Crawshaw Group Plc

Annual Report
52 weeks ended 31 January 2016

CRAWSHAWS

Our Business at a Glance

Our locations

Number of stores

39

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

Average numbers of employees during the year

452

The average number of employees in the year was 53% higher than the prior year due to the increased number of outlets.

- New trading stores in year
- Stores at 31 January 2015

Stores

Arndale	Arndale Centre
Ashton Under Lyne	The Arcades
Astley	Fresh Meat Factory Shop
Barnsley	Barnsley Beef Co
Barnsley	Barnsley Market
Belle Vale	Belle Vale Shopping Centre
Birkenhead	Grange Precinct
Bolton	Newport Street
Bury	Millgate Centre
Castleford	Carlton Street
Chesterfield	Pavements
Chorley	Chorley Market
Derby	Westfield
Doncaster	Frenchgate
Gainsborough	Market Square
Grimsby	Top Town
Hellaby	Hellaby Industrial Estate
Huddersfield	New Street
Hull	Whitefriargate
Hull	Bransholme
Hyde	Market Place
Leeds	Leeds Market
Leeds	Bramley
Leeds	Merrion Centre
Lincoln	Lincoln Market
Loughborough	Market Place
Mansfield	Westgate
Pocklington	Market Place
Retford	Carolgate
Rochdale	Yorkshire Street
Rotherham	Howard Street
Salford	Salford Shopping City
Scunthorpe	Warren Road
Sheffield	The Moor
St Helen's	Church Square Centre
Stockport	Mersey Square
Stretford	Arndale Centre
Wakefield	The Ridings Centre
Worksop	The Priory Centre

Vision

To rapidly grow Crawshaws into a nationally recognised brand by delighting customers with our great quality fresh meat at affordable prices.

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 39 retail outlets across the North and North West with an ambitious and realistic growth strategy to open 200 stores in the next six to eight years.

Awards and accreditation

Gold awards

Six gold awards by BPEX for pork product excellence.

Shop food hygiene

The environmental health rating range is from 0-5.
We have 29 shops on five stars (which is classed as very good) and ten shops on four 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.

What's inside?

Strategic Report

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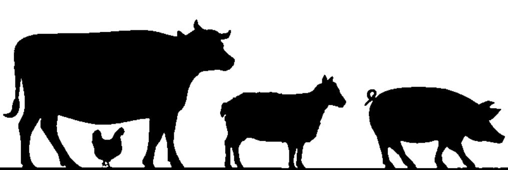


Chairman's Statement

"Another strong year for the business with record sales growth and our accelerated store rollout programme very much on track."

Total sales

£37.1m

Sales growth full year 2015/2016

+51%

Trading performance highlights

- 51% increase in Group turnover to £37.1m (2015: £24.6m)
- 45% increase in adjusted* EBITDA to £2.6m (2015: £1.8m)
- EBITDA** £1.0m (2015: £1.6m)
- LFL sales growth of +1.8% (2015: +5%)
- 39 trading stores at year end (2015: 22 trading stores)
- Statutory loss before tax of £0.3m (2015: profit before tax £1.2m)
- Cash balances of £4.9m at 31 January 2016 (£9.1m at 31 January 2015) following the acquisition of Gabbots Farm Limited
- Final dividend of 0.47p (2015: 0.47p)

Crawshaw Group has delivered an underlying strong performance for the twelve months to 31 January 2016 with continued trading momentum and profitable growth.

* Adjusted EBITDA is defined by Group as EBITDA before "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 £1.6m (2015: £0.2m) resulting in an adjusted EBITDA of £2.6m (2015: £1.8m).

** 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 share based payment charges attributable to the LTIP Growth Share Scheme.

Results and strategic progress
This was a transformative year as the new management team prepared the business for the planned increased pace of expansion and at the same time delivered a record sales performance with total sales increasing by 51% to £37.1m. I am delighted with the progress that has been made so far with a number of key milestones being achieved, most notably the acquisition, integration and rebranding of the Gabbotts Farm Ltd business in H1 and the opening of six new Crawshaws stores. Both of these growth drivers have contributed positively to our EBITDA development and are performing in line with our expectations.

I am therefore pleased to report a 45% increase in our adjusted EBITDA performance as the strong sales growth is being converted into strong profit growth. A particular highlight has been the gross margin progression which strengthened further to 45.1% (2015: 44.4%). EBITDA post accelerated opening costs reduced as expected to £1.0m (2015: £1.6m) as we increased our overhead to invest in growth.

In the year under review we report a statutory loss before tax of £0.3m (2015: £1.2m profit before tax). It's worth reiterating the reasons for this loss. Opening in excess of 15 new stores a year is no simple task, especially bearing in mind our stores are quite complex having both a fresh and food-to-go element. So we have built an internal resource in advance to allow us to find the retail sites, recruit and train the new staff, manage the pre-opening tasks and marketing, and to ensure that for each opening we hit the ground running.

This resource is now largely in place, and so our accelerated opening programme is in full force. But this resource cost us £1.6m in the year under review, and so it needs to be identified separately so that the true underlying performance of the business becomes visible. It's also worth highlighting that new shops are expected to trade profitably from day one and, when mature, produce, on average, over £1m of sales per year, and an EBITDA contribution of £140,000.

Cash
The cash position of the business continues to be extremely robust. Operating cash flow and movements in working capital generated £2.2m which almost entirely funded the £2.3m of capital investment in new stores, refurbishments of legacy stores and investment in our factory production equipment in the year. The net £4.2m decrease in cash balances was a function of our acquisition of Gabbotts Farm Ltd, dividend payments and tax payments in the year. With a closing cash balance of £4.9m and continued focus on working capital improvements, we have the funds in place to deliver on our growth plan.

People
I would like to thank all of our 562 colleagues for their effort and commitment during this exciting time for our business. Since Noel joined Crawshaws as Chief Executive Officer in March 2015, he has successfully and carefully restructured and expanded the management team to ensure that we have the appropriate balance of expertise and dynamic to deliver our growth plan.

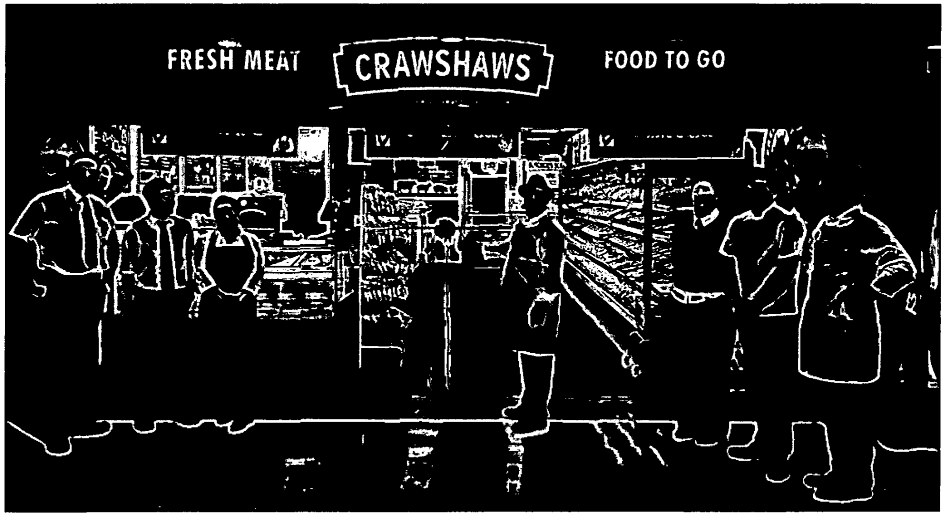
Outlook
Since my last statement, we continue to see strong sales growth on last year. Total Group sales for the first seven weeks of the new financial period have increased by +64%. The cash gross margin in LFL stores has increased by 3.8% in the same seven week period, 3.7% through an increase in margin rate and 0.1% through an increase in sales volume.

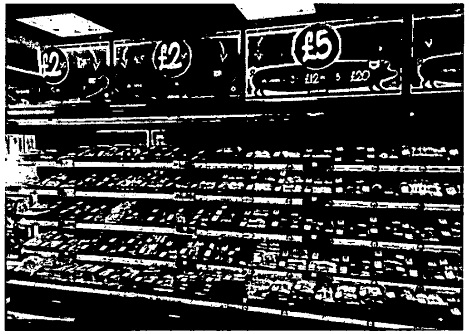
Our model continues to perform well. The business is at a very exciting stage with the strengthening of the legacy estate supplemented by the addition of a rapidly expanding new store estate. The newly opened stores are trading well, and profitably, in line with our expectation. The business is in great shape to deliver the planned scale rollout at pace and we have a strong pipeline of stores for 2016, so we look forward to reporting on our progress during the year ahead. In fact we have already opened five new stores during the current year, and these are also performing as expected.

We are pleased to declare the payment of a final dividend for the year of 0.47p per share, which together with the interim dividend of 0.10p per share, paid on 30 October 2015, takes the total dividend for the year to 0.57p per share (2015: 0.57p per share). Shareholder approval will be sought at the Annual General Meeting, to be held on 29 June 2016, to pay the final dividend on 5 August 2016 to shareholders on the register 8 July 2016. The ex-dividend date will be 7 July 2016. As with last year, shareholders will have the opportunity to elect to reinvest their cash dividend and purchase existing shares in the Company through a Dividend Reinvestment Plan ("DRIP").

In summary, the foundations for our accelerated growth are in place and the rollout is very much underway. We now have a strong resource that will enable us to deliver another year of rapid expansion and profitable growth. We are therefore very confident and excited about the future.

Richard Rose
Chairman
26 April 2016


FRESH MEAT
CRAWSHAWS
FOOD TO GO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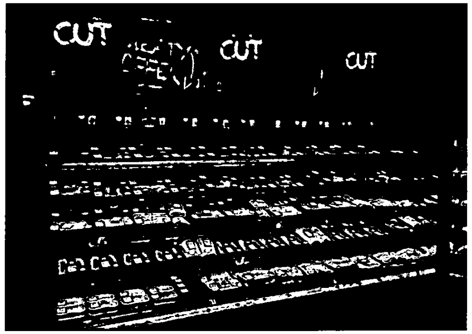
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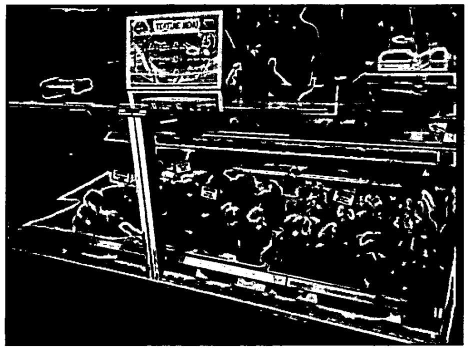

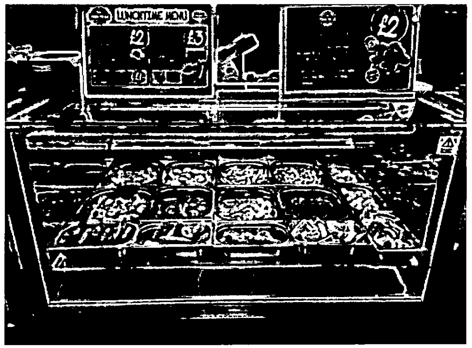
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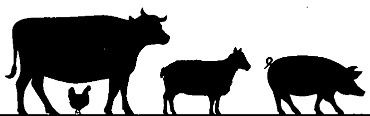


Chief Executive Officer's Review

"We have successfully delivered across all strategic pillars during a transformative 2015 and we look forward to a year of rapid expansion and further profitable growth."

Trading stores at year end

39

Net promoter score of

94%

Strategic pillars for 2016

1. Driving profitable sales
- Successful relaunch of fresh meat range
- Factory producing record levels of premium homemade quality produce
- Expanded food-to-go with the introduction of butchers kitchen brand
- New marketing activities and developing social media presence

2. Disciplined growth strategy
- 17 stores added in FY 2016
- Expanded geographical coverage into North West
- Pipeline targeting heartlands and new catchments in Birmingham and Midlands
- Location strategy in line with current portfolio including a standalone factory shop

3. New store performance
- New stores performing in line with expectations
- Stores trade profitably from opening
- Customer insight indicates net promoter score of 94
- New marketing initiatives to accelerate loyalty build

Introduction
Since joining the business in March 2015, I continue to be extremely impressed with our colleagues who are totally committed to maintaining the values of the Company and ensuring we consistently offer great quality fresh meat and food-to-go at affordable prices.

I have also been impressed by the way the team have embraced the changes and challenges during this transformative year in developing the infrastructure to support our rapid growth strategy. We are now well positioned to leverage our unique retail concept and accelerate the pace of rollout to establish Crawshaws as a national brand.

Transformative year
We have made significant progress during 2015 in developing the capability, structure and discipline throughout the business to channel our entrepreneurial spirit in delivering consistent results for our customers, shareholders and colleagues.

The preparations in delivering our growth plans has required strategic investments in key roles and skills within the Executive Team to achieve the optimal balance in experience and expertise. Our Plc Board has been strengthened with the appointment of Alan Richardson as Chief Financial Officer and Kevin Boyd as Chief Commercial Officer, and our Senior Team has been strengthened with key appointments in HR, Training, Facilities, Retail Operations, IT and Finance. Additionally, we recruit and train the teams required to staff our new stores ahead of each opening with the result that each new stores trades profitably from its very first day.

These appointments represent an important investment ahead of our accelerated growth to ensure that we are capable of delivering this plan with structure, control and discipline. Given that this overhead is exclusively focused around the opening of new stores, they are regarded as "accelerated opening costs". It is therefore important to highlight and exclude these to show the underlying performance when evaluating the profitability and returns of the legacy business, which demonstrates that our stores continue to be very profitable, with each store converting £1m annual sales into an EBITDA contribution of 14%.

As we open more and more stores, the accelerated opening costs, and indeed the fixed element of our central overhead, will become a smaller proportion of the whole.

Revenue growth
For the twelve months to 31 January 2016, Group revenue increased by 51% from £24.6m to £37.1m. This strong growth was supported both by contributions from our LFL stores and from our 17 new stores in the year, which includes the eleven stores acquired from Gabbotts Farm Ltd (which have been rebranded Crawshaws).

LFL sales were +1.8% for the full year, with H2 LFL sales of +2.6% building on the +1% LFL sales in H1. This achievement was very pleasing, particularly given the disruption and challenging high street footfall patterns caused by the prolonged adverse weather conditions in the North of England throughout November and December. And it was also particularly pleasing given that we were able to further increase our gross margin.

We have continued this growth momentum into the new financial year with total Group sales in the first seven weeks of the new financial year increasing by +64% and LFL also performing positively at +0.1% for the same period, again with a further improvement in gross margin.

New capabilities and opportunities
Looking at the opportunities ahead, we have identified the key elements in successfully delivering our accelerated rollout:

(a) **Acquiring the right sites at the right price**
(b) **Converting sites efficiently with a shop fit-out that meets our high operational standards**
(c) **Ensuring that we have the trained colleagues delivering the great Crawshaws' customer service**
(d) **A logistics and production capability to ensure our stores have sufficient product to serve our customers**

We have made significant progress in developing the capability to deliver on all these fronts through our newly strengthened management structure. We have also developed and expanded key strategic partnerships within the areas of property, facilities, recruitment and supply chain. This approach has quickly become established in the business and is already demonstrating our capability to deliver a run-rate target of one new store opening every three weeks.

Strategic pillars for 2016
1. Driving profitable sales
We continue to work very hard to give our customers great quality fresh meat at affordable prices, which drives their loyalty and underpins our sales momentum.

During the course of the year we have made great progress in developing and standardising our retail proposition across the entire estate. This has included the successful relaunch of our fresh meat range and our legendary fixed price multi-save offers, as well as providing extra value to customers through our new weekly "Manager's Meaty Cut" promotions.

With our factory now producing record-levels of premium quality homemade produce, almost 20 tonnes per week, we will continue with the capital expenditure in our factory production equipment to ensure we have the capability to further increase our fantastic award winning homemade premium fresh meat offer. With this investment and our internal butchery expertise, we will introduce a widened premium range of lean steak burgers, premium pork and apple burgers, a variety of new recipe sausages, lean steak meatballs, lean steak kebabs and grill sticks and much more. This unique vertically integrated production capability allows us to continue to offer a very high quality product at value prices in large volumes.

In parallel, we plan to further expand and enhance our food-to-go range with the introduction of the "Butchers Kitchen" brand, which provides the platform to showcase the quality of our fresh meat produce presented to our customers, cooked and ready to eat on-the-go.

In addition to these profitable sales opportunities, we will continue to invest in other key initiatives in the coming year to maintain existing customer loyalty and achieve new customer acquisitions, such as new marketing activities and developing a social media presence.

2. Disciplined growth strategy
The core part of the Group's strategy is to rapidly increase the number of stores and spread the geographical presence of the Crawshaws brand in a disciplined manner.

We have successfully added 17 more stores to the Group during the last year taking our portfolio to 39 stores, which has also expanded our geographical coverage to the North West of England.

Our pipeline strategy will also see us adding new stores in catchment areas across our heartlands of Yorkshire and the North West. Furthermore, we will be opening small clusters of stores in entirely new catchments in the Midlands and Birmingham areas. The locations of our stores will continue to be a representative spread of our current portfolio, which will see us opening a blend of stores on the high streets, in shopping centre locations and will include a standalone factory shop.

3. New stores performance
Our recently opened new stores are performing in line with expectations, contributing profitably from day one and are further expected to grow in sales and contribution as they mature. The sales profile of our new stores is shaped such that food-to-go sales reach maturity very soon after opening as passing customers quickly build visits into their routines enjoying the quality "Butcher's Kitchen" range. On fresh meat, we experience a gradual increase as customers experiment with the range and build confidence and loyalty over a slightly longer time period.

Our customers are very loyal, and recent customer insight data indicates a market leading Net Promoter Score (NPS) of 94. This data has indicated that those customers who buy fresh meat tend to reward us with the majority of their meat spend – we have therefore developed a series of new store opening marketing initiatives to incentivise customers to try the full breadth of our fresh meat offer and accelerate the pace with which we are able to convert them into loyal fresh meat shoppers. This approach was first trialed in our 40th store opening at Birchwood and initial results are also very encouraging.

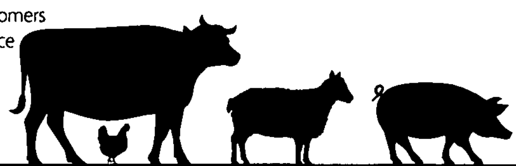
Our people make the difference
As part of our listening, our customers have told us that they choose Crawshaws over other destinations due to a combination of quality, price and service. We are a people business and our 562 colleagues continue to be dedicated to creating the environment and atmosphere that our customers really value. Our achievements would not be possible without our colleagues and I am immensely proud of their commitment and passion in delivering amazing value to our customers every day.

Looking forward
Looking forward to the year ahead, whilst the wider economic climate looks likely to remain challenging, we have demonstrated that we are well positioned to succeed against this backdrop. We will continue to manage the business tightly during this exciting period of accelerated growth and we will remain focused on ensuring our retail proposition delights the customers that choose or need to shop with us.

We have already opened five new stores in the current year (in Birchwood, Blackburn, Cannock, Warrington and Widnes), and have a pipeline at various stages. We are therefore confident of meeting our target of 15 new stores for the year.

We look to the future with great confidence and excitement.

Noel Collett
Chief Executive Officer
26 April 2016



Chief Financial Officer's Review

"We have made significant improvements to our cash flow management and business wide systems and control infrastructure creating a strong platform to deliver our rapid growth plans."

Cash on hand

£4.9m

Creditor days

59

Revenue and gross profit
Total revenue for the Group increased by 51% to £37.1m (2015: £24.6m) with the growth being supported by contributions from our LFL stores and 17 new stores in the year.

Gross profit margins have further developed in the year to 45.1%, a 70bps increase on 2015. The Group's gross margin was positively impacted by the Gabbotts Farm acquisition and the higher margin through their higher participation of food-to-go. In addition, the meat pricing environment has been favourable in the year which has allowed us to give value to customers through targeted promotional activity whilst positively contributing to EBITDA.

Presentation of results
To present a clear view of performance of the Group in total and the costs directly driven by the growth strategy, we present an adjusted EBITDA number which excludes accelerated opening costs – adjusted EBITDA is our primary internal measure when assessing Group performance.

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 £1.6m (2015: £0.2m) and are analysed by component of spend in the table below.

Adjusted EBITDA

	2016 £	2015 £
EBITDA*	**1,013,727**	1,573,174
Accelerated opening costs	**1,558,316**	205,080
Adjusted EBITDA	**2,572,043**	1,778,254

* Reconciled to operating loss on the face of the Statement of Comprehensive Income.

Accelerated opening costs

	2016 £	2015 £
Salaries	**814,089**	48,000
Board restructure	**195,098**	–
New store pre-opening costs	**147,148**	–
Consultancy (property/recruitment)	**296,873**	57,000
Other	**105,108**	100,080
Total	**1,558,316**	205,080

Profit before tax "PBT" and earnings per share "EPS"
The Group delivered a loss before tax of £0.3m (2015: £1.2m profit) as we incur additional costs to deliver our growth plan and we recognised an IFRS 2 shared based payment charge through the income statement of £0.4m (2015: nil). This translated to a negative EPS as expected at (0.342)p per share (2015: 1.301p per share).

Operational overheads

Operational overheads are defined as the administrative expenses of the Group less accelerated opening costs, exceptional costs, impairment, depreciation and 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 38% (2015: 37%). This reflects the higher margin, higher cost base model of the Gabbotts Farm stores and a small dilution from new stores where initial cost ratios are higher as the stores trade through their sales maturity profile.

Operational overheads

	2016	2015
	£	£
Administrative expenses	**17,114,642**	9,802,982
Accelerated opening costs	**(1,558,316)**	(205,080)
Depreciation and amortisation	**(930,065)**	(436,372)
Share based payment	**(359,592)**	–
Exceptional costs	**(105,367)**	–
Operational overheads	**14,161,302**	9,161,530
Operation overheads % of sales	**38%**	37%

Control environment and management information

To deliver the growth plan with the necessary control and discipline requires an appropriate platform. Whilst the tools and control environment currently in place have served the business well, they were not sufficiently scalable. As a result, we have started to implement Microsoft Navision as our core Enterprise Resource Planning ("ERP") system. We are part way through the implementation of Phase 1 which will deliver a common warehouse management and financial accounting/control platform which will be complete in H1 FY 2017. Further developments are planned to integrate store ordering and sales reporting.

In addition to our ERP implementation, we are also significantly developing our management information capability. All new stores (including the six organic new stores in FY 2016) are being launched with EPOS tills. These provide us with the granular transaction and item level detail we need to optimise sales and profit performance going forward.

Cash flow

Our cash flow position remains strong with £4.9m cash at the end of the financial year. Cash control has been a significant focus for the business with creditor term extensions being agreed with key strategic partners on both meat supply and shop fit out. This has successfully increased creditor days to 59 days (2015: 46 days). Alongside the positive working capital benefits of the new stores opened in the year, this has allowed us to broadly fund the organic expansion of 6 new stores from operational cash flow with the overall net £4.2m decrease in cash being used to fund the Gabbotts Farm acquisition and pay dividends and tax in the year.

Given the scale of our expansion plans, we have also reviewed our capital allowance position which has resulted in a tax repayment of £148,000 in February 2016.

Summary

The Group has made good progress on executing the growth plan in the year delivering both profitable sales growth from the legacy operation and successfully adding 17 trading stores to the store estate. We have made significant improvements to our cash flow management and business wide systems and control infrastructure creating a strong platform to deliver our rapid growth plans.

Alan Richardson
Chief Financial Officer
26 April 2016

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 39 retail locations across Yorkshire, Lincolnshire, Nottinghamshire, Derbyshire and the North West.

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.

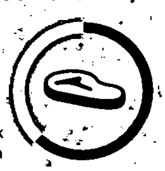
We have our own distribution centres where we control additional processing and logistics as well as the production of our very own award winning sausages.

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 – 62%

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.



Hot and cold cooked food – 38%

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.

Operational strategy

The Board is focussed 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 in particular, as we split into two complementary retail areas, we cover two distinct customer types rather than relying on one product, one customer 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 have improved again in the year with 100% of the business being on 4 (Good) and 5 (Very Good) scores; 26% on four stars and 74% on five stars. Our factories have also consistently maintained standards whilst increasing throughput to match the increases in sales.

There has been 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.

Risk Management and KPIs

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

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 two to four weeks. All purchases of goods are made in sterling. Whilst the volatility of international currency markets and their impact on spot raw material prices in sterling is an ongoing issue, the flexibility to source globally provides a level of mitigation.

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 2016 Strategic Report from IFC to page 09 has been reviewed and approved by the Board of Directors on 26 April 2016.

Alan Richardson
Chief Financial Officer
26 April 2016

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

£37.1m

2016 37.1
2015 24.6

After trade discounts and excluding VAT

Gross profit

45.1%

2016 45.1
2015 44.4

Gross profit as a percentage of revenue

Adjusted EBITDA*

£2.6m

2016 2.6
2015 1.8

Adjusted pre tax profit before interest, taxation, depreciation and amortisation

EBITDA

£1.0m

2016 1.0
2015 1.6

Pre tax profit before interest, taxation, depreciation and amortisation

EPS

(0.342p)

2016 (0.342)
2015 1.30

Profit after tax divided by the average number of shares in issue

Turnover/average number employees

81,992

2016 81,992
2015 83,174

Sales per employee

Operational overheads %**

38%

2016 38
2015 37

Total overheads as a percentage of revenue

* 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, 'accelerated opening costs' and share based payment charges attributable to the LTIP Growth Share Scheme. Accelerated opening costs are defined by the Group as the investments in people, processes and systems in the year to provide the building blocks for future growth.

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

Board of Directors

Richard Rose
Chairman

Age 60

Appointment Richard was appointed to the Group as Chairman in April 2007.

Richard was appointed Chairman of Crawshaw Holdings Limited (Crawshaw Holdings) in April 2007. He became Non-Executive Chairman of the Company (Crawshaw Group Plc) on 1 September 2006 (at such time being called Felix Group Plc). In April 2008, Crawshaw Holdings was acquired by the Company through a reverse takeover as a result of which the Company was renamed Crawshaw Group Plc.

Noel Collett
Chief Executive Officer

Age 41

Appointment Noel recently joined Crawshaws as Chief Executive Officer in March 2015.

Noel joined Crawshaws as Chief Executive Officer in March 2015 having 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 last twelve years has 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 39

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

Alan joined Crawshaws as the Chief Financial Officer in September 2015 having spent five years at Morrisons, most recently as Finance Director Retail & Logistics. Previous to that, Alan spent eight years at Asda in various senior finance roles following his qualification as a Chartered Accountant at KPMG.

Kevin Boyd
Chief Commercial Officer

Age 47

Appointment Kevin joined Crawshaw Butchers Limited (Crawshaw Butchers) in 1990.

Kevin has 25 years' service with Crawshaws in various senior operational roles, the last eight of which have been on the Board of Directors.

Mark Naughton-Rumbo
Non-Executive Officer

Age 55

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 financial and commercial 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 was Chief Executive Officer of Whittard of Chelsea PLC between October 2004 and February 2006, Financial and Commercial Director of Select (Retail) Limited between May 2007 and January 2008 and is currently Chief Executive Officer (Business & Strategy) of A|Wear Limited, an Irish womenswear brand.

Company Secretary
Alan Richardson

Company Number
04755803

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

Auditors
KPMG Audit Plc
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Bankers
Royal Bank of Scotland plc
Yorkshire Corporate Banking
3rd Floor
2 Whitehall Quay
Leeds
LS1 4HR

Nominated Adviser and Broker
Peel Hunt LLP
120 London Wall
London
EC2Y 5ET

Registrars and Receiving Agents
Capita Asset Services
Northern House
Woodsome Park
Fenay Bridge
Huddersfield
HD8 0GA

Solicitors
Atticus Legal LLP
Castlefield House
Liverpool Road
Castlefield
Manchester
M3 4SB

Directors' Report

The Directors present their Annual Report on the affairs of the Group together with audited financial statements for the 52 weeks ended 31 January 2016 (2015: 53 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 26 April 2016.

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 Chief Executive Officer's Statement and the Strategy and Business Model sections of the report.

Results and dividends
Reported under IFRS the Group loss before taxation is (£344,615) (2014: £1,194,398 profit).

After a taxation credit of £75,211 (2015 charge: £299,804) the Group loss for the year is £269,404 (2015: £894,594 profit).

The Directors propose a final dividend of 0.47p per share (2015: 0.47p) to be paid on 5 August 2016, to shareholders on the register at the close of business on 8 July 2016. The share price will be marked ex dividend with effect from the 7 July 2016.

Dividend reinvestment plan ("DRIP")
As last year, shareholders will have the opportunity to elect to reinvest their cash dividend and purchase existing shares in the Company through a Dividend Reinvestment Plan ("DRIP").

Dividend ratification
A technical matter has arisen in respect of the final dividend paid in July 2015 (final dividend) in respect of the financial year ended on 31 January 2015 and the interim dividend paid in October 2015 (interim dividend) in respect of the financial year ending on 31 January 2016 (together the dividends).

It has been brought to the Directors' attention that the dividends were paid in technical breach of the Companies Act 2006 the effect of which is that, while the Company's Group held adequate reserves to cover the amount of the dividends, the dividends were paid at a time when the Company's relevant accounts for the purposes of the Companies Act 2006 did not show sufficient distributable reserves to cover the full amount of the dividends. Subsequent to the approval of the dividends by the Company, dividends were paid up to the parent company from the Company's subsidiaries such that the distributable reserves were then sufficient to cover both the dividends. Given that the Company would have had sufficient distributable profits to make the payment, had the upstream dividends from the subsidiaries been paid prior to the declaration of the dividends, the Directors believe that neither shareholders nor creditors would have been prejudiced. The Company nevertheless wishes to address the matter by way of a ratification resolution to be approved by shareholders at the AGM. This resolution asks shareholders to approve the appropriation of the historic profits of the Company to the dividend payments concerned and to release the current and former shareholders and directors from any claim by the Company for repayment of the dividends. The purpose of the resolution is to put the shareholders and directors into the position in which they were always intended to be.

Substantial shareholdings
At 10 March 2016, the Directors had been notified of the following interests, of 3% and over, in the Company's issued ordinary share capital:

Shareholder	Number of ordinary shares	%
Hargreave Hale	9,066,726	11.49
Crawshaw Group Plc Directors & Related Holdings	8,500,464	10.77
Unicorn Asset Management	7,276,875	9.22
Schroder Investment Management	7,090,000	8.98
Blackrock Investment Management	6,588,415	8.35
Arrowgrass Capital Partners	5,250,000	6.65
Hargreaves Lansdown Asset Management	5,157,554	6.53
Living Bridge	4,461,015	5.65
Mr John Kelly	3,571,762	4.52

Directors' Report continued

Directors and their interests
The following Directors held office during the Year ended 31 January 2016 and subsequently:

Kevin P Boyd
Noel Collett (appointed 1 March 2015)
Colin B Crawshaw (resigned 2 February 2016)
Mark Naughton-Rumbo
Alan Richardson (appointed 7 September 2015)
Richard S Rose
Lynda J Sherratt (resigned 31 December 2015)

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

	10 March 2016 number of 5p ordinary shares	31 March 2015 number of 5p ordinary shares
Kevin P Boyd	2,716,311	3,316,311
Noel Collett	—	—
Colin B Crawshaw	—	6,265,711
Mark Naughton-Rumbo	54,456	104,456
Alan Richardson	—	—
Richard S Rose	5,729,697	6,041,547
Lynda J Sherratt	119,148	1,270,000

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

	10 March 2016 number of 5p ordinary shares	31 March 2015 number of 5p ordinary shares
Kevin P Boyd	235,954	235,294
Noel Collett	—	—
Colin B Crawshaw	—	—
Mark Naughton-Rumbo	—	—
Alan Richardson	—	—
Richard S Rose	—	—
Lynda J Sherratt	—	117,647

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 31 January 2016 was 59 days (2015: 46 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.

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 and forecasts of future trading including working capital and investment requirements.

During the year the Group met its day-to-day general corporate and working capital requirements through existing cash resources. At 31 January 2016 the Group had cash on hand of £4.9m (2015: £9.1m).

Overall, the Directors believe the Group is well placed to manage its business risks success and successful execute the growth strategy. The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group should have sufficient cash resources to meet its requirements for at least the next twelve months. 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

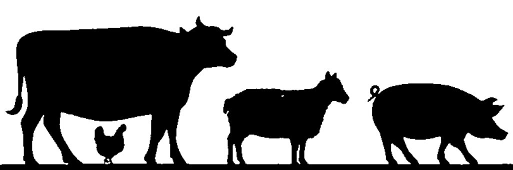
A resolution to re-appoint KPMG LLP as auditors and to authorise the Directors to determine their remuneration will be put to the members at the forthcoming Annual General Meeting.

By order of the Board

Alan Richardson
Company Secretary

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

26 April 2016
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 year to 31 January 2016

	Salaries and fees	Benefits excluding pension	Pension contributions	Compensation for loss of office	Total
K P Boyd	81,520	2,641	40,000	—	124,161
N Collett (appointed 1 March 2015)	298,833	6,406	—	—	305,239
C B Crawshaw (resigned 2 February 2016)	103,713	—	—	—	103,713
M Naughton-Rumbo	20,004	—	—	—	20,004
A Richardson (appointed 7 September 2015)	55,271	—	—	—	55,271
R S Rose	60,000	4,088	—	—	64,088
L J Sherratt (resigned 31 December 2015)	101,667	—	—	30,000	131,667

Emoluments of the Directors

For the year to 31 January 2015

	Salaries and fees	Benefits excluding pension	Pension contributions	Compensation for loss of office	Total
K P Boyd	80,687	6,396	40,833	—	127,916
C B Crawshaw	126,840	211	—	—	127,051
M Naughton-Rumbo	20,004	—	—	—	20,004
R S Rose	50,000	4,332	—	—	54,332
L J Sherratt	95,000	382	15,000	—	110,382

Pensions

Defined contribution pension payments are made to individual pension plans to provide benefits for certain Executive Directors. The Non-Executive Directors' emoluments are not pensionable.

Directors' service contracts

N Collett and K Boyd's service contracts are terminable on twelve months' notice.

A Richardson's service contract is terminable on six months' notice. R Rose and M Naughton-Rumbo appointments as Non-Executive Directors are terminable on six months' notice.

Directors' share options

Details of the individual share options held by the Directors as at 31 January 2016, which are summarised in the Directors' Report on page 11, are as follows:

Director	Exercise period	Option price	Outstanding at 31 January 2015	Exercised during the year	Outstanding at 31 January 2016
K Boyd	From 14/4/08 to 13/4/18	42.5p	235,294	—	235,294
L J Sherratt	From 14/4/08 to 13/4/18	42.5p	117,647	(117,647)	—

The aggregate amount of gains made by Directors on the exercise of share options was £48,823.

The market price of the Company's 5p shares at 31 January 2015 was 39.000p and at 31 January 2016 the market price of the Company's 5p shares was 79.000p, a twofold increase.

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 is as follows:

- Noel Collett, 5.00%
- Kevin Boyd, 0.56%
- 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.

This report was approved by the Board on 26 April 2016 and signed on its behalf by

Mark Naughton-Rumbo
Chairman of the Remuneration Committee

Statement of Directors' Responsibilities in respect of the Annual Report

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

Company law requires the Directors to prepare 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 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 and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

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 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.

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

We have audited the financial statements of Crawshaw Group Plc for the 52 weeks ended 31 January 2016 set out on pages 18 to 39. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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.

Respective responsibilities of Directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 16, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 January 2016 and of the Group's loss for the period then ended;
- the Group financial statements have been properly prepared in accordance with 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;
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Frances Whittle (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

26 April 2016

Consolidated Statement of Comprehensive Income

For the 52 weeks ended 31 January 2016

	Note	Year ended 31 January 2016 £	Year ended 31 January 2015 £
Revenue		**37,060,203**	24,619,589
Cost of sales		**(20,356,001)**	(13,698,483)
Gross profit		**16,704,202**	10,921,106
Other operating income	2	**29,143**	18,678
Administrative expenses		**(17,114,642)**	(9,802,982)
Operating (loss)/profit		**(381,297)**	1,136,802
Finance income	6	**19,576**	48,365
Finance expenses	6	**(1,914)**	(6,233)
Net finance expense		**17,662**	42,132
Share of profit of equity accounted investees (net of tax)		**19,020**	15,464
(Loss)/profit before income tax		**(344,615)**	1,194,398
Income tax credit/(expense)	7	**75,211**	(299,804)
Total recognised (loss)/income for the period		**(269,404)**	894,594
Attributable to:			
Equity holders of the Company		**(269,404)**	894,594
Operating (loss)/profit analysed as:			
EBITDA*		**1,013,727**	1,573,174
Exceptional Costs	25	**(105,367)**	—
Share Based Payment Charge		**(359,592)**	—
Depreciation and Amortisation		**(930,065)**	(436,372)
Operating (loss)/profit		**(381,297)**	1,136,802
Basic (loss)/earnings per ordinary share		**(0.342)p**	1.301p
Diluted (loss)/earnings per ordinary share		**(0.342)p**	1.301p

* EBITDA is defined by the Group as the profit/(loss) before tax, exceptional items, depreciation, amortisation, and share based payment charges.

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 31 January 2016

	Note	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Assets					
Non current assets					
Property, plant and equipment	9	7,183,993	5,363,236	—	—
Intangible assets – goodwill and related acquisition intangibles	10	11,028,130	7,629,305	—	—
Investment in equity accounted investees	11	125,444	106,424	—	—
Investments in subsidiaries	12	—	—	16,571,501	11,946,500
Total non current assets		18,337,567	13,098,965	16,571,501	11,946,500
Current assets					
Inventories	14	1,013,452	640,400	—	—
Trade and other receivables	15	726,156	483,400	2,784,389	6,666,106
Cash and cash equivalents		4,879,914	9,090,286	7,945	7,945
Total current assets		6,619,522	10,214,086	2,792,334	6,674,051
Total assets		24,957,089	23,313,051	19,363,835	18,620,551
Shareholders' equity					
Share capital		3,946,822	3,940,940	3,946,822	3,940,940
Share premium		13,941,141	13,897,023	13,941,141	13,897,023
Reverse acquisition reserve		446,563	446,563	—	—
Merger reserve		—	—	508,146	508,146
Retained earnings		1,327,422	1,686,501	863,318	268,297
Total shareholders' equity		19,661,948	19,971,027	19,259,427	18,614,406
Liabilities					
Non current liabilities					
Other payables	16	279,088	272,265	—	—
Interest bearing loans and borrowings	18	34,999	—	—	—
Deferred tax liabilities	13	617,775	531,980	—	—
Total non current liabilities		931,862	804,245	—	—
Current liabilities					
Trade and other payables	16	4,325,569	2,537,779	104,408	6,145
Interest bearing loans and borrowings	18	37,710	—	—	—
Total current liabilities		4,363,279	2,537,779	104,408	6,145
Total liabilities		5,295,141	3,342,024	104,408	6,145
Total equity and liabilities		24,957,089	23,313,051	19,363,835	18,620,551

These financial statements were approved by the Board of Directors on 26 April 2016 and were signed on its behalf by:

Alan Richardson
Director and Company Secretary

Company registered number: 04755803

Consolidated Statements of Changes in Shareholders' Equity

	Share capital £	Share premium £	Reverse acquisition reserve £	Retained earnings £	Total equity £
Group					
Balance at 1 February 2014	2,890,940	6,317,618	446,563	1,119,348	10,774,469
Profit for the period	—	—	—	894,593	894,593
Dividend on Equity shares	—	—	—	(327,440)	(327,440)
Share Placing 20,999,994 shares	1,050,000	7,579,405	—	—	8,629,405
Balance at 31 January 2015	3,940,940	13,897,023	446,563	1,686,501	19,971,027
Loss for the period	—	—	—	(269,404)	(269,404)
Share based payment charge	—	—	—	359,592	359,592
Dividend on Equity shares	—	—	—	(449,267)	(449,267)
Share Options 117,647 shares	5,882	44,118	—	—	50,000
Balance at 31 January 2016	**3,946,822**	**13,941,141**	**446,563**	**1,327,422**	**19,661,948**

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 £	Share premium £	Reverse acquisition reserve £	Retained earnings £	Total equity £
Company					
Balance at 1 February 2014	2,890,940	6,6317,618	508,146	394,155	10,110,859
Profit for the period	—	—	—	201,582	201,582
Dividend on Equity shares	—	—	—	(327,440)	(327,440)
Share Placing 20,999,994 shares	1,050,000	7,579,405	—	—	8,629,405
Balance at 1 February 2015	3,940,940	13,897,023	508,146	268,297	18,614,406
Profit for the period	—	—	—	697,288	697,288
Share based payment charge	—	—	—	347,000	347,000
Dividend on Equity shares	—	—	—	(449,267)	(449,267)
Share Options 117,647 shares	5,882	44,118	—	—	50,000
Balance at 31 January 2016	**3,946,822**	**13,941,141**	**508,146**	**863,318**	**19,259,427**

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 period ended 31 January 2016

	Group Year ended 31 January 2016 £	Group Year ended 31 January 2015 £	Company Year ended 31 January 2016 £	Company Year ended 31 January 2015 £
Cash flows from operating activities				
(Loss)/profit for the period	(269,404)	894,594	697,288	201,582
Adjustments for:				
Depreciation and amortisation	924,786	432,116	—	—
Loss on sale of property, plant and equipment	5,279	4,256	—	—
Net financial charges	(17,662)	(42,131)	—	—
Share based payment charges	359,592	—	—	—
Share of profit of equity accounted investees (net of tax)	(19,020)	(15,464)	—	—
Taxation	(75,211)	299,804	—	(78,213)
Dividend received	—	—	(949,267)	(327,440)
Operating cash flow before movements in working capital	908,360	1,573,175	(251,979)	(204,071)
Movement in trade and other receivables	260,126	(129,965)	(2,260,101)	(24,180)
Movement in trade and other payables	1,132,597	260,765	6,161,868	(5,784)
Movement in inventories	(109,668)	66,480	—	—
Tax (paid)/received	(326,317)	(218,263)	78,213	71,521
Net cash generated/(used in) from operating activities	1,865,098	1,552,192	3,728,001	(162,514)
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,265,355)	(1,559,393)	—	—
Proceeds from sale of property, plant & equipment	5,542	12,545	—	—
Received from equity accounted investees	—	—	—	—
Purchase of subsidiary	(4,318,140)	(237,371)	(4,278,001)	(246,500)
Cash acquired on purchase of subsidiaries	811,379	—	—	—
Interest received	19,576	48,365	—	—
Interest paid	(1,914)	(6,233)	—	—
Dividend received	—	—	949,267	327,440
Dividend paid	(449,267)	(327,440)	(449,267)	(327,440)
Net cash (used in) investing activities	(6,198,179)	(2,069,527)	(3,778,001)	(246,500)
Cash flows from financing activities				
Repayment of loans	—	(450,000)	—	—
Share placing	—	8,629,405	—	8,629,407
HP financing	72,709	—	—	—
Share capital raised	50,000	—	50,000	—
Movements in amounts owed by group companies	—	—	—	(8,216,893)
Net cash generated from financing activities	122,709	8,179,405	50,000	412,512
Net change in cash and cash equivalents	(4,210,372)	7,662,070	—	3,500
Cash and cash equivalents at start of period	9,090,286	1,428,216	7,945	4,445
Cash and cash equivalents at end of period	4,879,914	9,090,286	7,945	7,945

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 31 January 2016. The prior year was a 53 week period.

New IFRS and amendments to IAS and interpretations

The following amendments to standards are mandatory for the first time for the 52 week ended 31 January 2016, but do not have a material impact on the Group:

- IFRIC 21, "Levies";
- Improvements 2011-13;
- Improvements 2010-12; and
- Amendment to IAS 19: Defined benefit plans: Employee contributions.

There are a number of standards and interpretations issued by the IASB that are effective for financial statements after this reporting period, including IFRS 9 "Financial instruments" effective for annual periods beginning on or after 1 January 2017 and IFRS 16 "Leases" effective for annual periods beginning on or after 1 January 2019.

The Group is in the process of assessing the impact that the application of these standards and interpretations will have on the Group's 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.

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% 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.

1. Accounting policies continued
Basis of consolidation continued
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 page 08. 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 generated from operations and borrowings. Current cash on hand totals £4.9m.

The Group's forecasts and cash projections, taking account of reasonably possible changes in trading performance as a result of the uncertain economic conditions, show that the Group should be able to operate within its cash reserves.

Additional focus has been placed on cash flow management to ensure sufficient funding is in place to deliver our growth strategy. The Board has reviewed cash flow projections under a number of scenarios relating to the pace of store rollout and potential performance outcomes of those stores and have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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.

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	2%
• Leasehold buildings	in accordance with the lease term
• Leasehold improvements	in accordance with the lease term
• Plant, equipment and vehicles	3-15 years straight line basis

Notes to the Financial Statements continued

(forming part of the Financial Statements)

1. Accounting policies continued

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.

Trade and other receivables

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

1. Accounting policies continued

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. Where the Group sells to distributors, revenue from the sale of goods is recognised where there are no further obligations on the Group and when the associated economic benefits are due to the Group and the turnover can be reliably measured.

The Group does not receive any form of rebate from suppliers.

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.

Notes to the Financial Statements continued

(forming part of the Financial Statements)

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 consider each location to be a separate 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.

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

- Share based payments (note 17)
- Deferred tax (note 13)
- Intangible assets in business combinations (note 10 and note 24)

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.

2. Other operating income

	2016 **£**	2015 £
RGV management charge	**12,000**	12,000
Other	**17,143**	6,678
Total	**29,143**	18,678

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.

3. Expenses and auditor's remuneration

Included in operating profit are the following:

	2016 £	2015 £
Depreciation of property, plant and equipment (owned) (note 9)	788,906	397,436
Amortisation of intangible assets (note 10)	135,880	34,680
Loss on sale of property, plant and equipment	5,279	4,256

Auditor's remuneration:

	2016 £	2015 £
Audit of these financial statements	16,000	15,300
Amounts receivable by the auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	44,000	20,500
Other services relating to taxation	56,000	7,100
Vat related and other Advisory services	7,000	26,150
Total auditors' remuneration	123,000	69,050

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	
	2016	2015
Management	5	5
Other	447	291
	452	296

The aggregate payroll costs of these persons were as follows:

	2016 £	2015 £
Wages and salaries	8,832,759	5,038,156
Social security costs	489,010	417,870
Other pension costs	56,044	56,044
	9,377,813	5,512,070

5. Key management compensation

	2016 £	2015 £
Wages and salaries	721,008	362,531
Company contributions to money purchase pension plans	40,000	56,044

The Group considers key management personnel as defined in IAS24 "Related Party Disclosures" to be the Directors of the Group. Detailed disclosures of individual remuneration, pension entitlements and share options, for those Directors who served during the year, are given in the Report of the Remuneration Committee on pages 14 and 15. The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid Director was £305,239 (2015: £127,916). No company pension contributions were made on his behalf. The highest paid Director changed in the year. The highest paid Director in 2015 received pension contributions of £40,833.

	Number of Directors	
	2016	2015
Retirement benefits are accruing to the following number of Directors under:		
Money purchase schemes	1	2

Notes to the Financial Statements continued

(forming part of the Financial Statements)

6. Finance and income expense

	2016 £	2015 £
Bank interest received	19,576	48,365
Finance income	19,576	48,365
Bank interest paid	1,914	6,233
Finance expenses	1,914	6,233

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:

	2016 £	2015 £
Current tax	16,571	206,772
Adjustments for prior year	(141,711)	(40,093)
	(125,140)	166,679
Deferred tax:		
Origination and reversal of timing differences	(14,122)	84,710
Adjustments for prior year	64,051	48,415
Effect of rate change	—	—
	49,929	133,125
Income tax (credit)/expense	(75,211)	299,804

Reconciliation of effective tax rate

	2016 £	2015 £
(Loss)/profit for the period	(269,404)	894,594
Total tax expense	(75,211)	299,804
Profit/(loss) excluding taxation	(344,615)	1,194,398
Tax using UK corporation tax rate of 23.167%	(69,499)	254,801
Non-deductible expenses	70,248	42,326
Adjustment in respect of prior years	(77,660)	8,323
Tax not at standard rate	1,700	(5,646)
Total tax (credit)/expense	(75,211)	299,804

Adjustments for the prior year include a tax rebate of £148,000 due to an increased capital allowance claim following a review of the classification of our capital spend. The principles agreed at this review will apply to our future capital investments.

The movement in deferred tax in the period includes the impact of deferred tax attributable to share based payments (note 17).

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 in November 2015. A further rate reduction to 17% (to be effective from 1 April 2020) was announced in the March 2016 Budget and is expected to be substantively enacted later this year.

This will reduce the company's future current tax charge accordingly and reduce the deferred tax asset at 31 January 2016 which has been calculated based on the rate of 18% 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 78,845,870 (31 January 2015: 68,556,045).

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

Earnings	2016 £	2015 £
(Loss)/earnings attributable to shareholders	(269,404)	894,594

Number of shares	2016 No.	2015 No.
Basic weighted average number of shares	78,845,870	68,556,045
Dilutive potential ordinary shares	—	—
Total	78,845,870	68,556,045

Earnings per share	2016	2015
Basic	(0.342)	1.301

In both years the share options were anti-dilutive due to:

- For 2016 the Group reported a loss for the year.
- For 2015 the options were out of the money.

9. Property, plant and equipment

	Assets under construction £	Land and buildings Freehold £	Land and buildings Leasehold improvements £	Plant, equipment and vehicles £	Total £
Cost					
Balance at 1 February 2015	79,500	815,379	4,706,185	2,087,608	7,688,672
Additions at cost	345,483	—	278,366	1,641,506	2,265,355
Additions on acquisition	—	—	78,664	620,412	699,076
Disposals	—	—	—	(23,760)	(23,760)
Transfer	(79,500)	—	—	79,500	—
Balance at 31 January 2016	**345,483**	**815,379**	**5,063,215**	**4,405,266**	**10,629,343**
Depreciation and impairment					
Balance at 1 February 2015	—	149,057	1,358,323	818,055	2,325,435
Depreciation charge for the year	—	59,440	265,799	463,667	788,906
Depreciation on acquisition	—	—	64,140	279,808	343,948
Disposals	—	—	—	(12,939)	(12,939)
Balance at 31 January 2016	**—**	**208,497**	**1,688,262**	**1,548,591**	**3,445,350**
Net book value					
At 31 January 2016	**345,483**	**606,882**	**3,374,953**	**2,856,675**	**7,183,993**
At 31 January 2015	79,500	666,322	3,347,862	1,269,553	5,363,236

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

Notes to the Financial Statements continued

(forming part of the Financial Statements)

9. Property, plant and equipment continued

Prior year

	Assets under construction £	Land and buildings: Freehold £	Land and buildings: Leasehold improvements £	Plant, equipment and vehicles £	Total £
Cost					
Balance at 1 February 2014	40,745	815,379	3,472,805	1,833,169	6,162,098
Additions at cost	79,500	—	1,192,635	287,258	1,559,393
Addition on acquisition	—	—	—	48,022	48,022
Disposals	—	—	—	(80,841)	(80,841)
Transfer	(40,745)	—	40,745	—	—
Balance at 31 January 2015	**79,500**	**815,379**	**4,706,185**	**2,087,608**	**7,688,672**
Depreciation and impairment					
Balance at 1 February 2014	—	110,508	1,149,074	732,457	1,992,039
Depreciation charge for the year	—	38,549	209,249	149,638	397,436
Disposals	—	—	—	(64,040)	(64,040)
Balance at 31 January 2015	**—**	**149,057**	**1,358,323**	**818,055**	**2,325,435**
Net book value					
At 31 January 2015	**79,500**	**666,322**	**3,347,862**	**1,269,553**	**5,363,237**
At 31 January 2014	40,475	704,871	2,323,731	1,100,712	4,170,059

10. Intangible assets

	Other intangibles £	Goodwill £	Brand £	Total £
Group				
Cost or deemed cost				
At 1 February 2015	214,247	7,205,958	693,558	8,113,763
Assets Acquired Gabbotts Farm Limited (see note 25)	151,000	3,383,705	—	3,534,705
Balance at 31 January 2016	**365,247**	**10,589,663**	**693,558**	**11,648,468**
Amortisation and impairment				
At 1 February 2015	214,247	—	270,211	484,458
Amortisation charge for the year	101,200	—	34,680	135,880
Balance at 31 January 2016	**315,447**	**—**	**304,891**	**620,338**
Net book value				
At 31 January 2016	**49,800**	**10,589,663**	**388,667**	**11,028,130**
At 31 January 2015	—	7,205,958	423,347	7,629,305

10. Intangible assets continued
Prior year

	Other intangibles £	Goodwill £	Brand £	Total £
Group				
Cost or deemed cost				
At 31 January 2014	214,247	7,028,657	693,558	7,936,462
Additions from Acquisitions	—	177,301	—	177,301
Amortisation and impairment				
At 1 February 2014	214,247	—	235,531	449,778
Amortisation charge for the year	—	—	34,680	34,680
Balance at 31 January 2015	**214,247**	—	**270,211**	**484,458**
Net book value				
At 31 January 2015	—	**7,205,958**	**423,347**	**7,629,305**
At 31 January 2014	—	7,028,657	458,027	7,486,684

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 eleven years and two months.

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

	2016 £	2015 £
Administrative expenses	135,880	34,680

Impairment testing
Goodwill arose on the Group's original acquisition of Crawshaw Butchers Limited and on the subsequent acquisitions of East Yorkshire Beef Limited in June 2014 and Gabbotts Farm Limited in April 2015. The carrying value of goodwill is allocated against the stores which were trading in each business at the time of acquisition.

Each store is treated as a separate cash generating unit with the stores trading in each business at the time of acquisition defined as the "relevant group of CGUs" for the purposes of impairment testing.

The goodwill supported by the expected future cash flows of each relevant group of CGUs as at 31 January 2016 is as follows:

	2016 £	2015 £
Crawshaw Butchers Limited (at acquisition)	7,028,657	7,028,657
East Yorkshire Beef Limited	177,301	177,301
Gabbotts Farm Limited	3,383,705	—

The recoverable amount of Crawshaw Butchers Ltd, East Yorkshire Beef Limited and Gabbotts Farm Limited acquisition has been calculated with reference to their value in use. The Group prepares cash flow forecasts derived from the most recent financial budgets and projections approved by management for the next five years and assuming an estimated long term annual growth rate of 2.0% for the subsequent 25 years (2015: 2.0%).

The financial budgets and projections are based on past experience and actual operating results. The growth rates for the five year period are based on current performance of the existing store and product mix. The Directors believe that the long-term growth rate does not exceed the average long-term growth rate for the UK economy, the principal geographic area in which Crawshaws operates.

The Directors estimate the discount rates using the post-tax rates that reflect the current market assessments of the time value of money and the risks specific to the cash-generating unit. In the current year the Directors estimate the applicable pre-tax rate to be 13.3% (2015: 15.0%).

The Directors modelled a range of different scenarios by applying sensitivities to both the cash flow assumptions and the discount rate. Based on the sensitivity analysis there is significant headroom between the value in use calculation and the carrying value of the CGU.

Notes to the Financial Statements continued

(forming part of the Financial Statements)

11. Investments in equity accounted investees

	Group 2016 £	Group 2015 £
Non-current		
Investment in equity accounted investees	**125,444**	106,424

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 2015. The Group does not exert control over the entity.

The carrying value of investments in equity accounted investees includes £19,020 (2015: £26,424) of outstanding dividend declared by RGV Refrigeration.

12. Other investments

	Company 2016 £	Company 2015 £
Non-current		
Investment in Crawshaw Butchers Ltd	**12,047,000**	11,700,000
Investment in East Yorkshire Beef Ltd	**246,500**	246,500
Investment in Gabbotts Farm Ltd	**4,278,001**	—
Total	**16,571,501**	11,946,500

13. Deferred tax liabilities

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Group liabilities 2016 £	Group liabilities 2015 £
Plant and equipment	**549,564**	450,777
Intangible assets – brand	**68,211**	82,726
Temporary differences	**—**	(1,523)
	617,775	531,980

Movement in deferred tax during the year

	31 January 2015 £	Acquired in the period £	Recognised in income current year £	31 January 2016 £
Plant and equipment	450,777	36,066	62,721	**549,564**
Deferred tax relating to intangible assets – brand	82,726	—	(14,515)	**68,211**
Temporary differences	(1,523)	—	1,523	**—**
	531,980	36,066	49,729	**617,775**

14. Inventories

	Group 2016 £	Group 2015 £
Finished goods	1,013,452	640,400

Finished goods recognised as cost of sales in the year amounted to £20,356,001 (2015: £13,698,483).

15. Trade and other receivables

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade receivables	54,232	167,517	—	—
Other tax and social security	74,454	452	—	—
Prepayments and accrued income	463,030	315,431	—	25,289
Amounts owed from group undertakings	—	—	2,733,367	6,562,604
Corporation tax recoverable	134,440	—	51,022	78,213
	726,156	483,400	2,784,389	6,666,106

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

Aged analysis of trade receivables

	31 January 2016			31 January 2015		
	Gross receivables £	Provision for doubtful debt £	Net trade receivables £	Gross receivables £	Provision for doubtful debt £	Net trade receivables £
Not past due	30,102	—	30,102	137,282	—	137,282
Up to one month past due	33,152	(9,022)	24,130	24,628	(2,199)	22,429
Over one month past due	3,141	(3,141)	—	17,770	(9,964)	7,806
	66,395	(12,163)	54,232	179,680	(12,163)	167,517

Provision for doubtful debt	£
Provision at 31 January 2015	(12,163)
Created during the year	9,022
Utilised during the year	—
Released during the year	(9,022)
Provision at 31 January 2016	**(12,163)**

Notes to the Financial Statements continued

(forming part of the Financial Statements)

16. Trade and other payables

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Current:				
Trade payables	3,019,126	1,735,848	—	—
Other creditors and accruals	1,306,443	588,906	104,408	6,145
Corporation tax	—	213,025	—	—
	4,325,569	2,537,779	104,408	6,145
Non-current:				
Accruals	279,088	272,265	—	—
	279,088	272,265	—	—

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:

	2016 £	2015 £
Defined contribution scheme	1,595	1,595

Share based payments

Share options

Share options were granted post reverse acquisition on 14 April 2008 to key employees of the enlarged group, Crawshaw Group Plc. Additional shares were granted in July 2015 and January 2016 to new members of the management team. 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 2015	Granted in period	Exercised in period	Lapsed in period	Number of options at 31 Jan 2016	Exercise period
14 April 2008	42.5p	823,528	—	(117,647)	—	705,881	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 £12,592 (2015: £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	Uniform from two to ten years or when performance condition met if later

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 for the period between 24 April and 31 January 2016, is £347,000.

The total share based payment charge recognized in the Statement of Comprehensive Income is £359,592 being £12,592 for the share option schemes in operation and £347,000 for the Long Term Incentive Plan.

18. Loans and borrowings – Group

	2016 **£**	2015 £
Hire purchase	**72,709**	—

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

	2016		2015	
	1 year or less £	1 year or more £	1 year or less £	1 year or more £
Non-derivative financial liabilities				
Secured bank loans	—	—	—	—
Finance lease liabilities	37,710	34,999	—	—
Unsecured bank facility	—	—	—	—
Shares classified as debt	—	—	—	—
Bank overdrafts	—	—	—	—
Trade and other payables	4,325,569	279,088	2,537,779	272,265
Total	4,363,279	314,087	2,537,779	272,265

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	1.0%	4,879,914	—	—	—
Overdraft	—	—	—	—	—

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 31 January 2016 and 31 January 2015.

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 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Less than one year	1,312,234	802,330	—	—
Between one and five years	4,498,363	284,098	—	—
More than five years	3,186,420	2,348,439	—	—
Total	8,997,017	3,434,867	—	—

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 £1,342,318 (2015: £943,156) 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. Detailed disclosure of the individual remuneration of Board members is included in the Report of the Remuneration Committee on pages 14 and 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.

During the year these charges amounted to:

	2016 £	2015 £
Management charges	—	200,000

The amount outstanding from subsidiary undertakings to the Company at 31 January 2016 totalled £nil (2015: £nil). Amounts owed to subsidiary undertakings by the Company at 31 January 2016 totalled £nil (2015: £1,654,289).

The Company has suffered no expense in respect of bad or doubtful debts of subsidiary undertakings in the year (2015: £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:

	2016 £	2015 £
Amounts received in respect of management charges	12,000	12,000
Amounts paid in respect of repair and maintenance services	98,056	202,129

The amount outstanding from jointly controlled entities to the Group at 31 January 2016 totalled £19,020 (2015: £26,424). Amounts owed joint ventures by the Group at 31 January 2016 totalled £27,959 (2015: £20,013).

The Group has suffered no expense in respect of bad or doubtful debts of jointly controlled entities in the year (2015: £nil).

Transaction with other related parties

The Group leases a property owned by The Colin Crawshaw Pension Scheme for factory facilities and paid rental fee of £13,500 in 2016 (2015: £13,500). Amounts owed to The Colin Crawshaw Pension Scheme by the Group at 31 January 2016 totalled £nil (2015: £nil).

Notes to the Financial Statements continued

(forming part of the Financial Statements)

24. Acquisition

On the 11 April 2015 the Company acquired the entire share capital of Gabbotts Farm Ltd for a total consideration of £4.3m in cash.

The acquisition has been accounted for under the acquisition method of accounting. The provisional fair value of net assets acquired is £934,435 Goodwill of £3,383,705 has therefore arisen.

	Book value £	Fair value adjustments £	Fair value £
Net assets acquired			
Tangible fixed assets	355,128	—	355,128
Intangible assets	—	151,000	151,000
Current assets			
Stock	263,384	—	263,384
Debtors	352,308	—	352,308
Cash at bank and in hand	881,379	—	881,379
Total assets	**1,852,199**	**151,000**	**2,003,199**
Creditors	(997,998)	—	(997,998)
Deferred tax liability	(36,066)	(34,700)	(70,766)
Net assets	**818,135**	**116,300**	**934,435**
Cash consideration			**4,318,140**
Goodwill arising on acquisition			**3,383,705**

Fair value adjustments were made in respect of acquired intangible assets and the associated deferred tax impact following valuation by City Valuation Advisory Ltd.

The intangible fixed assets acquired relate to the Gabbotts Farm brand and a two year non-compete clause entered into with the previous owners of Gabbotts Farm Limited. The intangible asset relating to the Gabbotts farm brand has been fully amortised in the year following a phased rebranding of the stores to the Crawshaws fascia. The non-complete element of the intangible asset acquired is being amortised over the two year term of the agreement.

The goodwill arising on acquisition arises through the expected buying synergies of the business combination, the complementary geographic coverage it affords and the fixed infrastructure that enables our further expansion into the North West of England.

The acquired business generated a revenue of £10m and profit before tax of £0.7m in the post-acquisition period. For the year ended 31 January 2016 the acquired business generated revenue of £12m and profit before tax of £0.8m.

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

Exceptional costs incurred:

	2016 £	2015 £
Legal and professional fees in relation to Gabbotts Farm acquisition	105,367	—

26. Subsidiary undertakings
At 31 January 2016 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 Limited – United Kingdom – Non-trading subsidiary

MeatMart Limited – United Kingdom – Non-trading subsidiary

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

27. 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 29 June 2016 at 12.00 noon at which resolutions 1 to 6 will be proposed as ordinary resolutions and resolutions 7 to 9 will be proposed as special resolutions:

ORDINARY BUSINESS

1. To receive and, if approved, adopt the financial statements of the Company for the year ended 31 January 2016 and the reports of the Directors and auditors thereon.
2. To declare a final dividend of 0.47p per ordinary share payable on 5 August 2016 to shareholders on the register at close of business on 8 July 2016.
3. 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.
4. To elect Alan Richardson as a Director of the Company, who was appointed by the Board since the last AGM.
5. 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.
6. THAT in substitution for all 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 £1,315,607.30 (26,312,147 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.
7. THAT subject to the passing of resolution 6 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 7 (a) above up to an aggregate nominal amount of £394,682.20 (7,893,644 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.
8. 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 5p each in its capital, provided that:
   (a) The maximum aggregate number of such shares that may be acquired under this authority is 7,893,644 representing 10% of the Company's issued share capital at 26 April 2016;
   (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 5% 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.

9. THAT:

(a) in respect of the payment of the final dividend by the Company on 31 July 2015 (the 2015 final dividend) to current and former shareholders of the Company, the appropriation of distributable profits of the Company (as shown in the audited accounts of the Company for the financial period ended 31 January 2016) to such payment is hereby ratified and confirmed;

(b) in respect of the payment of the interim dividend by the Company on 30 October 2015 (the 2015 interim dividend) to current and former shareholders of the Company, the appropriation of distributable profits of the Company (as shown in the audited accounts of the Company for the financial period ended 31 January 2016) to such payment is hereby ratified and confirmed;

(c) any and all claims which the Company may have in respect of the payment of the 2015 final dividend or the 2015 interim dividend (together **2015 dividends**) against its current and former shareholders who appeared on the register of shareholders on the record dates for the respective 2015 dividends be and they are hereby released and that a deed of release in favour of such current and former shareholders be entered into by the Company in the form of the deed produced to this meeting and signed by the Chairman for the purposes of identification and thereafter be delivered to the Secretary of the Company for retention on behalf of the said current and former shareholders (the **Shareholder Release**);

(d) any distribution involved in the giving of the Shareholder Release be made out of profits appropriated to the 2015 dividends pursuant to paragraphs (a) and (b) above by reference to the same record date as the original accounting entries for the 2015 final dividend or 2015 interim dividend (as the case may be); and

(e) any and all claims which the Company may have against its Directors (both current and former) either (i) in respect of the payment of the 2015 dividends or (ii) in respect of any breach of duty owed by such Directors to the Company arising out of the payment of the 2015 dividends be and they are hereby released and that a deed of release in favour of the Company's current and former Directors be entered into by the Company in the form of the deed produced to this meeting and signed by the Chairman for the purposes of identification and thereafter be delivered to the Secretary of the Company for retention on behalf of the said current and former Directors.

By Order of the Board

Alan Richardson
Chief Financial Officer and Company Secretary
26 April 2016

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, Capita Asset Services, PXS, 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 6.00pm on 27 June 2016 or, in the event that this meeting is adjourned, in the register of members as at 6.00pm 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 28 June 2016 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 78,936,442 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 78,936,442.

Form of Proxy

For the Crawshaw Group Plc Annual General Meeting Wednesday 29 June 2016 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 29 June 2016 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.

ORDINARY BUSINESS	FOR	AGAINST	VOTE WITHHELD
1. Ordinary resolution to receive and adopt the accounts for the year ended 31 January 2016			
2. Ordinary resolution to declare a final dividend of 0.47p per ordinary share			
3. Ordinary resolution to re-elect Mark Naughton-Rumbo as a Director			
4. Ordinary resolution to elect Alan Richardson as a Director			
5. Ordinary resolution to reappoint KPMG LLP as auditors and to authorise the Directors to fix their remuneration			
SPECIAL BUSINESS			
6. Ordinary resolution to authorise the Directors to allot relevant securities pursuant to section 551 of the Companies Act 2006 (the "Act")			
7. Special resolution to empower the Directors to allot equity securities as if section 561 (1) of the Act did not apply			
8. Special resolution to authorise the Directors to make market purchases of the Company's shares pursuant to section 701 of the Act			
9. Special resolution to ratify and confirm the 2015 dividends and to release any claims against current and former shareholders and directors in respect thereof			

PRINT NAME: ______________________________

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

Signature(s): ______________________________

Date: ______________________________ 2016

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 Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU by or not later than 12.00 noon on 27 June 2016.
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 Capita 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 Capital Registrars 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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Noel Collett
Kevin Boyd
Alan Richardson
Mark Naughton-Rumbo (Non-Executive)

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Alan Richardson

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