15	**780**	787	**7,015**	2,373
Cash and cash equivalents		**4,675**	2,147	**—**	—
Total current assets		**6,830**	4,403	**7,015**	2,373
Total assets		**15,612**	24,344	**17,564**	19,162
SHAREHOLDERS' EQUITY					
Share capital		**5,651**	3,962	**5,651**	3,962
Share premium		**17,499**	14,051	**17,498**	14,051
Reverse acquisition reserve		**447**	447	**—**	—
Merger reserve		**—**	—	**508**	508
Retained earnings		**(13,231)**	(81)	**(6,241)**	539
Total shareholders' equity		**10,366**	18,379	**17,416**	19,060
LIABILITIES					
Non current liabilities					
Other payables	16	**666**	559	**—**	—
Interest bearing loans and borrowings	18	**41**	58	**—**	—
Deferred tax liabilities	13	**141**	472	**—**	—
Total non current liabilities		**848**	1,089	**—**	—
Current liabilities					
Trade and other payables	16	**4,375**	4,812	**148**	102
Interest bearing loans and borrowings	18	**23**	64	**—**	—
Total current liabilities		**4,398**	4,876	**148**	102
Total liabilities		**5,246**	5,965	**148**	102
Total equity and liabilities		**15,612**	24,344	**17,564**	19,162

These financial statements were approved by the Board of Directors on 24 April 2018 and were signed on its behalf by:

Alan Richardson
Director and Company Secretary

A Rich 24/4/2018

Company registered number: 04755803

Statements of Changes in Shareholders' Equity

	Share capital £'000	Share premium £'000	Reverse acquisition reserve £'000	Retained earnings £'000	Total equity £'000
Group					
Balance at 31 January 2016	3,947	13,941	447	1,327	19,662
Loss for the period	—	—	—	(1,215)	(1,215)
Transactions with owners:					
Share based payment charge	—	—	—	217	217
Dividend on equity shares	—	—	—	(372)	(372)
Long term incentive plan options exercised	—	—	—	(38)	(38)
Share options exercised (241,470 shares)	15	110	—	—	125
Balance at 29 January 2017	3,962	14,051	447	(81)	18,379
Loss for the period	—	—	—	(13,242)	(13,242)
Transactions with owners:					
Share based payment charge	—	—	—	92	92
Dividend on equity shares	—	—	—	—	—
Share placing (33,794,490 shares)	1,690	3,447	—	—	5,137
Balance at 28 January 2018	**5,651**	**17,498**	**447**	**(13,231)**	**10,366**

The reverse acquisition reserve was established under IFRS 3 'Business Combinations' following the deemed acquisition of Crawshaw Group Plc by Crawshaw Holdings Limited on 11 April 2008.

	Share capital £'000	Share premium £'000	Merger reserve £'000	Retained earnings £'000	Total equity £'000
Company					
Balance at 31 January 2016	3,947	13,941	508	863	19,259
Loss for the period	—	—	—	(169)	(169)
Transactions with owners:					
Share based payment charge	—	—	—	217	217
Dividend on equity shares	—	—	—	(372)	(372)
Share options exercised (241,470 shares)	15	110	—	—	125
Balance at 29 January 2017	3,962	14,051	508	539	19,060
Loss for the period	—	—	—	(6,873)	(6,873)
Transactions with owners:					
Share based payment charge	—	—	—	92	92
Dividend on equity shares	—	—	—	—	—
Shares placing (33,794,490 shares)	1,690	3,447	—	—	5,137
Balance at 28 January 2018	**5,651**	**17,498**	**508**	**(6,242)**	**17,416**

The merger reserve was established on 11 April 2008 following a share for share exchange between the Company and Crawshaw Holdings Limited (CHL) as part of a reverse acquisition. As a result of this transaction the Company acquired CHL which in turn owned 100% of the share capital of Crawshaw Butchers Limited (CBL).

In 2012 CHL transferred its investment in CBL to the Company at book value.

Cash Flow Statements

For the 52 week period ended 28 January 2018

	Group 28 January 2018 £'000	Group 29 January 2017 £'000	**Company 28 January 2018 £'000**	Company 29 January 2017 £'000
Cash flows from operating activities				
Loss for the period	**(13,242)**	(1,215)	**(6,873)**	(169)
Adjustments for:				
Depreciation and amortization	**1,184**	1,211	—	—
Loss on sale of property, plant and equipment	**2**	37	—	—
Impairment of goodwill/Investment write down	**10,590**	—	**6,332**	—
Store closure provision	**428**	—	—	—
Share placing and supply partnership deal fees	**391**	—	**391**	—
Net financial income	**(5)**	(19)	—	—
Share based payment charges	**92**	217	—	—
Share of profit of equity accounted investees (net of tax)	**(9)**	(12)	—	—
Taxation	**(279)**	(167)	—	—
Dividend received	—	—	—	—
Operating cash flow before movements in working capital	**(848)**	52	**(150)**	(169)
Movement in trade and other receivables	**7**	(196)	—	394
Movement in trade and other payables	**(470)**	749	**80**	14
Movement in inventories	**94**	(455)	—	—
Tax (paid)/received	**(64)**	168	—	—
Net cash (used in)/generated from operating activities	**(1,281)**	318	**(70)**	239
Cash flows from investing activities				
Purchase of property, plant and equipment	**(905)**	(2,947)	—	—
Proceeds from sale of property, plant & equipment	**12**	63	—	—
Received from equity accounted investees	**9**	12	—	—
Interest received	**9**	23	—	—
Interest paid	**(4)**	(4)	—	—
Dividend received	—	—	—	—
Dividend paid	—	(372)	—	(372)
Net cash (used in) investing activities	**(879)**	(3,225)	—	(372)
Cash flows from financing activities				
Repayment of loans	—	—	—	—
Share capital raised	**5,137**	125	**5,137**	125
Share placing costs	**(391)**	—	**(391)**	—
HP financing	**(58)**	49	—	—
Movements in amounts owed by group companies	—	—	**(4,676)**	—
Net cash generated from financing activities	**4,688**	174	**70**	125
Net change in cash and cash equivalents	**2,528**	(2,733)	—	(8)
Cash and cash equivalents at start of period	**2,147**	4,880	—	8
Cash and cash equivalents at end of period	**4,675**	2,147	—	—

Notes to the Financial Statements

(forming part of the financial statements)

1. Accounting policies

Crawshaw Group Plc (the "Company") is a company incorporated and domiciled in the UK.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the "Group") and equity account the Group's interest in associates and joint ventures. The parent company financial statements present information about the Company as a separate entity and not about its group.

Both the parent company financial statements and the Group financial statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). On publishing the parent company financial statements here together with the Group financial statements, the Company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual income statement and related notes that form a part of these approved financial statements.

The current financial period is a 52 week period to 28 January 2018. The prior year was also a 52 week period.

New IFRS and amendments to IAS and interpretations

There have been no significant changes to accounting under IFRS which have affected the Group's results. The Group has considered the following amendments to published standards that are effective for the first time for the 52 weeks ended 28 January 2018 and concluded that they are either not relevant to the Group or they do not have a significant impact on the Group's financial statements. These amendments are:

- Recognition of Deferred Tax Assets for Unrealised Losses – Amendments to IAS 12;
- Disclosure Initiative – Amendments to IAS 7; and
- Annual improvements to IFRSs - 2014-2016 Cycle.

There are a number of standards and interpretations issued by the IASB that are effective for financial statements after this reporting period.

These are:

- IFRS 9 'Financial Instruments' was published in July 2014 and will be effective for the Group from the period beginning 1st February 2018. The standard is applicable to financial assets and financial liabilities, and covers the classification, measurement, impairment and de-recognition of financial assets and financial liabilities together with a new hedge accounting model. This standard is not expected to have a material impact on the consolidated financial statements.
- IFRS 15 'Revenue from Contracts with Customers' will be effective or the Group from the period beginning 1st February 2018, replacing IAS 18 'Revenue,' IAS 11 'Construction contracts' and related interpretations. The standard establishes a principles based approach for revenue recognition and is based on the concept of recognising revenue when a customer obtains control of a good or service and has the ability to direct the use and obtain the benefits from the goods or services. It applies to all contracts with customers, except those in the scope of other standards. It replaces the separate models for goods, services and construction contracts under the current accounting standards. As the Group's revenue is based on the sale of product in a retail unit to an end customer, with consideration for the sale being received at the point of sale, the Group believes that the adoption of IFRS 15 will not have a material impact on the consolidated financial statements.
- IFRS 16 'Leases' was published in January 2016 and will be effective for the Group from the period beginning 1 February 2019, replacing IAS 17 'Leases,' subject to EU endorsement. The standard requires lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset is of low value. IFRS 16 represents a significant change in the accounting and reporting of leases and it will primarily change the balance sheet as well as impacting the income statement and lessee reporting as disclosed in note 22. The Group is in the process of quantifying the impact of the new standard and expects to adopt the 'modified retrospective approach' on transition. The new standard is likely to have an impact on the Group's results and a material impact on the balance sheet, as the majority of arrangements that are currently accounted for as operating leases will come onto the Group's balance sheet. However, it is not yet practicable to fully quantify the effect of IFRS 16 on these consolidated financial statements.

Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it 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 over the entity. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. The acquisition date is the date on which control is transferred to the acquirer. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Change in subsidiary ownership and loss of control

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Where the Group loses control of a subsidiary, the assets and liabilities are derecognised along with any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Joint arrangements

A joint arrangement is an arrangement over which the Group and one or more third parties have joint control. These joint arrangement are in turn classified as:

- *Joint ventures whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities; and*
- Joint operations whereby the Group has rights to the assets and obligations for the liabilities relating to the arrangement.

Notes to the Financial Statements continued

(forming part of the financial statements)

1. Accounting policies continued

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Application of the equity method to associates and joint ventures

Associates and joint ventures are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the total comprehensive income and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an investee.

Joint operations

Where the Group is a party to a joint operation, the consolidated financial statements include the Group's share of the joint operations assets and liabilities, as well as the Group's share of the entity's profit or loss and other comprehensive income, on a line-by-line basis.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategy and Business Model on pages 08-09. In addition, notes 19 and 20 set out the Group's objectives, policies and processes for managing its capital and exposures to credit and liquidity risk.

As highlighted in note 20, the Group meets its day to day working capital requirements through cash on hand and an overdraft facility. Current cash headroom totals £5.2m.

For the purposes of their assessment of the preparation of the Group's accounts on a going concern basis, the Directors have considered the current cash position, current trading and forecasts of future trading including working capital and investment requirements. These include consideration of the loss making position of Group in recent periods and the cash outflows incurred. These have been sensitised to take account potential risks and uncertainties. These sensitivities and cash flow forecasts show that the Group should be able to operate within its cash reserves.

Classification of financial instruments issued by the Group

In applying policies consistent with IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Group's own shares, the amounts presented in this financial information for called up share capital and share premium account exclude amounts in relation to those shares.

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon approval by the Group's shareholders.

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expense in profit or loss as accrued.

Finance payments associated with financial liabilities are dealt with as part of finance expenses. Finance payments associated with financial instruments that are classified in equity are treated as distributions and are recorded directly in equity.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Trade and other receivables are recognised at stated cost less impairment losses. It is the Company's policy to review trade and other receivable balances for evidence of impairment at each reporting date. Any receivables which give significant cause for concern are written down to the best estimate of the recoverable amount.

Cash and cash equivalents comprise cash-in-hand and cash-at-bank.

Trade and other payables are recognised at stated cost.

1. Accounting policies continued

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Residual values of property, plant and equipment is assumed to be nil. Land is not depreciated. The estimated useful lives are as follows:

- Freehold property 5%-10%
- Leasehold improvements in accordance with the lease term
- Plant, equipment and vehicles 3-15 Years Straight Line Basis

Intangible assets and goodwill

Goodwill represents amounts arising on acquisition of businesses. In respect of business acquisitions that have occurred since 11 December 2006, goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. Any impairment is then recognised immediately in profit or loss and is not subsequently reversed.

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The Company elected not to restate business combinations in Crawshaw Butchers Limited that took place prior to 1 February 2006. In respect of acquisitions prior to 1 February 2006, goodwill is included at 1 February 2006 on the basis of its deemed cost, which represents the amount recorded under UK GAAP which was broadly comparable save that only separable intangibles were recognised and goodwill was amortised.

Amortisation

Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

- Brand 20 years

Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax risk-free rate.

Notes to the Financial Statements continued

(forming part of the financial statements)

1. Accounting policies continued

Trade and other receivables

Trade and other receivables are recognised at their fair value and thereafter at amortised cost less impairment charges.

Inventories

Inventories are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost comprises purchase price and an allocation of production overheads. Net realisable value is estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories are primarily goods for resale.

Cash and cash equivalents

Cash and cash equivalents comprise cash-in-hand and cash-at bank. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

Employee benefits

Defined contribution plans

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement as incurred.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Revenue

Revenue is mainly derived from retail butcher activities, stated after trade discounts, VAT and any other sales taxes. Revenue from the sale of goods is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer, which is the time of retail sale to the customer.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense. Lease incentives are recognised in the income statement on a straight-line basis over the term of the associated lease.

Net financing costs

Net financing costs comprise interest payable, finance charges on shares classified as liabilities, interest receivable on funds invested and dividend income.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established.

Borrowing costs

Borrowing costs are expensed in the consolidated statement of comprehensive income as incurred.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

1. Accounting policies continued

Bank loans, overdrafts and loan notes

Interest-bearing bank loans, overdrafts and loan notes are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Segmental reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments' operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Directors considers retail stores with the same supply chain and operating model in aggregate to be an operating segment. The Directors have applied the provisions within IFRS 8 for aggregation of operating segments with similar risks and markets, to have one reportable segment. The Group's business operations are conducted exclusively in the UK so geographical segment reporting is not required.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial information in conformity with IFRS required management to make judgements, estimated and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expense. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates associated with the assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of revision and future periods if the revision affects both current and future periods.

During the current year, the Group experienced a reduction in profitability as a result of challenging trading conditions which led to a reappraisal of the Group's expectation of future cash flows and an impairment review was carried out in relation to both the non-current assets held at Group level and the parent company investments in subsidiaries.

The estimated recoverable amount of Group's non-current assets and parent's investment in the associated subsidiaries is based on the discounted cash flow model and is subjective due to the inherent uncertainty involved in forecasting and discounting future cash flows.

The key sources of estimation uncertainty at the balance sheet date are:

- Recoverability of non-current assets (note 10)
- Recoverability of parent company investments in subsidiaries (note 12)

There are no judgements to be disclosed.

2. Other operating income

	2018 £'000	2017 £'000
RGV management charge	**12**	12
Other	**19**	45
Total	**31**	57

The Group charges RGV Refrigeration a management charge each period for administration services. The Group has an investment in RGV Refrigeration, which is described further in note 11.

Notes to the Financial Statements continued

(forming part of the financial statements)

3. Expenses and auditor's remuneration

Included in Operating Loss are the following:

	2018 £'000	2017 £'000
Depreciation of property, plant and equipment (owned) (note 9)	**1,124**	1,151
Amortisation of intangible assets (note 10)	**60**	60
Loss on sale of property, plant and equipment	**2**	26
	1,186	1,237
Impairment charge	**10,590**	—

Auditor's remuneration:

	2018 £'000	2017 £'000
Audit of these financial statements	**7**	7
Half year review	**9**	9
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	**44**	44
Other services relating to taxation	**9**	12
VAT related and other Advisory services	**12**	10
Total auditors' remuneration	**81**	82

4. Staff numbers and costs

The average number of persons employed by the Company (including Directors) during the period, analysed by category, was as follows:

	Number of employees	
	2018	2017
Management	**5**	6
Other	**657**	643
	662	649

The aggregate payroll costs of these persons were as follows:

	2018 £'000	2017 £'000
Wages and salaries	**11,094**	10,822
Social security costs	**778**	691
Other pension costs	—	7
	11,872	11,520

5. Key management compensation

For the 52 weeks to 28th January 2018

	Salaries and fees £'000	Benefits excluding pension £'000	Pension contributions £'000	Compensation for loss of office £'000	Total £'000
N J Collett	326	8	—	—	334
M Naughton-Rumbo	20	—	—	—	20
A Richardson	137	—	—	—	137
R S Rose (resigned 28 June 2017)[1]	25	3	—	—	28
K McMeikan (resigned 28 June 2017)[1]	10	—	—	—	10
J McCarthy[2]	58	—	—	—	58
S Henderson[2]	16	—	—	—	16
	592	**11**	—	—	**603**

[1] From start of year until date of resignation.
[2] From date of appointment until 28 January 2018.

5. Key management compensation continued
For the 52 weeks to 29 January 2017

	Salaries and fees £'000	Benefits excluding pension £'000	Pension contributions £'000	Compensation for loss of office £'000	Total £'000
K P Boyd (resigned 6 January 2017)	104	3	7	17	131
N J Collett	326	8	—	—	334
M Naughton-Rumbo	20	—	—	—	20
A Richardson	137	—	—	—	137
R S Rose (resigned 28 June 2017)	60	6	—	—	66
K McMeikan (resigned 28 June 2017)	14	—	—	—	14
	661	**17**	**7**	**17**	**702**

The Group considers key management personnel as defined in IAS 24 'Related Party Disclosures' to be the Directors of the Group. The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid Director was £334k (2017: £334k). No company pension contributions were made on his behalf (2017: £nil).

6. Finance and income expense

	2018 £'000	2017 £'000
Bank interest received	**9**	23
Finance income	**9**	23
Bank interest paid	**4**	4
Finance expenses	**4**	4

7. Income tax expense
Recognised in the income statement
The income tax expense is based on the estimated effective rate of taxation on trading for the period and represents:

	2018 £'000	2017 £'000
Current tax	**—**	24
Adjustments for prior year	**52**	(22)
	52	2
Deferred tax:		
Origination and reversal of timing differences	**(354)**	(193)
Adjustments for prior year	**23**	24
Effect of rate change	**—**	—
	(331)	(169)
Income tax (credit)	**(279)**	(167)

Reconciliation of effective tax rate

	2018 £'000	2017 £'000
Loss for the period	**(13,242)**	(1,215)
Impairment	**10,590**	—
Total tax credit	**(279)**	(167)
Loss excluding taxation	**(2,931)**	(1,382)
Tax using UK Corporation tax rate of 19.16%	**(562)**	(276)
Non-deductible expenses	**68**	78
Current year losses not recognised	**94**	—
Adjustment in respect of prior years – CT	**52**	(23)
Tax not at standard rate	**46**	30
Adjustment in respect of prior years – DT	**23**	24
Total tax credit	**(279)**	(167)

Notes to the Financial Statements continued

(forming part of the financial statements)

7. Income tax expense continued

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. A further rate reduction to 17% (to be effective from 1 April 2020) was substantively enacted on 6 September 2016.

This will reduce the Company's future current tax charge accordingly and reduce the deferred tax asset at 28 January 2018 which has been calculated based on the rate of 17% in line with the above.

8. Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the earnings attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year of 102,255,376 (29 January 2017: 79,140,309).

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings	**2018 £'000**	2017 £'000
Loss attributable to shareholders	**(13,242)**	(1,215)

Number of shares	**2018 No.**	2017 No.
Basic weighted average number of shares	**102,255,376**	79,140,309
Dilutive potential ordinary shares	—	—
Total	**102,255,376**	79,140,309

Loss per share	**2018 Pence**	2017 Pence
Basic	**(12.950)**	(1.535)

In both years the share options were anti-dilutive as the Group reported a loss in each period.

9. Property, plant and equipment

		Land and buildings			
	Assets under construction £'000	Freehold £'000	Leasehold improvements £'000	Plant, equipment and vehicles £'000	Total £'000
Cost					
Balance at 30 January 2017	51	815	5,266	7,230	13,362
Additions at cost	1	—	47	857	905
Disposals	—	—	(3)	(28)	(31)
Balance at 29 January 2017	**52**	**815**	**5,310**	**8,059**	**14,236**
Depreciation and impairment					
Balance at 30 January 2017	—	265	1,994	2,256	4,515
Depreciation charge for the year	—	40	294	790	1,124
Accelerated depreciation	—	—	272	—	272
Disposals	—	—	—	(13)	(13)
Balance at 29 January 2017	—	**305**	**2,560**	**3,032**	**5,898**
Net book value					
At 28 January 2018	**52**	**510**	**2,750**	**5,027**	**8,338**
At 29 January 2017	51	550	3,272	4,974	8,847

There are no items of property, plant and equipment in the Company.

9. Property, plant and equipment continued
Prior year

	Assets under construction £'000	Land and buildings Freehold £'000	Land and buildings Leasehold improvements £'000	Plant, equipment and vehicles £'000	Total £'000
Cost					
Balance at 1 February 2016	345	815	5,063	4,406	10,629
Additions at cost	51	—	269	2,627	2,947
Disposals	—	—	(66)	(148)	(214)
Transfer	(345)	—	—	345	—
Balance at 29 January 2017	**51**	**815**	**5,266**	**7,230**	**13,362**
Depreciation and impairment					
Balance at 1 February 2016	—	208	1,688	1,549	3,445
Depreciation charge for the year	—	57	310	784	1,151
Disposals	—	—	(4)	(77)	(81)
Balance at 29 January 2017	**—**	**265**	**1,994**	**2,256**	**4,515**
Net book value					
At 29 January 2017	**51**	**550**	**3,272**	**4,974**	**8,847**
At 31 January 2016	345	607	3,375	2,857	7,184

10. Intangible assets

	Other intangibles £'000	Goodwill £'000	Brand £'000	Total £'000
Group				
Cost or deemed cost				
At 30 January 2017	365	10,590	694	11,649
Balance at 28 January 2018	**365**	**10,590**	**694**	**11,649**
Amortisation and impairment				
At 30 January 2017	340	—	340	680
Amortisation charge for the year	25	—	35	60
Impairment Charge	—	10,590	—	10,590
Balance at 29 January 2017	**365**	**10,590**	**375**	**11,330**
Net book value				
At 28 January 2018	**—**	**—**	**319**	**319**
At 29 January 2017	25	10,590	354	10,969

Notes to the Financial Statements continued

(forming part of the financial statements)

10. Intangible assets continued

Prior year

	Other intangibles £'000	Goodwill £'000	Brand £'000	Total £'000
Group				
Cost or deemed cost				
At 1 February 2016	365	10,590	694	11,649
Balance at 29 January 2017	**365**	**10,590**	**694**	**11,649**
Amortisation and impairment				
At 1 February 2016	315	—	305	620
Amortisation charge for the year	25	—	35	60
Balance at 29 January 2017	**340**	—	**340**	**680**
Net book value				
At 29 January 2017	**25**	**10,590**	**354**	**10,969**
At 31 January 2016	50	10,590	389	11,029

There are no intangible assets within the Company. Goodwill is tested for impairment annually.

Acquired brand values were calculated using the royalty relief approach and are amortised over 20 years. The remaining amortisation period is nine years and one month.

The amortisation and impairment charge is recognised in the following line items in the consolidated statement of comprehensive income:

	2018 £'000	2017 £'000
Administrative expenses	**60**	60

Impairment testing

Goodwill is allocated to the Group's cash-generating units as follows:

	2018 £'000	2017 £'000
Crawshaw Butchers Limited	—	10,413
East Yorkshire Beef Limited	—	177

Cash-generating units are defined as the aggregate of the retail stores which have the same supply chain and operating model.

Each allocation is tested annually for impairment and, to confirm whether an impairment of the goodwill is necessary, management compares the carrying value to the recoverable amount. These calculations require the use of estimates to enable the calculation of value in use. The key estimates are noted below.

The recoverable amount of Crawshaw Butchers Limited and East Yorkshire Beef Limited has been calculated with reference to their value in use. The value in use for each allocation of the existing goodwill has been calculated using internal Group budgets and projections for the next 5 years to forecast pre-tax cash flows from each CGU (with the key assumptions being in relation to sales, gross margin and wages – these budgets and projections are based on cash flows from existing assets as per IAS 36 and therefore exclude any contribution from new stores). The cash flows have been extrapolated for a further 5 years assuming an annual average growth rate of 0% to 2028 (2017: 2%) and then 0% into perpetuity (2017: 2%). The pre-tax cash flows have been discounted back to 28 January 2018 using a discount rate of 11.5% (2017: 8.8%).

As a result of this exercise a £10.4m impairment of goodwill allocated to Crawshaw Butchers Limited and a £0.2m impairment of goodwill allocated to East Yorkshire Beef Limited has been recognised, reflecting the reduced cash flows expected following sterling devaluation impact on buying costs and regulatory increases to wage spend.

Sensitivity analysis has been performed on the key assumptions which indicated that no reasonably possible change to key assumptions would change the result of the annual intangible asset impairment assessment.

11. Investments in equity accounted investees

	Group 2018 £'000	Group 2017 £'000
Non-current		
Investment in equity accounted investees	**125**	125

Other investments comprise a 50% share in RGV Refrigeration, a joint venture between Crawshaw Butchers Limited and Mr M Hornsby. The principal place of business for RGV Refrigeration is Unit 4, Sandbeck Way, Hellaby Industrial Estate, Rotherham S66 8QL. The last year end being 30 September 2017. The Group does not exert control over the entity.

The carrying value of investments in equity accounted investees includes £nil (2017: £nil) of outstanding dividend declared by RGV Refrigeration.

The share of profit recognised in the statement of comprehensive income was received in cash in the year.

12. Other investments

	Company 2018 £'000	Company 2017 £'000
Non-current		
Investment in Crawshaw Butchers Ltd	**9,308**	15,548
Investment in East Yorkshire Beef Ltd	**247**	247
Investment in Gabbotts Farm Ltd	**994**	994
Total	**10,549**	16,789

Movement in other investments

	£'000
2017 balance carried forward	**16,789**
Share based payment	**(92)**
Impairment charge	**(6,148)**
	10,549

During the current year, the Group experienced a reduction in profitability as a result of challenging trading conditions which led to a reappraisal of the Group's expectation of future cash flows and an impairment review was carried out in relation to both the non-current assets held at Group level and the parent company investments in subsidiaries.

In assessing the carrying value of parent company investment in subsidiaries, management compares the carrying value to the recoverable amount.

The recoverable amount of the parent company investments in subsidiaries have been calculated with reference to their value in use. These calculations require the use of estimates to enable the calculation of value in use. The key estimates are noted below. The value in use has been calculated using internal Group budgets and projections for the next 5 years to forecast pre-tax cash flows (with the key assumptions being in relation to sales, gross margin and wages - these budgets and projections are based on cash flows from existing assets as per IAS 36 and therefore exclude any contribution from new stores). The cash flows have been extrapolated for a further 5 years assuming an annual average growth rate of 0% to 2028 (2017: 2%) and then 0% into perpetuity (2017: 2%). The pre-tax cash flows have been discounted back to 28 January 2018 using a discount rate of 11.5% (2017: 8.8%).

As a result of this exercise a £6.2m impairment has been recognised on the parent company's investment in Crawshaw Butchers Limited.

Sensitivity analysis has been performed on the key assumptions which indicated that no reasonably possible change to key assumptions would materially change the result of the impairment assessment.

Notes to the Financial Statements continued

(forming part of the financial statements)

13. Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group liabilities 2018 £'000	Group liabilities 2017 £'000
Plant and equipment	**232**	414
Intangible assets – brand	**53**	58
Temporary differences	**(144)**	—
	141	472

Movement in deferred tax during the year

	29 January 2017 £'000	Acquired in the period £'000	Recognised in income current year £'000	**28 January 2018 £'000**
Plant and equipment	420	—	(188)	**232**
Deferred tax relating to intangible assets – brand	58	—	(5)	**53**
Temporary differences	(6)	—	(138)	**(144)**
	472	—	(331)	**141**

14. Inventories

	Group 2018 £'000	Group 2017 £'000
Finished goods	**1,375**	1,469

Finished goods recognised as cost of sales in the year amounted to £25,825k (2017: £24,983k).

15. Trade and other receivables

	Group 2018 £'000	Group 2017 £'000	**Company 2018 £'000**	Company 2017 £'000
Trade receivables	**96**	126	**—**	—
Other tax and social security	**—**	—	**—**	—
Prepayments and accrued income	**684**	661	**13**	10
Amounts owed from group undertakings	**—**	—	**7,002**	2,328
Corporation tax recoverable	**—**	—	**—**	35
	780	787	**7,015**	2,373

The Directors consider that the carrying amount of trade and other receivables approximates their fair value.

The balance owing to the Company represents cash belonging to Crawshaw Group Plc which is held by Crawshaw Butchers Limited to facilitate the day to day running of the business.

15. Trade and other receivables continued

Aged analysis of trade receivables

	28 January 2018			29 January 2017		
	Gross receivables £'000	**Provision for doubtful debt £'000**	**Net trade receivables £'000**	Gross receivables £'000	Provision for doubtful debt £'000	Net trade receivables £'000
Not past due	**76**	**—**	**76**	104	—	104
Up to 1 month past due	**25**	**(5)**	**20**	21	—	21
Over 1 month past due	**2**	**(2)**	**—**	3	(2)	1
	103	**(7)**	**96**	128	(2)	126

Provision for doubtful debt	£'000
Provision at 1 February 2017	(2)
Created during the year	(7)
Utilised during the year	—
Released during the year	2
Provision at 29 January 2018	**(7)**

The release of the provision in the year was credited to the administration expense line in the Income Statement.

Notes to the Financial Statements continued

(forming part of the financial statements)

16. Trade and other payables

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Current:				
Trade payables	**3,315**	3,864	**23**	31
Other creditors and accruals	**1,060**	936	**125**	71
Corporation tax	—	12	—	—
	4,375	4,812	**148**	102
Non-current:				
Accruals	**666**	559	—	—
	666	559	—	—

Trade payables and other creditors comprise amounts outstanding for trade purchases and ongoing costs. The Directors consider that the carrying amount of trade payables approximates to their fair value.

Non-current accruals relate to reverse lease premiums and rent free periods, which are credited to the income statement on a straight-line basis over the lease term.

17. Employee benefits

Pension plans

Defined contribution plans

The Group operates a defined contribution pension plan. The assets of the scheme are held separately from those of the Group in an independently administered fund. The amount charged to the income statement represents the contributions payable to the scheme in respect of the accounting period. Pension costs for the defined contribution scheme are as follows:

	2018 £'000	2017 £'000
Defined contribution scheme	—	—

Share based payments

The Group issues equity settled share based payments to certain employees. Equity settled share based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of the grant. The fair value determined at the grant date of such equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions (with a corresponding movement in equity).

Fair value is measured by use of the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value of the shares issued under the new Long Term Incentive Plan were valued on a discounted cash flow basis in conjunction with a third party valuation specialist.

Share Options

Share options were granted post reverse acquisition on 14 April 2008 to key employees of the enlarged group, Crawshaw Group Plc. In line with the scheme rules, options for employees who leave the business lapse after six months.

The share options in issue all relate to ordinary shares of 5p and are to be settled by the physical delivery of shares are as follows:

Date granted	Exercise price	Number of options at 1 Feb 2016	Granted in period	Exercised in period	Lapsed in period	Number of options at 29 Jan 2017	Exercise period
14 April 2008	42.5p	705,881	—	(294,117)	(411,764)	—	14 April 2008 to 14 April 2018
9 July 2015	59.5p	140,335	—	—	—	140,335	9 July 2015 to 9 July 2025
4 January 2016	82.5p	72,727	—	—	—	72,727	4 January 2016 to 4 January 2026

During the year the Group recognised a charge of £nil (2017: £nil) in relation to equity settled share options in the income statement.

17. Employee benefits continued

Long term incentive plan

Shares were granted under the Crawshaw Group Plc Long-Term Incentive Plan on 24 April 2015 which entitles employees to equity instruments in Crawshaw Butchers Limited. The shares are 'growth shares' in a subsidiary, Crawshaw Butchers Ltd, but have value linked to the market capitalisation of Crawshaw Group Plc. Shareholders are entitled to a maximum pool of 10% of the growth in value of the market capitalisation of Crawshaw Group Plc over the hurdle rate, where the hurdle rate is set as a premium of 15% to market capitalisation immediately prior to the award of the shares.

Shareholders have the option to "put" their Eligible Put Shares on the occurrence of the following events:

- The First and Second Put Dates: Shareholders can put 1/6th of their shares from the first anniversary of the date of grant and a further 1/6th of their shares from the second anniversary of the date of grant.
- The achievement of the Performance Conditions: Shareholders can put 1/3rd of their shares once the market capitalisation of Crawshaw Butchers has increased by 50% since the date of grant. In addition, shareholders can put a further 1/3rd of their shares once the market capitalisation of Crawshaw Butchers has increased by 100% since the date of grant.
- On a voluntary winding up or change of control of Crawshaw Group Plc.

The fair value of the awards is determined by using the Monte Carlo model and allowance has been made for the following assumptions: Expected exercise date, expected volatility of total shareholder return, expected future dividends and the risk free rate of interest. 100,000 simulations were used in the Monte Carlo model and set out below is a summary of the key data.

Date of Grant	24 April 2015
Ave Share price in period prior to grant	53.1p
Volatility of TSR for the Company	60% pa
Dividend Yield	1% pa
Risk Free rate of Interest	1.75% pa
Exercise pattern	Expected exercise between 0 and 10 years

The expected Volatility is wholly based on the historic volatility simulated over differing time periods to the date of grant.

The share based payment charge will be adjusted each financial year to reflect expected and actual achievement of non-market based vesting conditions. The total expense recognised in the Statement of Comprehensive Income is £92,000 (2017: £217,000).

18. Loans and borrowings – Group

	2018 £'000	2017 £'000
Current Hire Purchase	**23**	64
Non-current Hire Purchase	**41**	58

Notes to the Financial Statements continued

(forming part of the financial statements)

19. Financial instruments

The Group's principal financial instruments comprise cash and trade creditors. The main purpose of these financial instruments is to raise finance for the Group's operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group has paid all bank facilities mitigating any risk in interest rate variability.

Credit risk

The Group's principal financial assets are cash and receivables. The Group's credit risk is primarily attributable to trade receivables. Trade receivables are included in the balance sheet net of a provision for doubtful receivables, estimated by the Group's management based on prior experience and their assessment of current economic conditions.

At the balance sheet date, the Directors consider there to be no significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and bank facilities. The cash generative nature of the business is forecast to continue and the bank facilities have been paid in full. The Directors are confident that there will continue to be sufficient headroom to cover liquidity risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

Contractual cash flows

	2018		2017	
	1 year or less £'000	**1 year or more £'000**	1 year or less £'000	1 year or more £'000
Non-derivative financial liabilities				
Finance lease liabilities	**23**	**41**	64	58
Trade and other payables	**4,386**	**666**	4,812	559
Total	**4,409**	**707**	4,876	617

Effective interest rates

In respect of income-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature or, if earlier, are repriced.

Financial Instrument	Effective interest rate	< 1 year £	1 to < 2 years £	2 to < 5 years £	5 years and over £
Cash	0.3%	4,675	—	—	—

20. Capital management

The capital structure of the Group is a mixture of (i) net cash made up of cash balances and (ii) equity comprising issued share capital and reserves as detailed in the statements of changes in shareholders equity.

The Group's primary objective is to safeguard its ability to continue as a going concern, through the optimisation of the debt and equity balance, and to maintain a strong credit rating and headroom. The Group manages its capital structure through detailed management forecasts and clear authorisation procedures for significant capital expenditure. The Board makes appropriate decisions in light of the current economic conditions and strategic objectives of the Group.

There has been no change in the objectives, policies or processes with regards to capital management during the periods ended 28 January 2018 and 29 January 2017.

21. Capital commitments

The Group had no capital commitments at the current and preceding year ends.

22. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2018 £'000	Group 2017 £'000	Company 2018 £'000	Company 2017 £'000
Less than one year	**1,731**	1,676	—	—
Between one and five years	**5,421**	5,495	—	—
More than five years	**3,145**	3,786	—	—
Total	**10,297**	10,957	—	—

The Company leases a number of retail outlets, warehouse and factory facilities under operating leases. Land and buildings have been considered separately for lease classification. During the year £1,896k (2017: £1,646k) was recognised as an expense in the income statement in respect of operating leases.

23. Related party transactions

Transactions with key management personnel

The Board and certain members of senior management are related parties within the definition of IAS 24 (Related Party Disclosures). Summary information of the transactions with key management personnel is provided in note 5 and the Remuneration Report on pages 14-15. There is no difference between transactions with key management personnel of the Company and the Group.

Transactions with subsidiaries

The Company has entered into transactions with its subsidiary undertakings in respect of the following: provision of Group services (including senior management, IT, accounting, purchasing and legal services). Recharges are made to subsidiary undertakings for intra- group balances, based on their amount and interest rates set by Group management. In addition, cash belonging to Crawshaw Group Plc is held by subsidiary companies to facilitate the day to day running of the business. The amount outstanding from subsidiary undertakings to the Company at 28 January 2018 is £7.0m (2017: £2.4m). Amounts owed to subsidiary undertakings by the Company at 28 January 2018 totalled £nil (2017: £nil).

The Company has suffered no expense in respect of bad or doubtful debts of subsidiary undertakings in the year (2017: £nil).

Transactions with jointly controlled entities

Crawshaw Butchers Limited, a subsidiary of the Company, holds a 50% share in a partnership which trades under the name of RGV Refrigeration. The operations of the partnership comprise of the maintenance and repair of refrigeration machinery for a variety of customers.

During the year the transactions amounted to:

	2018 £'000	2017 £'000
Amounts received in respect of management charges	**12**	12
Amounts paid in respect of repair and maintenance services	**138**	130

The amount outstanding from jointly controlled entities to the Group at 28 January 2018 totalled £4,963 (2017: £5,053). Amounts owed joint ventures by the Group at 28 January 2018 totalled £17,412 (2017: £9,363).

The Group has suffered no expense in respect of bad or doubtful debts of jointly controlled entities in the year (2017: £nil).

Transaction with other related parties

In May 2017 Crawshaw Group Plc entered into a supply chain partnership with the 2Sisters Food Group. Crawshaw Group Plc subsequently entered into a subscription agreement with Invest Co 1 in which they acquired 29.72% of the issued share capital of Crawshaw Group Plc. 2Sisters Food Group and Invest Co 1 are controlled by Ranjit and Baljinder Boparan. 2Sisters Food Group are therefore considered to be a related party of Crawshaw Group Plc. Since the start of the agreement, the value of purchases from 2 Sister Food Group to 30 July 2017 was £1,323k and a balance of £118k was owed by Crawshaw Group Plc to 2Sisters Food Group at the end of the period. There were no sales made by Crawshaw Group Plc to 2Sisters Food Group from the start of the agreement.

Notes to the Financial Statements continued

(forming part of the financial statements)

24. Exceptional costs in relation to unusual items of expenditure

Exceptional costs are defined as one off costs incurred in the year which are of a non-recurring nature.

Exceptional costs incurred:

	2018 £'000	2017 £'000
Bank facility arrangement fees and non-utilisation charges	**—**	40
Share placing	**391**	—
Store closure provision	**156**	—
Accelerated depreciation in relation to store closures	**272**	—
Other	**—**	23
	819	63

All of these costs are included within administration expenses in the statement of comprehensive income.

25. Subsidiary undertakings

At 28 January 2018 Crawshaw Group plc had the following subsidiary undertakings:

Crawshaw Holdings Limited – United Kingdom – Non-trading subsidiary
Crawshaw Butchers Limited – United Kingdom – Retail Butchers
East Yorkshire Beef Limited – United Kingdom – Retail Butchers
Gabbotts Farm (Retail) Limited – United Kingdom – Retail Butchers
Gabbotts Farm Ltd – United Kingdom – Non-trading subsidiary
MeatMart Ltd – United Kingdom – Non-trading subsidiary

All the above subsidiary undertakings have the following registered office:

Unit 4, Sandbeck Way, Hellaby Industrial Estate, Rotherham, S66 8QL

The shareholdings were 100% of the subsidiary undertakings' ordinary and preference shares. Each of the subsidiaries is included in the consolidated financial statements.

26. Ultimate parent company

The Company is the ultimate parent company of the Group.

No other group financial statements include the results of the Company.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of Crawshaw Group Plc No. 4755803 (the "Company") will be held at Unit 4, Hellaby Industrial Estate, Sandbeck Way, Rotherham, S66 8QL on Wednesday 27 June 2018 at 12.00 noon at which resolutions 1 to 3 will be proposed as ordinary resolutions and resolutions 4 to 6 will be proposed as special resolutions:

ORDINARY BUSINESS

1. To receive and, if approved, adopt the financial statements of the Company for the 52 weeks ended 28 January 2018 and the reports of the Directors and auditors thereon.
2. To re-elect Mark Naughton-Rumbo as a Director of the Company, who retires in accordance with Article 27.3 of the Articles of Association of the Company.
3. To reappoint KPMG LLP as the auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company, and to authorize the Directors to fix their remuneration.

SPECIAL BUSINESS

4. THAT in substitution for all other previous authorities which are hereby revoked the Directors be and they are hereby generally and unconditionally authorised (in substitution for any existing such powers) for the purposes of section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company or to grant rights to subscribe for or to convert any security into shares in the Company (Rights) up to an aggregate nominal amount of £1,883,750.80 (37,675,016 ordinary shares of 5p each) provided that this authority, shall expire 15 months from the date of this Resolution or at the conclusion of the Company's next Annual General Meeting, if earlier and that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted or Rights to be granted after such expiry and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred hereby has expired.
5. *THAT subject to the passing of resolution 4 and in substitution for all previous authorities which are hereby revoked the Directors be and they are hereby empowered* (in substitution for any existing such powers) pursuant to section 570 of the Act to allot equity securities for cash pursuant to the authority conferred by resolution 6 as if section 561 (1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

   (a) in connection with an offer of such securities by way of rights to holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal or practical problems under the laws of any territory, or the requirements of any regulatory body or stock exchange; and

   (b) otherwise than pursuant to sub-paragraph 5 (a) above up to an aggregate nominal amount of £565,125.25 (11,302,505 ordinary shares of 5p each) provided that this authority shall expire 15 months from the date of this Resolution or at the conclusion of the Company's next Annual General Meeting if earlier, and that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred hereby has expired and in this Resolution the expression "equity securities" and references to the allotment of equity securities shall bear the same respective meanings as in section 560 of the Act.
6. THAT the Company is generally and unconditionally authorised pursuant to section 701 of the Act to make market purchases (as defined in section 693 of the Act) of ordinary shares of 5 pence each in its capital, provided that:

   (a) The maximum aggregate number of such shares that may be acquired under this authority is 11,302,505 representing 10% of the aggregate of the Company's issued share capital at 24 April 2018;

   (b) The minimum price (exclusive of expenses) which may be paid for such a share is 5p (being its nominal value);

   (c) The maximum price (exclusive of expenses) which may be paid for such a share is five per cent above the average of the middle market quotations for an ordinary share taken from AIM for the five business days immediately preceding the date on which the share is contracted to be purchased or, in the case of a tender offer, the terms of the tender offer are announced;

   (d) This authority shall expire 15 months from the date of this Resolution or, if earlier, on the conclusion of the Company's next Annual General Meeting; and

   (e) Before such expiry the Company may enter into a contract to purchase shares that would or might require a purchase to be completed after such expiry.

By Order of the Board.

Alan Richardson
Chief Financial Officer and Company Secretary
24 April 2018

Registered Office:
Unit 4, Sandbeck Way
Hellaby Industrial estate
Rotherham
South Yorkshire S66 8QL

Notice of Annual General Meeting continued

Notes:

1. Any member of the Company entitled to attend and vote at this meeting may appoint a proxy to attend and, on a poll, to vote in his stead. The proxy need not be a member of the Company.
2. Members may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy you may photocopy the form of proxy enclosed with this notice. If you do so, please indicate the name of the proxy and the number of shares in relation to which they are authorised to act as your proxy.
3. To be valid a form of proxy, together with a power of attorney or other authority, if any, under which it is executed or a notarial certified copy thereof, must be deposited at the Company's Registrars, Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU not less than 48 hours before the time for holding the meeting or adjourned meeting. A form of proxy is enclosed with this notice and instructions for use are shown on the form.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of any other joint holders. For these purposes, seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding.
5. In the case of a corporation, the form of proxy must be executed under its common seal or signed on its behalf by a duly authorised attorney or duly authorised officer of the corporation.
6. Only those members entered on the register of members of the Company at close of business on 25 June 2018 or, in the event that this meeting is adjourned, in the register of members as at close of business on the day two days before the date of any adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of ordinary shares registered in their names at that time. Changes to the entries on the register of members by the close of business on 25 June 2018 or, in the event that this meeting is adjourned, in the register of members before the close of business on the day two days before the date of the adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.
7. Completion and return of the form of proxy will not preclude members from attending or voting in person at the meeting if they so wish.
8. Copies of the service agreements and/or the appointment letters of the Directors of the Company will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays and public holidays excluded) from the date of this notice until the date of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and until the conclusion of the Annual General Meeting.
9. As at the date of this Notice the issued share capital of the Company comprised 113,025,049 ordinary shares. Each ordinary share carries the right to one vote at the Annual General Meeting and therefore the total number of voting rights in the Company as at the date of this Notice is 113,025,049.

Form of Proxy

For the Crawshaw Group Plc Annual General Meeting Wednesday 27 June 2018 at 12.00 noon:

I /We
(NAME IN FULL BLOCK CAPITALS)

being (a) member(s) of the above-named Company, hereby appoint the Chairman of the Meeting or (see note 6)

as my/our proxy to attend for me/us and on my/our behalf the Annual General Meeting of the Company to be held at Unit 4, Hellaby Industrial Estate, Sandbeck Way, Rotherham, S66 8QL on Wednesday 27 June 2018 and at any adjournment thereof.

I/We direct that on a poll my/our proxy shall vote on the resolutions to be proposed at the meeting as indicated below, and may vote and/or abstain as he or she thinks fit on any other business properly dealt with at the meeting.

	FOR	AGAINST	VOTE WITHHELD
ORDINARY BUSINESS			
1. Ordinary resolution to receive and adopt the accounts for the year ended 28 January 2018			
2. Ordinary resolution to re-elect Mark Naughton-Rumbo as a Director			
3. Ordinary resolution to reappoint KPMG LLP as auditors and to authorise the Directors to fix their remuneration			
SPECIAL BUSINESS			
4. Ordinary resolution to authorise the Directors to allot relevant securities pursuant to section 551 of the Companies Act 2006 (the "Act")			
5. Special resolution to empower the Directors to allot equity securities as if section 561 (1) of the Act did not apply			
6. Special resolution to authorise the Directors to make market purchases of the Company's shares pursuant to section 701 of the Act			

PRINT NAME: ____________________

☐ Please tick here if you are appointing more than one proxy.

Signature(s): ____________________

Date: ____________________ 2018

Form of Proxy continued

Notes:

1. Please indicate with a cross in the appropriate box how you wish the proxy to vote. In the absence of any indication, the proxy will exercise his/her discretion as to whether and how he/she votes.
2. If you mark the box "vote withheld", it will mean that your proxy will abstain from voting and, accordingly, your vote will not be counted either for or against the relevant resolution.
3. To be effective, this proxy form, together with any power of attorney or other written authority under which it is signed, or a notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971, of such power or written authority must be completed, signed and deposited with Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU by or not later than 12 noon on 25 June 2018.
4. Your proxy can vote for you on a poll. Your proxy can, depending on your shareholding, demand (or join in demanding) a poll on any or all of the resolutions proposed.
5. A corporation must execute this proxy form either under its common seal or under the hand of an officer or attorney duly authorised in writing.
6. If you wish to appoint any other person as proxy delete the words "the Chairman of the Meeting" and add the name of the proxy appointed. A proxy need not be a member of the Company. If you complete the proxy form but do not delete the words "the Chairman of the Meeting" and you do not appoint another person as proxy, the chairman shall be entitled to vote as proxy. In the absence of any specific direction, a proxy shall be deemed to be entitled to vote in respect of all the shares in the relevant holding.
7. In the case of joint holders, the signature of any one holder will be sufficient but the names of all the joint holders should be stated and the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority will be determined by the order in which the names stand in the register of members in respect of the shares.
8. Any alteration to this form must be initialled.
9. Returning the proxy form will not prevent you from attending the meeting and voting in person.
10. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting and any adjournment(s) of it by using the procedures described in the CREST Manual. CREST personal members, sponsored CREST members and CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action for them. To complete a valid proxy appointment or instruction using the CREST service, the CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must in order to be valid, be transmitted and received by Link Asset Services (Participant ID RA10) 48 hours before the time fixed for the meeting (or adjournment thereof). The time of receipt of the instruction will be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Link Asset Services are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will apply to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s) to ensure that his CREST sponsor or voting service provider(s) take(s) the necessary action to ensure that a message is transmitted by means of the CREST system by a particular time. CREST members and, where applicable, their CREST sponsors or voting service provider(s) should refer to the sections of the CREST Manual concerning practical limitations of the CREST system and timings.
12. The Company may treat a CREST Proxy Instruction as invalid as set out in Regulation 35 (5) (a) of the Uncertificated Securities Regulations 2001.

Directors and Advisors

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Jim McCarthy (Non-Executive Chairman)
Noel Collett
Alan Richardson
Stephen Henderson (Non-Executive)
Mark Naughton-Rumbo (Non-Executive)

Company Secretary
Alan Richardson

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